

**BEFORE THE INSURANCE COMMISSIONER
FOR THE STATE OF ARKANSAS**

**IN THE MATTER OF
MENNONITE MOTORIST AID**

A.I.D. NO. 2009- 057

CEASE AND DESIST ORDER

Now on this day the matter of Mennonite Motorist Aid (“Company”), is taken under consideration by Jay Bradford, Insurance Commissioner for the State of Arkansas (“Commissioner”), as presented by Amanda Rose, Associate Counsel, Legal Division of the Arkansas Insurance Department (“Department”) and by the Finance Division of the Department. From the facts, matters and other things before the Commissioner, he finds and concludes as follows:

1. That the Commissioner has jurisdiction over the parties and the subject matter involved herein pursuant to Ark. Code Ann. § 23-65-101(b).
2. On or about May 27, 2009, the Department was made aware of the Company, which offers automobile insurance to the member churches. As of the date of this order, the Department is aware of four (4) churches in the State of Arkansas that are listed on Company documents as 2008 member churches. Those churches are located in Berryville, Harrison, Mountain View, and Strawberry.
3. The Company’s Constitution and By-laws state that it was established “to meet the needs of our brethren in the event of automobile accidents.” Fees paid by church members are pooled “as a source of funds for the payment of claims in the event of accidents.” Available coverages are also listed in the Company’s Constitution and By-laws, a copy of which is attached hereto as Exhibit A and incorporated herein.

4. The Company offers collision, liability, comprehensive, and personal injury coverage with church membership being a condition of coverage.

5. A subsisting certificate of authority issued by the Commissioner is required for a person to act as an insurer in the State of Arkansas under Ark. Code Ann. § 23-63-201(a).

6. That the Company has neither applied for, nor obtained, a certificate of authority authorizing it to conduct the business of insurance in the State of Arkansas.

7. That the Company has engaged in the unauthorized business of insurance by soliciting, marketing, selling, administering, executing and issuing automobile insurance plans in violation of Ark. Code Ann. § 23-63-201(a).

8. Pursuant to Ark. Code Ann. § 23-65-101(b), the Commissioner may summarily order the Company to cease and desist from an act or practice when the Commissioner has reason to believe the Company has failed to comply with any provision of the Arkansas Insurance Code.

IT IS THEREFORE ORDERED AND ADJUDGED AS FOLLOWS:

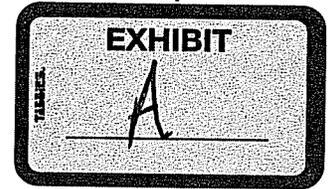
1. Pursuant to Ark. Code Ann. § 23-65-101(b), the Commissioner hereby orders the Company to immediately cease and desist any and all activities involving the business of insurance in the State of Arkansas for the reasons stated above.

2. The Company shall request a hearing on this Order, in writing, within thirty (30) days of its entry if the Company desires a hearing pursuant to Ark. Code Ann. § 23-65-101(b)(2)(A).

IT IS SO ORDERED THIS 10th DAY OF JUNE, 2009.



JAY BRADFORD
INSURANCE COMMISSIONER
STATE OF ARKANSAS



MENNONITE MOTORIST AID

Constitution and By-laws

Mennonite Motorist Aid, hereafter referred to as **MMA**, has been established due to the conviction for a Biblical way to meet the needs of our brethren in the event of automobile accidents. **MMA** is not a commercial insurance company nor will it operate as such. It is better described as a brotherhood aid sharing plan. Its intent and purpose is to enable the church to share in the needs and obligations of its members. May this plan be a means of keeping alive the Biblical teaching of meeting our own obligations and providing an opportunity and privilege to share financial burdens with those of "like precious faith" (2 Peter 1:1; Galatians 6:10).

The Word of God is the basis and foundation of **MMA**. Its mode of operation shall be governed by this scriptural guideline: "**BEAR YE ONE ANOTHER'S BURDENS AND SO FULFILL THE LAW OF CHRIST**" (Gal. 6:2).

The following "by-laws" and guidelines shall govern and direct the function of **MMA**.

