

BEFORE THE DIVISION OF INSURANCE
DEPARTMENT OF LABOR AND REGULATION
STATE OF SOUTH DAKOTA

IN THE MATTER OF PROTECTIVE LIFE)
INSURANCE COMPANY)

CONSENT ORDER

In resolution of the above matter and in lieu of issuance of a Notice of Hearing and a formal hearing, the undersigned parties do hereby agree to the following:

PROTECTIVE LIFE INSURANCE COMPANY ("PROTECTIVE"), whose address of record is PO Box 2723, Birmingham, Alabama 35202, is an insurance company holding a certificate of authority to transact business in the State of South Dakota;

PROTECTIVE is aware that the South Dakota Division of Insurance ("Division") has conducted an investigation of its insurance-related activities in South Dakota;

The Division has alleged the following:

- 1) PROTECTIVE failed to immediately refund unearned premium on single premium credit life and disability insurance contracts as to certain insureds who paid off their loans or leases prior to the scheduled payoff or termination date, in violation of SDCL §§ 58-19-15, 58-33-35 and 58-33-36 and ARSD 20:06:06:07 and 20:06:29:01;
- 2) Any of the above-cited conduct may be grounds for the revocation or suspension of PROTECTIVE's certificate of authority pursuant to SDCL § 58-6-46;

PROTECTIVE has denied any violation of the laws of this state, is aware of and understands the nature of the charges and has been informed that it has the right to notice, hearing, and appeal, and that by agreeing to and signing this Consent Order waives these rights;

In return for PROTECTIVE agreeing to the provisions of this Consent Order, the Division agrees not to proceed to hearing and agrees that this Consent Order will constitute an informal disposition of this licensing matter pursuant to SDCL § 1-26-20;

PROTECTIVE agrees to a monetary penalty in the amount of \$5,000 pursuant to SDCL § 58-4-28.1, in lieu of contesting this matter formally; and

PROTECTIVE further agrees to conduct itself in accordance with the insurance laws and regulations of the State of South Dakota;

PROTECTIVE agrees that this Consent Order may be considered for the purpose of determining the appropriate sanction in any future actions with the Division for any violations of the laws or regulations of the State of South Dakota or for failing to abide by any order of the Director;


Wherefore, good cause appearing from the foregoing, it is hereby ORDERED that PROTECTIVE pay a monetary penalty in the amount of \$5,000 payable to "South Dakota Division of Insurance" for deposit in the general fund of the State of South Dakota; and it is further

ORDERED that should PROTECTIVE fail to comply with the provisions of this Order, the Division may seek the suspension or revocation of PROTECTIVE's Certificate of Authority at hearing pursuant to SDCL § 58-6-46, or seek other remedies available at law; and it is further

ORDERED that the use of this Consent Order for competitive purposes by an insurance agent or third-party administrator holding a license in the State of South Dakota, or by any company holding a Certificate of Authority, or by anyone on their behalf, may be deemed unfair competition and be grounds for suspension or revocation of said license or authority; and it is further


ORDERED that the provisions of this Consent Order shall be effective from the date the Director signs this Order.

Dated at Pierre, South Dakota this 27th day of June, 2014.


Merle Schelter, Director
South Dakota Division of Insurance MC

The undersigned, on behalf of PROTECTIVE, represents it understands the terms of this Consent Order and the waiver of its due process rights and voluntarily enter into this Consent Order.

Dated this 24 day of June, 2014.


Signature of Authorized Representative
Mansara S. Kachumats
Printed Name
Authorized
Title