

**DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION**

P.O. Box 690, Jefferson City, Mo. 65102-0690

In re:	)	
	)	
CNA (NAIC Group #0218)	)	Exam No. 0605-28-PAC
Including:	)	
American Casualty Company of Reading, PA (NAIC #20427)	)	
Continental Casualty Company (NAIC #20443)	)	
National Fire Insurance Company of Hartford (NAIC #20478)	)	
Transcontinental Insurance Company (NAIC #20486)	)	
Transportation Insurance Company (NAIC #20494)	)	
Valley Forge Insurance Company (NAIC #20508)	)	

**CURATIVE ORDER OF THE DIRECTOR**

NOW, on this 19<sup>th</sup> day of June, 2007, Director Douglas M. Ommen, after consideration and review of the market conduct examination report of CNA (NAIC Group #0218), including the above-referenced subsidiaries (hereafter referred to as the "Companies"), report number 0605-28-PAC, prepared and submitted by the Division of Insurance Market Regulation pursuant to §374.205.3(3)(a), RSMo, does hereby adopt such report as filed. After consideration and review of such report, relevant workpapers, and any written submissions or rebuttals, the findings and conclusions of such report are deemed to be the Director's findings and conclusions accompanying this order pursuant to §374.205.3(4), RSMo.

This order, issued pursuant to §374.205.3, RSMo and §374.046.15. RSMo Cum. Supp. 2006, is in the public interest.

IT IS THEREFORE ORDERED that the Companies shall CURE the violations of law, regulations or prior orders revealed in such report and shall take remedial action to bring the Companies into compliance with the statutes and regulations of the State of Missouri and to maintain those corrective actions at all times, including, but not limited to, taking the following actions:

1. The Companies shall take steps to assure that the risks covered by its automobile policies are correctly rated, in order to be in compliance with §379.321, RSMo, and 20 CSR 500-4.100(5)(A);

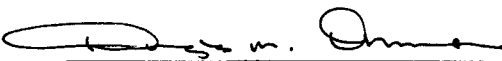
2. The Companies shall take steps to assure that the question regarding prior cancellations, non-renewals, and declinations is never asked or answered on its Missouri insurance applications, such that it does not violate §376.936(11)(f), RSMo, and DIFP Bulletin 94-04; and

3. The Companies shall take steps to assure that the sales tax credit affidavit used by the Companies are properly maintained and furnished to the claimants, along with the correct settlement amount, as required by §144.027, RSMo, 20 CSR 300-2.200, and DIFP Bulletin 90-04.

It is further ORDERED that a Missouri market conduct examination of the Company is not necessary until three years from the date of this Order, unless the Director has cause to believe the Company has failed to comply with the terms of this Order or has otherwise violated Missouri laws or regulations.

So Adopted, Found, Concluded and Ordered.

June 19, 2007  
Date

  
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Douglas M. Ommen  
Director