1. The number of churches permitted to become members of **MMA** shall be at the discretion of the **MMA** representatives. Re-grouping into smaller, independent organizations will be considered based on the geographical location of the **MMA** member churches at such a time that the **MMA** representatives determine suitable.
2. Membership in **MMA** is open to interested churches at the discretion and approval of the **MMA** board upon the applicant church's acceptance of **MMA**'s rules, policies, and guidelines. As part of the membership review process, whenever practical, a presentation explaining the function and operation of the **MMA** program shall be given at the applicant church by a member of the **MMA** board.
3. As a means of keeping **MMA** membership to those of conservative minded churches, those that permit the use of the radio shall not be accepted as members of **MMA**.
4. The **MMA** aid program is available to all members of the participating churches on a voluntary basis. All members driving under **MMA** coverage are expected to be conscientious and to exercise carefulness in their observation of traffic laws and regulations while driving on the highway. The following shall be cause for the local representative to terminate a member's participation in **MMA**:
 1. Loss of church membership.
 2. Deliberate and habitual violation of traffic laws.
5. **MMA** provides collision, liability, comprehensive, and personal injury coverage. These are defined as follows:
 - a. Collision: Property damage to an **MMA** member's vehicle as well as personal injury involving occupants of the **MMA** member's vehicle.
 - b. Liability: Property damage and personal injury involving another vehicle and its occupants caused by an **MMA** covered driver.
 - c. Comprehensive: Covers the void that does not apply to collision and liability coverage. Examples would include fire, windstorm, hail, vandalism, theft, etc.

- d. **Personal Injury:** Any physical injury as a result of a vehicle accident, including funeral expenses in the event a fatality involves an MMA covered driver.
6. For the purpose of establishing coverage levels and values as well as for assessment purposes, the members of MMA shall purchase *units* of coverage based on the value of the vehicle. Units shall be purchased based on the following coverage levels:
- 1.0 Unit = Liability only
 - 2.0 Units = Liability plus comprehensive / collision up to \$ 5,000.00
 - 2.5 Units = Liability plus comprehensive / collision up to \$11,000.00
 - 3.0 Units = Liability plus comprehensive / collision up to \$18,000.00
 - 3.5 Units = Liability plus comprehensive / collision up to \$26,000.00
 - 4.0 Units = Liability plus comprehensive / collision up to \$35,000.00
 - 4.5 Units or more = Liability + comprehensive / collision beyond \$35,000.00
7. The owner of each vehicle shall indicate the level of collision coverage desired, subject to the guidelines as stated in by-law 9. Members also have the option of purchasing only liability coverage.
8. A \$150.00 fee shall be assessed for each unit entered in the program. The local congregation shall establish and maintain an account for the deposit of entry fees and assessments, and as a source of funds for the payment of claims in the event of accidents. If the needs are greater than can be met by the local MMA congregation, other MMA congregations will share in meeting those needs.
9. In settling collision damage claims, settlement amounts will not go beyond:
- a. the actual value of the vehicle. (For example, 2 units of coverage equals a maximum of \$5,000 of collision coverage. If the vehicle value has depreciated to \$3,500, the settlement would not go beyond the actual value of the vehicle.)
 - b. the amount that applies to the number of units purchased. (For example, a vehicle listed at 2.5 units of coverage would have collision coverage to a maximum of \$11,000.)
10. When a vehicle is totaled and was covered for less than its actual value, the settlement for the under-covered vehicle will be equal to the collision units applied towards said vehicle, less the deductible, and the salvage value will belong to the vehicle owner. However, should an under-covered vehicle have depreciated at or below the requested coverage, the settlement would not be more than the actual value of the vehicle and the salvage value will belong to MMA.
11. When a vehicle has been purchased with a bank loan and the bank is listed as the loss payee, the collision coverage shall not be less than the outstanding loan balance.
12. There shall be a \$450.00 deductible assessed per accident. The deductible shall apply in all accident situations, whether the coverage involves full coverage or only liability coverage. When accident settlements and claim payments are made, all vehicle values shall be established according to "book" value.

