



The Treasurer of the State of Florida  
Department of Insurance

Tom Gallagher

IN THE MATTER OF:

CASE NO: 62217-02-CO

KANSAS CITY LIFE INSURANCE COMPANY  
Life and Health Market Conduct Investigation

CONSENT ORDER

THIS CAUSE came on for consideration as the result of an agreement between KANSAS CITY LIFE INSURANCE COMPANY, (hereinafter referred to as "KANSAS CITY 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 DEPARTMENT hereby finds as follows:

1. The DEPARTMENT has jurisdiction over the subject matter and parties to this proceeding.
2. KANSAS CITY 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.
3. The DEPARTMENT has conducted an investigation of KANSAS CITY LIFE, pursuant to Section 624.318, Florida Statutes. As a result of the investigation, the DEPARTMENT has determined that KANSAS CITY LIFE committed the following violations of the Florida Insurance Code:

**RECEIVED**

DEC 24 2002

Life & Health Market Conduct  
Division of Insurer Services

a. Failure to disclose in an advertisement relating to annuity Policy Form J148-R the administrative charges applicable to the annuity in violation of Section 627.8015(1), Florida Statutes and Rule 4-150.106(1)(b), Florida Administrative Code.

b. Failure to disclose in an advertisement relating to annuity Policy Form J148-R the surrender charges applicable to the annuity in violation of Section 627.8015(1), Florida Statutes and Rule 4-150.106(1)(c), Florida Administrative Code.

c. Failure to disclose in an advertisement relating to annuity Policy Form J148-R the free withdrawal provisions of the annuity in violation of Section 627.8015(1), Florida Statutes and Rule 4-150.106(1)(e), Florida Administrative Code.

d. Failure to disclose in an advertisement relating to annuity Policy Form J148-R the guaranteed minimum interest rate payable during the accumulation period in violation of Section 627.8015(1), Florida Statutes and Rule 4-150.106(1)(i), Florida Administrative Code.

e. Failure to disclose in an advertisement relating to annuity Policy Form J148-R the guaranteed minimum interest rate payable during the annuitization period in violation to Section 627.8015(1), Florida Statutes and Rule 4-150.106(1)(j), Florida Administrative Code.

4. The DEPARTMENT and KANSAS CITY 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. KANSAS CITY 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. KANSAS CITY LIFE 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 KANSAS CITY LIFE to such administrative action as the DEPARTMENT may deem appropriate.

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

a. KANSAS CITY LIFE shall pay a penalty of \$5,000.00 and administrative costs of \$1,000 on or before the 30th day after this Consent Order is executed.

b. KANSAS CITY LIFE shall henceforth comply with all of the provisions of the Florida Insurance Code and Florida Administrative Code.

c. KANSAS CITY LIFE is hereby placed on notice of the requirements of the above referenced sections of law and rule and agrees that any future violations of these sections by KANSAS CITY LIFE may be deemed willful, subjecting KANSAS CITY LIFE 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 KANSAS CITY 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 20<sup>th</sup> day of December, 2002.



KEVIN M. McCARTY  
Deputy Insurance Commissioner

By execution hereof KANSAS CITY 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.

KANSAS CITY LIFE INSURANCE  
COMPANY

By: \_\_\_\_\_

William A. Schalekamp  
(Typed or Printed Name)

Title: General Counsel & Secretary

Date: 12/16/02

**COPIES FURNISHED TO:**

**Mr. Robert P. Bixby, President  
Kansas City Life Insurance Company  
3520 Broadway  
Kansas City, MO 64111-2565**

**Ms. Gerry K. Smith, Insurance Administrator  
Florida Department of Insurance  
Bureau of Market Conduct  
Division of Insurer Services  
200 East Gaines Street  
Tallahassee, Florida 32399-4210**

**Ms. Judy Maynor, Insurance Analyst  
Florida Department of Insurance  
Bureau of Market Conduct  
Division of Insurer Services  
200 East Gaines Street  
Tallahassee, Florida 32399-4210**

**John L. Swyers, Attorney  
Florida Department of Insurance  
Division of Legal Services  
200 East Gaines Street  
Tallahassee, FL 32399-0333**