



FILED

JUL 18 2001

TREASURER AND
INSURANCE COMMISSIONER
Docketed by: *JG*

THE TREASURER OF THE STATE OF FLORIDA
DEPARTMENT OF INSURANCE

TOM GALLAGHER

IN THE MATTER OF:

CASE NO.: 41086-01-CO

PIONEER LIFE INSURANCE COMPANY
Life and Health Market Conduct Investigation

CONSENT ORDER

THIS CAUSE came on for consideration as the result of an agreement between PIONEER LIFE INSURANCE COMPANY (hereinafter referred to as "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 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. PIONEER 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 has conducted an examination of PIONEER covering the period of January 1, 1997 through June 30, 2000 pursuant to Section 624.3161, Florida Statutes. As a result of such examination, the DEPARTMENT determined that PIONEER committed the following violations of the Florida Insurance Code:

- (a) Failure to acknowledge and act promptly upon communications with respect to claims in violation of Section 626.9541(1)(i)(3)(c), Florida Statutes.
- (b) Failure to implement record retention procedures to assure availability of records and documents for examination in violation of Section 624.318(2), Florida Statutes.
- (c) Failure to adhere to complaint handling procedures in violation of Section 626.9541(1)(i)(3)(j), Florida Statutes.
- (d) Failure to properly appoint agents and use of agents who were not appropriately licensed for products sold in violation of Section 626.112, Florida Statutes.
- (e) Failure to implement claim-handling procedures to assure that claims are paid within forty-five (45) days in violation of Section 627.613(2), Florida Statutes.
- (f) Failure to implement claim-handling procedures relating to proceeds payable under contracts in violation of Section 626.9541(1)(i)(2), Florida Statutes.

4. The DEPARTMENT and 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 rules of the DEPARTMENT.

5. 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.

6. For each violation noted in paragraph three (3), which was not corrected during the examination and verification provided to the DEPARTMENT, PIONEER shall provide written documentation detailing the corrective action taken in order to comply with the Florida Insurance Code to the DEPARTMENT no later than 60 days from the date of execution of this

Consent Order.

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

(a) PIONEER shall pay a penalty of \$11,700 and administrative costs of \$2,000 on or before the 30th day after this Consent Order is executed.

(b) PIONEER shall henceforth comply with all of the provisions of the Florida Insurance Code and Florida Statutes.

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

8. PIONEER 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 PIONEER to such administrative action as the Treasurer and Insurance Commissioner may deem appropriate.

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

10. THEREFORE, the agreement between PIONEER LIFE INSURANCE COMPANY and the DEPARTMENT consisting of the terms and conditions set forth above is APPROVED.

FURTHER, all terms and conditions above are hereby ORDERED.

DONE AND ORDERED this 18th day of July, 2001



KEVIN McCARTY
Deputy Insurance Commissioner

By execution hereof 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.

PIONEER LIFE INSURANCE COMPANY

By: _____

Brian Camling
(Type or Print Name)

Title: Vice President

Date: 5/17/01

COPIES FURNISHED TO:

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