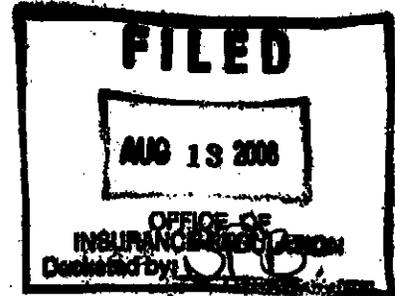




OFFICE OF INSURANCE REGULATION

KEVIN M. McCARTY
COMMISSIONER



IN THE MATTER OF:

HERITAGE LIFE INSURANCE COMPANY

CASE NO.: 95739-08

2006 Market Conduct Examination

CONSENT ORDER

THIS CAUSE came on for consideration upon the agreement between HERITAGE LIFE INSURANCE COMPANY (hereinafter referred to as "HERITAGE") and the OFFICE OF INSURANCE REGULATION (hereinafter referred to as the "OFFICE"). Following a complete review of the entire record, and upon consideration thereof, and being otherwise fully advised in the premises, the OFFICE hereby finds as follows:

1. The OFFICE has jurisdiction over the subject matter and parties to this proceeding.
2. HERITAGE is a foreign discount medical plan organization authorized to transact discount medical plan business in Florida and is subject to the jurisdiction and regulation of the OFFICE pursuant to Chapter 636, Part II, Florida Statutes.
3. The OFFICE conducted a market conduct examination of HERITAGE in 2006 pursuant to Section 636.206, Florida Statutes. As a result of such examination, the OFFICE has determined that HERITAGE has violated the following provision of the Florida Insurance Code:

a. Section 636.214(3)(c), Florida Statutes – Failure of the provider network agreements to require the network to maintain an up-to-date list of its contracted providers and to provide that list on a monthly basis to the discount medical plan organization.

4. HERITAGE expressly waives a hearing in this matter, the making of Findings of Fact and Conclusions of Law by the OFFICE, and all further and other proceedings herein to which the parties may be entitled by law or rules of the OFFICE. HERITAGE hereby knowingly and voluntarily waives all rights to challenge or to contest this Order in any forum now or in the future available to it, including the right to any administrative proceeding, circuit or federal court action, or any appeal.

5. HERITAGE agrees that upon the execution of this Consent Order it shall be subject to the following terms and conditions:

a. HERITAGE shall pay an administrative penalty of Five Hundred Dollars (\$500) and administrative costs of Three Thousand Dollars (\$3,000) on or before the thirtieth (30th) day after this Consent Order is executed.

b. HERITAGE shall, within thirty (30) days of the execution of this Consent Order, provide to the OFFICE a certification signed by an officer of the Company that the corrective actions outlined in the examination report have been completed.

6. HERITAGE is hereby placed on notice of the requirements of the above referenced sections of law and agrees that any future violations of these sections by HERITAGE may be deemed willful, subjecting HERITAGE to appropriate penalties.

7. HERITAGE agrees that the failure to adhere to one or more of the above terms and conditions of this Consent Order shall constitute a violation of a lawful order of the

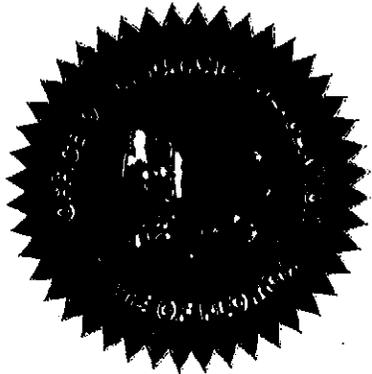
OFFICE and shall subject HERITAGE to such administrative action as the OFFICE may deem appropriate.

8. Except as noted above, each party to this action shall bear its own costs and attorney's fees.

THEREFORE, the agreement between HERITAGE and the OFFICE, the terms and conditions of which are set forth above, is APPROVED.

FURTHER, all terms and conditions above are hereby ORDERED.

DONE AND ORDERED this 13TH day of AUGUST 2008.



KEVIN M. McCARTY
Commissioner
Office of Insurance Regulation

By execution hereof, HERITAGE LIFE INSURANCE COMPANY consents to entry of this Order, agrees without reservation to all of the above terms and conditions, and shall be bound by all provisions herein. The undersigned represents that he or she has the authority to bind HERITAGE LIFE INSURANCE COMPANY to the terms and conditions of this Consent Order.

HERITAGE LIFE INSURANCE COMPANY

By: _____

Title: Executive Vice President & Chief Operating Officer

Date: July 16, 2008

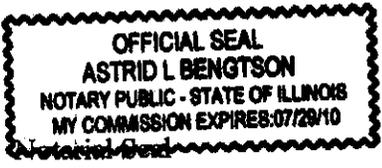


STATE OF Illinois)
COUNTY OF Cook)

The foregoing instrument was acknowledged before me this 16th day of July, 2008,
by Kelvin E. Schill as Executive Vic President & COO for
(Name of person) (Type of authority.... e.g. officer, trustee, attorney in fact)
Heritage Life Insurance Company.
(Company name)

Personally Known X or Produced Identification _____

Type of Identification Produced _____



(Signature of the Notary) _____

Astrid L. Bengtson
(Print, Type or Stamp Commissioned Name of Notary)

My Commission Expires: July 29, 2010

COPIES FURNISHED TO:

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