



OFFICE OF INSURANCE REGULATION

KEVIN McCARTY
DIRECTOR

RECEIVED

IN THE MATTER OF:

CASE NO.: 62689-02-CO

MAR 27 2003

GE LIFE AND ANNUITY ASSURANCE COMPANY
Life and Health Market Conduct Investigation

Life & Health Market Conduct
Division of Insurer Services

CONSENT ORDER

THIS CAUSE came of for consideration as the result of an agreement between GE LIFE AND ANNUITY ASSURANCE COMPANY, (hereinafter referred to as "GE LIFE"), and the OFFICE OF INSURANCE REGULATION of the FINANCIAL SERVICES COMMISSION within THE FLORIDA DEPARTMENT OF FINANCIAL SERVICES, (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 of, and parties to this proceeding.
2. GE LIFE is a foreign insurer authorized to transact insurance business in Florida and is subject to the jurisdiction and regulation of the OFFICE pursuant to the Florida Insurance Code.
3. The OFFICE has conducted an investigation of GE LIFE pursuant to Section 624.318, Florida Statutes. As a result of that investigation, the OFFICE has determined that GE LIFE committed the following violation of the Florida Insurance Code:

a. Failure to include interest with the payment of the cash surrender values paid more than thirty (30) calendar days after receipt of and the request for surrender in violation of Section 627.482, Florida Statutes.

4. The OFFICE and GE LIFE expressly waive a hearing in this matter, and 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. GE LIFE 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. GE LIFE 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 OFFICE, and shall subject GE LIFE to such administrative action as the OFFICE may deem appropriate.

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

a. GE LIFE shall pay an administrative penalty of \$10,000 and administrative costs of \$2,000 on or before the 30th day after this Consent Order is executed.

b. GE LIFE shall immediately develop and implement a procedure for processing written requests from Florida residents for the surrender of life insurance policies and annuity contracts. The procedure shall include the payment of interest on surrender values not paid within thirty (30) days from the date of the receipt of the request for surrender. A copy of the procedure shall be filed with the OFFICE within thirty (30) days of the execution of this Order.

c. GE LIFE shall also within sixty (60) days of execution of this Consent Order, take the following action, to wit:

(1). Identify all life insurance and annuity cash surrender payments made to Florida residents between January 1, 2000 and the execution date of this Consent Order. GE LIFE shall pay interest on any such payment not made within thirty (30) calendar days after receipt of the request for the payment of value. The interest due on those requests for shall be in the amount required by Section 625.121(6)(e), Florida Statutes.

(2). Provide the OFFICE with a listing of the interest payments made as required by Paragraph 6(c)(1), above. GE LIFE shall describe each payment by policy number, amount of the cash surrender payment previously paid, number of days in excess of thirty (30) days from date of request, and the amount of interest paid. The sum total of all interest paid shall also be reported.

d. GE LIFE shall henceforth comply with all of the provisions of the Florida Insurance Code and is hereby placed on notice of the requirements of the above referenced section of law and agrees that any future violations of this section by GE LIFE may be deemed willful, subjecting GE LIFE to appropriate penalties.

THEREFORE, the agreement between GE LIFE 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 26th day of March, 2003.



KEVIN McCARTY
Director
Office of Insurance Regulation

By execution hereof GE LIFE AND ANNUITY ASSURANCE COMPANY consents to entry of this Order, agrees without reservation all of the above terms and conditions, and shall be bound by all provisions herein. I am authorized to execute this document.

GE LIFE AND ANNUITY ASSURANCE
COMPANY

By: _____
PAMELA S. SCHULTZ
(Typed or Printed Name)

Title: RESIDENT V CEO

Date: FEBRUARY 27, 2003

Corporate Seal

COPIES FURNISHED TO:

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