13. Trailer coverage will be provided by assessing the trailer or towing vehicle under the following guidelines:
- Liability coverage for trailers will be included without additional assessment if the gross trailer weight is 2000 lbs. or less. If collision and cargo coverage is desired, the coverage scale below shall apply.
 - Trailers with a gross weight of over 2000 lbs. shall be assessed a minimum of 0.5 unit for liability coverage. If trailer collision and cargo coverage is desired, the coverage scale below shall apply.
 - Individual circumstances may be taken into consideration. If several towing vehicles are being used for one trailer, the trailer may be listed separately for coverage.

Trailer & Cargo Coverage Chart

- 0.5* Unit = Liability (trailers over 2000 lbs. gross weight) *min. liability coverage, by-law #14
1.0 Unit = Liability plus comprehensive / collision coverage up to \$ 5,000.00
1.5 Units = Liability plus comprehensive / collision coverage up to \$11,000.00
2.0 Units = Liability plus comprehensive / collision coverage up to \$18,000.00
2.5 Units = Liability plus comprehensive / collision coverage up to \$26,000.00

14. Since the liability risk involving larger commercially used vehicles and trailers is greater, representatives should take liability risk factors into consideration when coverage is requested. The number of units required for coverage of such vehicles shall be determined by the local representative or board. Coverage of commercial vehicles shall be limited to those vehicles able to legally meet the limits of liability that also apply to non-commercial vehicles.
15. The limits of liability of the MMA program shall be:
- The amount of \$12,500.00 because of bodily injury to or death of one person in any one accident.
 - The amount of \$25,000.00 because of bodily injury to or death of two or more persons in any one accident.
 - The amount of \$7,500.00 because of injury to property of others in any one accident.
- The above limits of liability apply only to those members within the state of Ohio.*

It being the purpose and intent of MMA to provide proof of financial responsibility to its members, the limits of financial responsibility set forth above shall never be less than the amount of proof of financial responsibility required under the laws of the State where a member maintains his or her permanent residence. Should the laws of the State in which a member maintains his or her permanent residence establish limits greater than those stated above, the limits of liability shall be equal to the minimum proof of financial responsibility requirements of the State in question.

16. All vehicles covered by MMA must be in keeping with the regulations of the local church and are to be maintained in safe operating condition. This includes making sure that the vehicle has good tires and brakes. Trailer hook-ups need to be adequate for the load being hauled, the lighting and braking systems in working order and adequate load restraints (chains or strap binders) in place whenever a load is being

- hauled, thereby avoiding unnecessary claims and possible injuries. All requests for vehicle coverage shall be qualified by the local representative so as to avoid providing coverage for vehicles classed as "high-performance," etc.
17. Each vehicle covered by MMA shall carry proof of financial responsibility in the form of an identification card with the necessary information as required by the state of residence of the MMA congregation.
 18. Coverage is provided for members using rented vehicles, known as rental reimbursement. However, in case of a claim, the deductible is \$200. higher for every step of difference in the coverage required for the rental vehicle value and the member's highest covered vehicle value. (e.g. Member's vehicle = 2 units coverage-\$5,000. vehicle value coverage. Rental vehicle value is \$17,500. = 3 units coverage required. The difference is 2 levels higher-from 2 to 2½ to 3 units. Increased deductible is 2 x \$200. = \$400. \$400 + \$450 = \$850 total deductible.)
 19. Parents must take responsibility for monitoring and encouraging safe driving habits of all members of their household. Youth under age twenty-one shall not be provided coverage by MMA unless the parent's personal vehicle is also being covered by MMA. Some exceptions may apply at the discretion of the local MMA representative.
 20. Members transferring to another fellowship shall continue to be covered by MMA until the transfer is complete.
 21. Churches approved for membership within MMA are responsible to satisfactorily meet the regulations of the state in which they reside.
 22. The MMA board shall consist of three (3) members: the administrator, the secretary, and the board member in general. These three offices will have rotating, three-year terms, with one board member coming up for replacement or re-election each year. This restructuring of the board is to be conducted by the attending MMA representatives at the leveling meeting which is to be held annually on the first Saturday of February. As a means of staying informed and involved, all MMA representatives are expected to attend the annual MMA meeting.
 23. These by-laws may be revised as necessary by a 70% majority vote of MMA representatives.

