



**FILED**

**NOV 30 2001**

Treasurer and  
Insurance Commissioner  
Docketed by: gmk

THE TREASURER OF THE STATE OF FLORIDA  
DEPARTMENT OF INSURANCE

BILL NELSON

IN THE MATTER OF:

**GLOBE LIFE AND ACCIDENT  
INSURANCE COMPANY**  
Life and Health Market  
Conduct Investigation

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CASE NOS. 22973-97-CO  
& 34783-00-CO

**RECEIVED**

DEC 3 2001

Market Conduct Review  
Division of Insurer Services

**CONSENT ORDER**

THIS CAUSE came on for consideration as the result of an agreement between **GLOBE LIFE AND ACCIDENT INSURANCE COMPANY**, hereinafter referred to as ("GLOBE LIFE"), 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. **GLOBE LIFE** is a foreign 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. In 1997, the Department investigated complaints that **GLOBE LIFE** allegedly issued advertisements that failed to meet various requirements of Rule 4-150, Part II of the Florida Administrative Code, pertaining to advertising of life insurance and annuity contracts.

4. As a result of the **DEPARTMENT** investigation into the foregoing complaints, it was alleged that **GLOBE LIFE** committed the following violations of the Florida Insurance Code or Florida Administrative Code:

(a) Rule 4-150.113(3), Florida Administrative Code, by implication in a misleading manner that approval, endorsement or accreditation of policy forms or advertising had been granted by a division or agency of the state or federal government. "Approval" of either policy forms or advertising shall not be used by an insurer to imply or state that a governmental agency has endorsed or recommended the insurer, its policies, advertising or its financial conditions.

(b) Rule 4-150.114(2)(3), Florida Administrative Code, by use in an advertisement a combination of words, symbols, or physical materials which by their own content, phraseology, shape, color or other characteristics, which were so similar to a combination of words, symbols, or physical materials used by agencies of the federal government of or of this State, or otherwise appear to be of such a nature that it tended to confuse or mislead prospective insureds into believing that the solicitation was in some manner connected with an agency of the municipal, county, state, or federal government, or if such relationship existed, such advertisement shall not exaggerate or otherwise mislead with respect to the nature or extent of such relationship.

(c) Rule 4-150.103(10)(a), Florida Administrative Code, by an invitation to inquire employed devices which are designed to create undue anxiety.

5. The **DEPARTMENT** has conducted an investigation of **GLOBE LIFE**, pursuant to Section 624.318, Florida Statutes. As a result of such investigation, the **DEPARTMENT** alleges that **GLOBE LIFE** also committed the following violations of the Florida Insurance Code:

Sections 627.6745(2) and 627.410(7), Florida Statutes, and Rules 4-142.011(8)(r) and 4-156.011(3), Florida Administrative Code, due to failure to file annual rate filings for Medicare Supplement Policy Forms MEDSUP-2, MCP-2, MCP-3, MCP-4, OA-640, OA-641, OA-650, OA-800, H-054R-477, H-013-774, and H-004R-107.

6. **GLOBE LIFE** shall henceforth comply with all of the provisions of the Insurance Code, including, but not limited to those provisions referred to in this Consent Order.

7. The **DEPARTMENT** and **GLOBE LIFE** expressly waive a hearing under Section 120.57, Florida Statutes, 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. **GLOBE LIFE** hereby knowingly and voluntarily waives the rights to challenge or to contest this Consent Order, in any forum now available to it, including the right to any administrative proceeding, circuit or federal court action, or any appeal.

8. **GLOBE LIFE** agrees that upon the execution of this Consent Order it shall be subject to the following terms and conditions:

(a) **GLOBE LIFE** shall pay a total administrative penalty of \$5,000.00 and total administrative costs of \$1,000.00 on or before the 30th day after this Consent Order is executed.

(b) **GLOBE LIFE** will not issue, under any circumstances, Medicare Supplement policies on pre-standardized policy forms in the State of Florida.

(c) **GLOBE LIFE** is hereby placed on notice of the requirements of the above referenced sections of law.

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

10. **GLOBE LIFE** will submit to the Department a compliant annual rate filing for each block of Medicare Supplement policy forms for the year 2002 within thirty (30) days of effective date of this order and shall henceforth comply with all of the provisions of the Florida Insurance Code.

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

THEREFORE, the agreement between **GLOBE LIFE AND ACCIDENT INSURANCE COMPANY** and the **DEPARTMENT**, the terms and conditions of that are set forth above, is APPROVED.

**FURTHER**, all terms and conditions above are hereby **ORDERED**.

**DONE AND ORDERED** this 30<sup>th</sup> day of Nov., 2001.



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**KEVIN MCCARTY**  
Deputy Insurance Commissioner

Copies furnished to:

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By execution hereof **GLOBE LIFE AND ACCIDENT 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.

**GLOBE LIFE AND ACCIDENT INSURANCE  
COMPANY**

By: Erian Mitchell

Title: Vice President

Date: October 18, 2001

Corporate Seal