



THE TREASURER OF THE STATE OF FLORIDA
DEPARTMENT OF INSURANCE

TOM GALLAGHER

IN THE MATTER OF:

CASE NO.: 61086-02-CO

AMERICAN PIONEER LIFE INSURANCE COMPANY
Life and Health Target Market Conduct Examination

CONSENT ORDER

THIS CAUSE came on for consideration as the result of an agreement between AMERICAN PIONEER LIFE INSURANCE COMPANY, (hereinafter referred to as "AMERICAN PIONEER"), 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 DEPARTMENT hereby finds as follows:

1. The DEPARTMENT has jurisdiction over the subject matter of, and parties to, this proceeding.
2. AMERICAN PIONEER 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 has conducted a target market conduct examination of AMERICAN PIONEER pursuant to Section 624.318, Florida Statutes and as a result has determined that AMERICAN PIONEER committed the following violations of the Florida Insurance Code; to wit:

a. Failure to retain and make freely available to the Department all of the necessary documents to conduct an examination in violation of Section 624.318, Florida Statutes.

b. Failure to promptly refund unearned premiums and to pay interest on late refunds on certain cancelled policies in violation of Section 627.6043(2), Florida Statutes.

c. Failure to pay health claims within time period required by statute in violation of Section 627.613, Florida Statutes.

d. Improperly imposed preexisting conditions on applicants for individual health coverage in violation of Section 627.6487(1)(b), Florida Statutes.

e. Failed to properly waive time periods applicable to preexisting conditions on replaced medicare supplement policies in violation of Section 627.6741(2)(c), Florida Statutes.

4. The DEPARTMENT and AMERICAN PIONEER 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 rule of the DEPARTMENT. AMERICAN PIONEER 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 PIONEER agrees that the failure to adhere to the terms and conditions of this Order shall constitute a violation of a lawful order of the DEPARTMENT, and shall subject AMERICAN PIONEER to such administrative action as the Treasurer and Insurance Commissioner may deem appropriate.

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

a. AMERICAN PIONEER shall pay an administrative penalty of \$9,000 and administrative costs of \$1,000 on or before the 30th day after this Consent Order is executed.

b. AMERICAN PIONEER shall amend its medicare supplement policy or endorsements thereto, to comply with the required breast cancer language set forth in Section 627.6419, Florida Statutes. Furthermore, AMERICAN PIONEER shall file the documents with the DEPARTMENT for approval, and pay future claims in accordance with those provisions.

c. AMERICAN PIONEER shall provide the DEPARTMENT with documentation outlining the measures AMERICAN PIONEER has implemented to improve file control, security and management of its records under control of World Net Services, Inc., so as to enable the prompt payment of claims and the return of unearned premiums. The documentation shall be filed with the Department no later than thirty (30) days after the execution of this Order.

d. AMERICAN PIONEER shall henceforth comply with all of the provisions of the Florida Insurance Code and Florida Statutes.

e. AMERICAN PIONEER 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 PIONEER may be deemed willful, subjecting AMERICAN PIONEER 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 PIONEER and the DEPARTMENT, the terms and conditions of which are set forth above, is APPROVED.

FURTHER, terms and conditions above hereby ORDERED.

DONE and ORDERED this 18th day of September, 2002.



KEVIN MCCARTY
Deputy Insurance Commissioner

By execution hereof AMERICAN PIONEER 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 PIONEER LIFE
INSURANCE COMPANY

By: _____

GARY W. BRYANT
(Typed or Printed Name)

Title: _____

President

Date: _____

8/22/02

COPIES FURNISHED TO:

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