Revised February, 2006

Administrator:

Freeman Byler
8688 St. Rt. 534
Windsor, OH 44099
Phone/Fax (440) 272-5828

Secretary:

Jonas Yoder
1791 McClure Rd.
Malta, OH 43758
(740) 962-3702
Fax-(740) 962-4529

Board Member:

Steve Burkholder
6731 West 1150 N.
Nappanee, IN 46550
(574) 773-3671
Fax-(574) 773-2967

MENNONITE MOTORIST AID 2008

Leveling per unit	163.07	
Total collision	\$1,248,981.88	52.22%
Total Liability	\$1,142,800.32	47.78%
Total Claims	\$2,391,782.20	
Total Units	14666.92	

NAME	UNIT	CLAIMS	COLLISION	LIABILITY	DUES	(Rec)Pay
1 Aroda, Va.	213.4	19,649.83	14,257.47	5,392.36	\$34,799.83	\$15,150.00
2 Agusta, WI.	3	0.00	0.00	0.00	\$489.22	\$489.22
3 Belvedere, Tn.	190.75	27,226.13	14,845.68	12,380.45	\$31,106.22	\$3,880.09
4 Berryville, Ar.	246.5	142,455.41	131,321.91	11,133.50	\$40,197.55	(\$102,257.86)
5 Bethel, Oh.	190.37	59,428.71	31,420.74	28,007.97	\$31,044.25	(\$28,384.46)
6 Bethel, Tn.	216.38	31,728.18	27,106.92	4,621.26	\$35,285.79	\$3,557.61
7 Bethesda, Oh.	162	14,647.74	11,129.08	3,518.66	\$26,417.87	\$11,770.13
8 Bloomfield, Mo.	111.3	7,305.48	4,580.48	2,725.00	\$18,150.05	\$10,844.57
9 Buck Creek, WI.	85.2	2,618.15	2,618.15	0.00	\$13,893.84	\$11,275.69
10 Crossville, Tn.	375	85,786.64	31,370.90	54,415.74	\$61,152.47	(\$24,634.17)
11 Fairland, Ok.	244	21,513.74	20,842.10	671.64	\$39,789.87	\$18,276.13
12 Freeport, Oh.	316.5	26,870.28	24,255.40	2,614.88	\$51,612.68	\$24,742.40
13 Glenmont, Oh.	119	5,931.66	3,693.36	2,238.30	\$19,405.72	\$13,474.06
14 Grace Haven, Oh.	113.5	8,727.70	6,212.99	2,514.71	\$18,508.81	\$9,781.11
15 Green County Menn.	225.04	26,257.15	8,347.39	17,909.76	\$36,698.00	\$10,440.85
16 Harrison, Ar.	129.75	5,811.16	3,814.87	1,996.29	\$21,158.75	\$15,347.59
17 Hartville, Oh.	142	13,496.99	5,941.53	7,555.46	\$23,156.40	\$9,659.41
18 Haven, Oh.	442.4	58,078.50	25,512.37	32,566.13	\$72,143.60	\$14,065.10
19 Heavener	38.4	1,393.56	0.00	1,393.56	\$6,262.01	\$4,868.45
20 Hicksville, Oh.	100.15	27,627.55	17,262.55	10,365.00	\$16,331.79	(\$11,295.76)
21 Hocking Hills, Oh.	113	7,741.52	6,516.97	1,224.55	\$18,427.28	\$10,685.76
22 Huntsville, Ar.	98	11,642.66	8,460.37	3,182.29	\$15,981.18	\$4,338.52
23 Humstville, Mo.	72.5	10,516.17	3,745.79	6,770.38	\$11,822.81	\$1,306.64
24 Kirksville, Mo.	91.7	0.00	0.00	0.00	\$14,953.82	\$14,953.82
25 Lamonts, Mo.	161.9	16,719.32	7,956.13	8,763.19	\$26,401.56	\$9,682.24
26 Leesburg, Oh.	93.5	7,660.54	4,334.30	3,326.24	\$15,247.35	\$7,586.81
27 Little Flock Chr.Fellosh.	47.22	0.00	0.00	0.00	\$7,700.32	\$7,700.32
28 Living Water Fellowship	132.5	20,218.25	17,265.74	2,952.51	\$21,607.20	\$1,388.95
29 Locust Creek Menn.	84.75	27,873.08	25,699.60	2,173.48	\$13,820.46	(\$14,052.62)
30 Magnolia Menn.	167.4	6,280.19	5,666.44	613.75	\$27,298.46	\$21,018.27
31 Maranatha, Oh.	387.3	5,037.08	1,573.87	3,463.21	\$63,158.27	\$58,121.19
32 Martinsburg, Oh.	280	29,506.51	19,244.71	10,261.80	\$45,660.51	\$16,154.00
33 McConnelsville, Oh.	186	4,966.73	4,966.73	0.00	\$30,331.62	\$25,364.89
34 Messiah, Oh.	89	89,006.22	8,403.98	80,602.24	\$14,513.52	(\$74,492.70)
35 Middlefield, Oh.	128.6	33,628.00	24,412.17	9,215.83	\$20,971.22	(\$12,656.78)
36 Minerva, Oh.	241.4	124,091.88	44,874.80	79,217.08	\$39,365.88	(\$84,726.00)
37 Mission Home, Va.	97.3	17,646.64	1,123.00	16,523.64	\$15,867.03	(\$1,779.61)
38 MMA of Indiana	2277.25	350,922.00	236,053.00	114,869.00	\$371,358.54	\$20,436.54
39 MMA of Kansas	725.5	70,001.09	23,133.31	46,867.78	\$118,309.64	\$48,308.55
40 MMA of Pa.	1302.5	302,062.00	99,452.00	202,610.00	\$212,402.90	(\$89,659.10)
41 MMA of Still Water	85	6,530.96	6,317.64	213.32	\$13,861.23	\$7,330.27
42 Mountain View, Ar.	68.5	4,350.52	2,428.96	1,921.56	\$11,170.52	\$6,820.00
43 Mt. Olive	45.25	2,768.03	0.00	2,768.03	\$7,379.06	\$4,611.03

