

FILED

FEB 1 2000

**STATE OF FLORIDA
DEPARTMENT OF INSURANCE**

Docketed by: RH

**DEPARTMENT OF INSURANCE
AND TREASURER,**

Petitioner,

**DOAH CASE NO. 99-3853
DEPT. CASE NO. 24056-98-CO**

vs.

MUTUAL BENEFITS CORP.,

Respondent.
_____ /

CONSENT ORDER

THIS CAUSE came on to be considered as a result of the Florida Department of Insurance's ("The Department") investigation of MUTUAL BENEFITS CORPORATION's ("MBC") failure to purchase certain future increases in the value of a life insurance policy issued to one David Pius. Upon consideration thereof, and being otherwise fully advised in the premises, the Treasurer and Insurance Commissioner, as head of the Department, hereby finds, and MBC agrees as follows:

1. The Treasurer and Insurance Commissioner has jurisdiction over the subject matter of, and parties to, this proceeding.
2. MBC currently holds a license as a viatical settlement provider under Chapter 626, Part XI, Florida Statutes.

3. The Department conducted an investigation into whether MBC had wrongfully failed to purchase future increases in the value of a life insurance policy issued to one David Pius. MBC had viaticated such policy and the right to receive benefits thereunder had been assigned to certain investors.

4. On or about October 6, 1998, the Department issued an Order to Show Cause in which it alleged that MBC had violated certain enumerated provisions of the Insurance Code. MBC timely filed an Answer to the Order to Show Cause, in which it denied any wrongdoing on its part or that it had violated any provision of Florida law.

5. Prior to referral of the Order to Show Cause and Answer to Order Show Cause to the Division of Administrative Hearings, MBC purchased all future increases in benefits which David Pius claimed MBC was obligated to so purchase, and made David Pius whole.

6. The dispute is pending before the Division of Administrative Hearings, Case No. 99-3853. MBC continues to deny that it has violated any provision of the Insurance Code.

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

(a) MBC shall pay to the Department Ten Thousand Dollars (\$10,000), on or before the 30th day after this Consent Order is executed. This amount shall be inclusive of the administrative penalty and reimbursement to the Department for costs of its investigation, including attorneys' fees and costs;

(b) MBC shall henceforth comply with all of the provisions of the Florida Insurance Code.

(c) The Department hereby agrees to voluntarily dismiss with prejudice the

Order to Show Cause pending at the Division of Administrative Hearings on or before the 10th day after receipt of the payment referenced in paragraph (a) above.

8. Except as set forth in subparagraph 7(a), above, each party is responsible for payment of its own attorneys' fees and costs.

THEREFORE, the agreement between MBC and the Department, the terms and conditions of which are set forth above, are APPROVED.

FURTHER, all terms and conditions herein are hereby ORDERED.

DONE and ORDERED this 1st day of ~~January~~ ^{February}, 2000.



Bill Nelson

BILL NELSON
Treasurer and
Insurance Commissioner

By execution hereof, MUTUAL BENEFITS CORPORATION consents to entry of this Consent Order, agrees without reservation to all of the above terms and conditions and shall be bound by all provisions herein. The undersigned represents that he has the authority to bind MUTUAL BENEFITS CORPORATION to the terms and conditions of this Consent Order.

MUTUAL BENEFITS CORPORATION

Peter Lombardi, President

By: Peter Lombardi

Title President

Corporate Seal

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