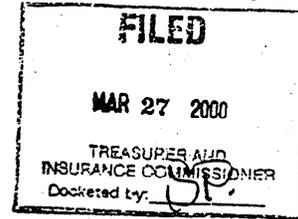




THE TREASURER OF THE STATE OF FLORIDA
DEPARTMENT OF INSURANCE

BILL NELSON



IN THE MATTER OF:

CASE NO.: 33568-99-CO

AMERICAN HERITAGE LIFE INSURANCE
COMPANY

Life and Health Market Conduct Examination
Report

CONSENT ORDER

THIS CAUSE came on for consideration as the result of an agreement between AMERICAN HERITAGE LIFE INSURANCE COMPANY hereinafter referred to as "AMERICAN HERITAGE" and the FLORIDA DEPARTMENT OF INSURANCE, hereinafter referred to as the "DEPARTMENT". Following a complete review of the entire record, and upon consideration thereof, and being otherwise fully advised in the premises, the Treasurer and Insurance Commissioner, as head of the FLORIDA DEPARTMENT OF INSURANCE, hereby finds as follows:

1. The Treasurer and Insurance Commissioner, as head of the DEPARTMENT, has jurisdiction over the subject matter of, and parties to, this proceeding.
2. AMERICAN HERITAGE is a domestic insurer authorized to transact insurance business in Florida and is subject to the jurisdiction and regulation of the DEPARTMENT pursuant to the Florida Insurance Code.

3. The DEPARTMENT conducted a market conduct examination of AMERICAN HERITAGE covering the period January 1, 1994 through December 31, 1996, pursuant to Section 624.3161, Florida Statutes. As a result of such examination, the DEPARTMENT determined that AMERICAN HERITAGE committed the following violations of the Florida Insurance Code:

a. Life and Health

1. Section 627.4085, Florida Statutes - Failure to require applications to contain agent's name.

b. Life and Health

1. Section 627.4085, Florida Statutes - Failure to require applications to contain agent's identification.

c. Life and Health

1. Rule 4-151.007(3)(e), Florida Administrative Code - Failure to maintain replacement register.

d. Life and Health

1. Section 624.318, Florida Statutes - Failure to maintain replacement files.

e. Life

1. Rule 4-151.007(3), Florida Administrative Code - Failure to send within the specified time, "Notice to Applicant" to existing insurer whose policies are being replaced.

f. Life and Health

1. Section 624.318, Florida Statutes - Failure to maintain Nonforfeiture records.

g. Application and Claim Forms

1. Section 817.234, Florida Statutes - Failure to include "third degree felony" on Fraud Statement.

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

5. AMERICAN HERITAGE agrees that the failure to adhere to one or more of the terms and conditions of this Order shall constitute a violation of a lawful order of the DEPARTMENT, and shall subject AMERICAN HERITAGE to such administrative action as the Treasurer and Insurance Commissioner may deem appropriate.

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

(a) AMERICAN HERITAGE shall pay a penalty of \$10,750 and administrative costs of \$2,000 on or before the 30th day after this Consent Order is executed.

(b) AMERICAN HERITAGE shall henceforth comply with all of the provisions of the Insurance Code and will implement the recommendations contained in the report within 30 days of entry of this Consent Order.

(c) AMERICAN 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 AMERICAN HERITAGE may be deemed willful, subjecting AMERICAN HERITAGE to appropriate penalties.

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

8. THEREFORE, the agreement between AMERICAN HERITAGE and the DEPARTMENT, 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 27TH day of MARCH, 2000.



BILL NELSON
Treasurer and
Insurance Commissioner

By execution hereof AMERICAN 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. I am authorized to execute this document.

AMERICAN HERITAGE LIFE INSURANCE COMPANY

By: _____

Title: President

Date: 7-24-2000

COPIES FURNISHED TO:

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