44 Mt.Zion, Tn.	100.13	2,596.79	0.00	2,596.79	\$16,328.52	\$13,731.73
45 Muscoda, Wi.	229.7	28,241.71	27,458.63	783.08	\$37,457.92	\$9,216.21
46 Paris, Mo.	85.5	7,736.80	0.00	7,736.80	\$13,942.76	\$6,205.96
47 Paris, Tn.	111.52	724.14	699.14	25.00	\$18,185.93	\$17,461.79
48 Peniel, Oh.	167	46,070.11	29,815.41	16,254.70	\$27,233.23	(\$18,836.88)
49 Salem, Oh.	94	10,712.56	10,712.56	0.00	\$15,328.88	\$4,616.32
50 Seymour, Mo.	396	101,470.97	37,018.00	64,452.97	\$64,577.00	(\$36,893.97)
51 Shade Mountain, Pa.	207.2	115,838.38	32,430.02	83,408.36	\$33,788.78	(\$82,049.60)
52 Shiloh, Wi.	85	935.00	935.00	0.00	\$13,861.23	\$12,926.23
53 SKMCI, Ky.	1209	185,582.84	66,220.20	119,362.64	\$197,155.55	\$11,572.71
54 Spencer, Wi.	27.75	3,130.00	3,130.00	0.00	\$4,525.28	\$1,395.28
55 Strawberry, Ar.	186.8	23,677.52	12,850.08	10,827.44	\$30,462.08	\$6,784.56
56 Staunton, Va.	225.58	17,939.51	11,475.98	6,463.53	\$36,786.06	\$18,846.55
57 Summersville, Mo.	235.03	16,683.78	12,022.83	4,660.95	\$38,327.10	\$21,643.32
58 Virginia Beach, Va.	68	3,081.00	1,731.00	1,270.00	\$11,088.98	\$8,087.98
59 Warsaw, Mo.	114.1	21,654.22	19,584.58	2,069.64	\$18,606.66	(\$3,047.56)
60 Whiteville, Tn.	261	44,845.45	39,797.33	5,048.12	\$42,562.12	(\$2,283.33)
61 Zion, Oh.	222.9	22,832.23	4,552.48	18,279.75	\$36,349.03	\$13,516.80
Admin	0	2,385.24	2,385.24	0.00	\$0.00	(\$2,385.24)