

THE TREASURER OF THE STATE OF FLORIDA  
DEPARTMENT OF INSURANCE

~~Division of~~  
BILL NELSON

IN THE MATTER OF:

CASE NO.: 34654-00-CO

PROTECTIVE LIFE INSURANCE COMPANY  
Life and Health Market Conduct Examination Report

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### CONSENT ORDER

THIS CAUSE came on for consideration as the result of an agreement between PROTECTIVE LIFE INSURANCE COMPANY hereinafter referred to as "PROTECTIVE 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. PROTECTIVE 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 and/or Florida Administrative Code.

3. - The DEPARTMENT conducted a market conduct examination of PROTECTIVE LIFE covering the period January 1, 1996 through December 31, 1998, pursuant to Section 624.3161, Florida Statutes. As a result of such examination, the DEPARTMENT determined that PROTECTIVE LIFE committed the following violations of the Florida Insurance Code and/or Florida Administrative Code:

a. Life

1. Failure to timely notify existing insurer of replacement in violation of Rule 4-151.007, Florida Administrative Code.

b. Accident & Health

1. Failure to timely notify existing insurer of replacement in violation of Rule 4-151.105, Florida Administrative Code.

c. Life

1. Fraud Statement failed to reference "third degree felony" on claim forms in violation of Section 817.234, Florida Statutes.

d. Credit

1. Failure to include a Fraud Statement on two-(2) claim forms in violation of Section 817.234, Florida Statutes.

e. Claims

1. Failure to maintain complete and adequate records reflecting the date of receipt of claims in violation of Section 624.318, Florida Statutes.

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

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

(a) PROTECTIVE LIFE shall pay a penalty of \$7,750.00 and administrative costs of \$1,000 on or before the 30th day after this Consent Order is executed.

(b) PROTECTIVE LIFE shall provide the DEPARTMENT monthly progress reports addressing the claims handling and policyholder service functions pertaining to the book of business of PROTECTIVE LIFE previously administered by American Chambers Life Insurance Company. The reports shall continue until such time as the DEPARTMENT agrees that the claim and service related complaints of PROTECTIVE LIFE are being resolved within thirty (30) days from receipt and its backlog of claims involving PPO repricing have been resolved. Such reports shall be

due on the tenth day of each month in a format agreed to by the parties and shall be certified as correct by an officer of PROTECTIVE LIFE.

(c) PROTECTIVE LIFE 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.

(d) PROTECTIVE LIFE 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 PROTECTIVE LIFE may be deemed willful, subjecting PROTECTIVE LIFE to appropriate penalties.

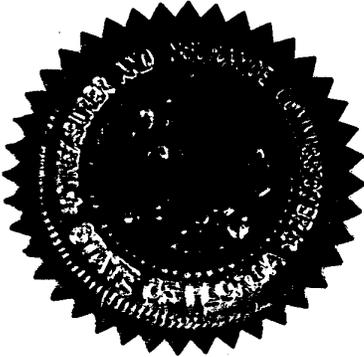
7. Except as noted above, each party to this action shall bear its own costs and attorney's fees.

8. The parties agree that this Consent Order will be deemed to be executed when the agency head or his designee has signed a copy of this Order bearing the signature of the President of PROTECTIVE LIFE or his authorized representative, notwithstanding the fact that the copy was transmitted to the agency by facsimile machine. PROTECTIVE LIFE further agrees that the original of this Consent Order with an original signature will be forwarded to the DEPARTMENT within three (3) days of its receipt from the DEPARTMENT. Failure to forward a signed original within the specified time period shall render this agreement voidable.

9. THEREFORE, the agreement between PROTECTIVE LIFE 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 22<sup>nd</sup> day of June, 2000.



Bill Nelson  
State Treasurer and  
Insurance Commissioner

By execution hereof PROTECTIVE 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.

PROTECTIVE LIFE INSURANCE COMPANY

By:

John D. Johns

Title: President, Chief Operating Officer

Date: June 13, 2000

COPIES FURNISHED TO:

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