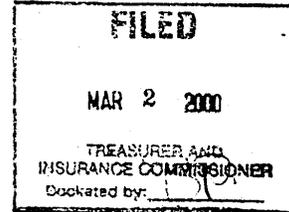




THE TREASURER OF THE STATE OF FLORIDA
DEPARTMENT OF INSURANCE

BILL NELSON



IN THE MATTER OF:

CASE NO.: 33089-99-CO

**LIFE INSURANCE COMPANY OF
NORTH AMERICA**

Life and Health Market Conduct
Examination Report

CONSENT ORDER

THIS CAUSE came on for consideration as the result of an agreement between LIFE INSURANCE COMPANY OF NORTH AMERICA hereinafter referred to as "LINA" 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. LINA 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. The DEPARTMENT conducted a market conduct examination of LINA 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 LINA committed the following violations of the Florida Insurance Code:

a. Section 624.318(2), Florida Statutes - Failure to locate underwriting records.

b. Section 626.112, Florida Statutes - Failure to appoint agents as required.

c. Section 626.112, Florida Statutes - Failure to utilize only licensed agents.

d. Section 626.342, Florida Statutes - Furnishing supplies to unlicensed agents.

e. Section 626.341, Florida Statutes - Payment of commissions to unlicensed agents.

f. Section 627.410(1), Florida Statutes - Failure to have all application forms approved by the DEPARTMENT before use.

g. Section 627.410(3), Florida Statutes - Use only approved policy and application forms.

h. Section 817.234(1)(b), Florida Statutes - Failure to include Fraud Statement with "third degree felony" on all applications and claim forms.

i. Section 627.4085, Florida Statutes - Failure to require the agent's name to appear on all applications.

j. Section 627.4085, Florida Statutes - Failure to require the agent's name to be legible on all applications.

k. Section 627.4085, Florida Statutes - Failure to require agent's identification number on all applications.

1. Section 624.318(2), Florida Statutes - Failure locate all documents requested.

4. The DEPARTMENT and LINA 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. LINA 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. LINA 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 LINA to such administrative action as the Treasurer and Insurance Commissioner may deem appropriate.

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

(a) LINA shall pay a administrative penalty of \$11,500 and administrative costs of \$1,500 on or before the 30th day after this Consent Order is executed.

(b) LINA 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) LINA 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 LINA may be deemed willful, subjecting LINA 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 LINA 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 2ND day of MARCH, 2000.



BILL NELSON
Treasurer and
Insurance Commissioner

By execution hereof LIFE INSURANCE COMPANY OF NORTH AMERICA 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.

LIFE INSURANCE COMPANY OF NORTH AMERICA

By: _____

Title: _____

Date: _____

COPIES FURNISHED TO:

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