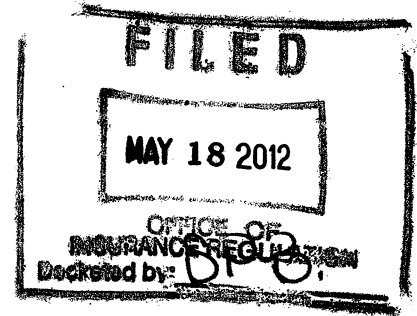




OFFICE OF INSURANCE REGULATION

KEVIN M. McCARTY
COMMISSIONER



IN THE MATTER OF:

CASE NO: 105303-09-CO

AMERICAN MEDICAL AND LIFE
INSURANCE COMPANY

CONSENT ORDER

THIS CAUSE came on for consideration upon the agreement between AMERICAN MEDICAL AND LIFE INSURANCE COMPANY (hereinafter referred to as "AMLI" or the "Company") and the OFFICE OF INSURANCE REGULATION (hereinafter referred to as the "OFFICE"). Following a complete review of the entire record, and upon consideration thereof, and after being otherwise fully advised in the premises, the COMMISSIONER OF THE OFFICE OF INSURANCE REGULATION hereby finds as follows:

1. The OFFICE has jurisdiction over the subject matter of, and parties to, this proceeding.

2. AMLI is a foreign insurer authorized to transact insurance business in the state of Florida and is subject to the jurisdiction and regulation of the OFFICE pursuant to the Florida Insurance Code.

3. The OFFICE, in 2009, conducted an investigation of AMLI pursuant to Sections 624.316 and 624.317, Florida Statutes. As a result of that investigation, the OFFICE determined that AMLI violated the following provisions of the Florida Insurance Code:

- (a) Section 626.9541(1)(a)1, Florida Statutes – Misrepresentation of the benefits, advantages, conditions, or terms of an insurance policy.

- (b) Section 626.451, Florida Statutes – Failure to properly appoint agents.
- (c) Section 626.451(3), Florida Statutes – Company is bound by the act(s) of all agents and managing general agents. Failure to provide adequate supervision and oversight into the activities of the agents and managing general agents.
- (d) Section 624.318, Florida Statutes – Failure to provide records to the Office.
- (e) Section 624.418(1)(b), Florida Statutes – Use of an unlicensed third party administrator to handle claims in Florida.

4. AMLI does not admit to these violations, however, in the interest of resolving this matter with the department it expressly waives: 1) a hearing in this matter; 2) the making of Findings of Fact and Conclusions of Law by the OFFICE; 3) all further proceedings herein to which the parties may be entitled by law; and 4) all rights to challenge or contest this Consent Order, in any forum, including the right to any administrative proceeding, circuit or federal court action, or any appeal.

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

(a) AMLI shall pay an administrative penalty of Two Hundred and Fifty Thousand Dollars (\$250,000.00) and administrative costs of Fifteen Thousand Dollars (\$15,000.00) on or before the 30th day after this Consent Order is executed.

(b) AMLI shall, within 30 days of the execution of this Consent Order, provide to the OFFICE certification by an officer of the Company that AMLI has taken all corrective action to comply with Florida Rules and Statutes.

(c) AMLI is hereby placed on notice of the requirements of the above referenced sections of the law and agrees that any future violations of these sections by AMLI may be deemed willful, subjecting the AMLI to the appropriate penalties.

(d) AMLI shall henceforth comply with all of the provisions of the Florida Insurance Code and the Florida Administrative Code.

(e) AMLI obtained an independent expert to perform an analysis of the Company's compliance processes, procedures and internal controls to assess their effectiveness in assuring ongoing compliance with Florida law. A copy of the independent expert's written report which includes specific recommendations of any necessary enhancements to the Company's compliance processes, procedures, and internal controls, in order to improve oversight over the Company's agents and third party administrators, to prevent future violations of Florida Law in connection with the solicitation, sale and marketing of the Company's insurance products shall be provided to the OFFICE within 30 days of execution of the Consent Order.

(f) AMLI shall, within 30 days of the execution of the Consent Order, provide to the OFFICE certification by an officer of the Company that all necessary corrective actions as recommended by its independent expert and as set forth in its Corrective Action Plan approved by the NYDFS have been completed.

(g) AMLI shall, within 30 days of the execution of the Consent Order, file with the OFFICE for review and approval its written procedures for appointing agents in a manner compliant with Florida Statutes and the Florida Administrative Code.

(h) AMLI agrees to fully cooperate with the OFFICE in resolving all consumer complaints received by the OFFICE and/or the Division of Consumer Services regarding the Company's limited medical benefits insurance programs.

(i) AMLI agrees to fully cooperate with the OFFICE in the OFFICE'S investigation of Association of Independent Managers ("AIM") a/k/a Association for Independent Managers ("AIM").

(j) AMLI certifies to the OFFICE that when it terminated limited medical benefit policies issued and delivered in New York, in accord with paragraph 3 of New York Stipulation 2009-0256-S, Florida consumers were provided with the opportunity to obtain similar coverage as a replacement for the lost coverage in compliance with Florida Statutes.

6. AMLI agrees that the failure to adhere to one or more of the above terms and conditions of this Consent Order shall constitute a violation of a lawful order of the OFFICE, and shall subject AMLI to such administrative action as the OFFICE may deem appropriate.


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

THEREFORE, the agreement between AMLI and the OFFICE, the terms and conditions of which are set forth above, is APPROVED.

FURTHER, all terms and conditions contained herein are hereby ORDERED.

DONE AND ORDERED this 18TH day of MAY 2012.





KEVIN M. McCARTY
Commissioner
Office of Insurance Regulation

By execution hereof, AMERICAN MEDICAL AND 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 therein. The undersigned represents that he or she has the authority to bind AMERICAN MEDICAL AND LIFE INSURANCE COMPANY to the terms and conditions of this Consent Order.

AMERICAN MEDICAL AND LIFE
INSURANCE COMPANY

By: [Signature]

Print Name: JOHN F. OLLIS

Title: Chief Executive Officer

Date: 6/15/12

[Corporate Seal]

STATE OF NY

COUNTY OF NY

The foregoing instrument was acknowledged before me this 15 day of May, 2012, by John Ollis, who is personally known to me or has produced the following identification _____.

[Signature]
Signature of Notary

Christina M. Butler
Print or Type Name

[Notarial Seal]

My Commission Expires:

CHRISTINA M. BUTLER
Notary Public, State of New York
No. 01BU6173350
Qualified in Nassau County
Term Expires August 27, 2018

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