

STATE OF ILLINOIS

DEPARTMENT OF INSURANCE



IN THE MATTER OF:

GOLDEN RULE INSURANCE COMPANY
7440 WOODLAND DRIVE
INDIANAPOLIS, INDIANA 46278

STIPULATION AND CONSENT ORDER

WHEREAS, the 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, Golden Rule Insurance 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 Golden Rule Insurance Company ("Company") was conducted by duly qualified examiners of the Department pursuant to Sections 5/131.21, 5/132, 5/401, 5/402 and 5/425 of the Illinois Insurance Code ("Code") [215 ILCS 5/131.21, 5/132, 5/401, 5/402 and 5/425]; and

WHEREAS, the Department 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 50 Ill Adm. Code (Department Regulations); and

WHEREAS, nothing herein contained, nor any action taken by the Company 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; and

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 5/132, 5/401, 5/402, 5/407 and 5/407.2 of the Illinois Insurance Code 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 Stipulation and Consent 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 of the Illinois Department of Insurance, that Golden Rule Insurance Company shall :

1. Institute and maintain procedures where by commissions are not paid to individuals or entities not duly licensed as required by 215 ILCS 5/500-80.
2. Institute and maintain procedures to assure that notice is provided to the insured's beneficiary of the availability of interest at the rate of 9% on the total amount payable unless payment is made within 15 days from the date of receipt by the Company of due proof as is required by 215 ILCS 5/224(1)(1).
3. Institute and maintain procedures for full compliance with 215 ILCS 5/224(1)(1) as regards the calculation of interest to assure that the correct statutory rate of interest is paid when a claim has not been paid within 15 from the date of receipt by the Company of due proof of loss.
4. Institute and maintain procedures to fully comply with 215 ILCS 5/234.1 by providing and explaining to the policy owner all available non-forfeiture options on the Notice of the Enactment of a Non-Forfeiture Option which is required to be sent and maintained in accordance with 215 ILCS 5/234.1.
5. Institute and maintain procedures to assure that the Company includes the Notice of Availability of the Department of Insurance on all written communications to an insured or claimant explaining the reasons for denying claims payment as required by 50 Ill. Adm. Code 919.50(a)(1).
6. Institute and maintain procedures to assure that the Company includes the Notice of Availability of the Department of Insurance on all written communications to an insured or claimant explaining the reasons for delay of claim payment as required by 50 Ill. Adm. Code 919.70(a)(2).
7. Institute and maintain procedures whereby claims on Illinois issued life contracts are settled in compliance with Illinois Insurance Laws.
8. The Company shall reopen and review all of the paid life claim files, included on the listing of claims presented to the examiners that were not previously selected

for review. A determination for accuracy of the date's proof of loss was received shall be made and that interest was calculated from date of death to the date of late payment and that the statutorily proscribed 9% interest rate was applied.

The Company shall retain all claim, policy information and calculations.

- 9. Submit to the Director, within 30 days, proof of compliance with the above eight (8) orders.
- 10. The Company shall pay to the Director, within 30 days, a civil forfeiture of \$20,000.

NOTHING herein contained shall limit the discretion of the Director to take any position in the future. Hence, nothing contained herein shall prohibit the Director from advancing any and all arguments in any other proceeding.

NOTHING herein contained prevent the Director from taking any and all appropriate action should the Company violate any provision of the Illinois Insurance Code, Department Regulations or this Stipulation and Consent Order.

A VIOLATION of the above Stipulation and Consent Order shall subject the Respondent to further administrative action pursuant to the Illinois Insurance Code (215 ILCS 5/1 et seq.).

On behalf of Golden Rule Insurance Company

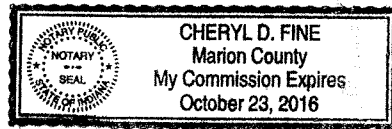
[Handwritten Signature]
Signature

Michael Corne
Name

VP
Title

Subscribed and sworn to before me this 11th day of February A.D. 2009¹⁰.

[Handwritten Signature]
Notary Public



DEPARTMENT OF INSURANCE of the State of Illinois;

DATE February 17, 2010

[Handwritten Signature]
Michael T. McRaith
Director