



IN THE MATTER OF:

AMERICAN BANKERS LIFE ASSURANCE  
COMPANY OF FLORIDA  
11222 QUAIL ROOST DRIVE  
MIAMI, FLORIDA 33157

STIPULATION AND CONSENT ORDER

WHEREAS, the Director (Director) of the Illinois Department of Insurance (Department) is a duly authorized and appointed official of the State of Illinois, having authority and responsibility for the enforcement of the insurance laws of this State; and

WHEREAS, American Bankers Life Assurance Company of Florida (Company) is authorized under the insurance laws of this State and by the Director as a foreign stock company, to engage in the business of soliciting, selling and issuing insurance policies; and

WHEREAS, a Market Conduct Examination of the Company was conducted by duly qualified examiners of the Department pursuant to Sections 131.21, 132, 401, 402 and 425 of the Illinois Insurance Code (215 ILCS 5/131.21, 5/132, 5/401, 5/402 and 5/425); and

WHEREAS, the Department examiners have filed an examination report as an official document of the Department as a result of the Market Conduct Examination; and

WHEREAS, said report cited various areas in which the Company was not in compliance with the Illinois Insurance Code (215 ILCS 5/1 *et seq.*) and Department Regulations (50 Ill. Adm. Code 101 *et seq.*); and

WHEREAS, nothing herein contained, nor any action taken by or in connection with this Stipulation and Consent Order, shall constitute, or be construed as, an admission of fault, liability or wrongdoing of any kind whatsoever by the Company.

WHEREAS, the Company is aware of and understands its various rights in connection with the examination and report, including the right to counsel, notice, hearing and appeal under Sections 132, 401, 402, 407 and 407.2 of the Illinois Insurance Code (215 ILCS 5/1323, 5/401, 5/402, 5/407 and 5/407.2) and 50 Ill. Adm. Code 2402; and

WHEREAS, the Company understands and agrees that by entering into this Stipulation and Consent Order, it waives any and all rights to notice and hearing; and

WHEREAS, the Company and the Director, for the purpose of resolving all matters raised by the report and in order to avoid any further administrative action, hereby enter into this Stipulation and Consent Order.

NOW, THEREFORE, IT IS agreed by and between the Company and the Director as follows:

1. That the Market Conduct Examination indicated various areas in which the Company was not in compliance with provisions of the Illinois Insurance Code and/or Department Regulations; and
2. That the Director and the Company consent to this order requiring the Company to take certain actions to come into compliance with provisions of the Illinois Insurance Code and/or Department Regulations.

THEREFORE, IT IS HEREBY ORDERED by the undersigned Director that the Company shall:

1. Institute and maintain procedures to provide the insured with a reasonable written explanation for delay beyond 45 days in accordance with 50 Ill. Adm. Code 919.70(a)(2).
2. Institute and maintain procedures whereby the Company affirms or denies coverage of claims within a reasonable time (considered to be 30 days as referenced in 50 Ill. Adm. 919.50) after proof of loss statements have been completed as outlined in 215 ILCS 5/154.6(i).
3. Institute and maintain procedures whereby the Company effectuates prompt, fair, and equitable settlement of claims when liability has become reasonably clear as outlined in 215 ILCS 5/154.6(d).
4. Institute and maintain procedures whereby the Company refunds premium as required under 215 ILCS 5/155.58.
5. Institute and maintain procedures whereby the Company discontinues the use of the term "final" when additional benefits remain available.

6. Institute and maintain procedures to prevent overpayment of disability claims.
7. Institute and maintain procedures whereby the Company provides all available options for non-forfeiture in the notice to the policy owner in accordance with 215 ILCS 5/234.1.
8. Institute and maintain procedures whereby the Company enacts non-forfeiture options within 60 days as required by 215 ILCS 5/229.2(1)(i).
9. Institute and maintain procedures to discontinue the use of forms that fail to include the accident only notice on the face page of the policy in accordance with 50 Ill. Adm. Code 2007.80(a)(6).
10. Institute and maintain procedures to discontinue the use of forms containing prohibited language in accordance with 50 Ill. Adm. Code 1405.40(p)(2).
11. Institute and maintain procedure to discontinue the use of forms containing suicide exclusions exceeding one (1) year on credit life forms in accordance with 50 Ill. Adm. Code 951.50(b)(1).
12. Submit to the Director of Insurance, State of Illinois, Proof of Compliance with the above 11 Orders within 30 days of the execution of these Orders.
13. Pay to the Director of Insurance, State of Illinois, a civil forfeiture in the amount of \$15,000 to be paid within 30 days of the execution of these Orders.

NOTHING contained herein shall prohibit the Director from taking any and all appropriate regulatory action as set forth in the Illinois Insurance Code, including but not limited to levying additional forfeitures, should the Company violate any of the provisions of this Stipulation and Consent order or any provisions of the Illinois Insurance Code or Department Regulations.

On behalf of American Bankers Life Assurance Company of Florida:

*Russell Hirsch*  
Signature  
Russell Hirsch.  
Name  
S.V.P.  
Title

Subscribed and sworn to before me this  
25<sup>th</sup> day of January A.D. 2011.

*Mary C. delAmo*  
Notary Public



DEPARTMENT OF INSURANCE of the  
State of Illinois;

DATE 4-29-2011

*Michael T. McRaith*  
Michael T. McRaith  
Director

