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GENERAL COUNSEL
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STATE OF SOUTH CAROLINA
DEPARTMENT OF INSURANCE

Before the State of South Carolina
Department of Insurance

In the matter of:

Commonwealth Dealers Life Ins. Co.

8001 West Broad Street
Richmond, Virginia 23294.

SCDI File Number 2001-110104

Consent Order
Imposing Administrative Penalty

This matter comes before me pursuant to an agreement entered into between the State of South Carolina Department of Insurance and Commonwealth Dealers Life Insurance Company (CDLIC), an insurer licensed to transact insurance business within the State of South Carolina.

CDLIC hereby admits, and I find as fact, that it failed to timely file its September 2001 Quarterly Tax Return Installment with the Department. This insurer twice previously had failed to timely file previous installments with the Department. CDLIC maintains these actions were unintentional and not a deliberate violation of South Carolina law.

Rather than contest this matter, CDLIC and the Department have agreed to submit the entire matter to me, along with their specific recommendation, for my summary decision. That consensual recommendation was that CDLIC would waive its right to a public hearing and would submit an administrative penalty to the Department in the total amount of $2,000.

Section 38-7-60(3) of the South Carolina Code in pertinent part states, "premium and other taxes imposed on insurers pursuant to Sections 38-7-20, 38-7-30, 38-7-40, 38-7-50, and 38-7-90 must be paid to the Director or his designee in quarterly installments on or before March first, June first, September first, and December first of each calendar year." Sections 38-7-60 (4) and 38-5-120 (A) (2) (Supp. 2000) allow the Director of Insurance to impose disciplinary action against an insurer that does not comply with South Carolina's insurance laws.

After a thorough review of the matter, carefully considering the recommendation of the parties, and pursuant to my findings of fact, I hereby conclude as a matter of law that CDLIC's September tax filing did not comply with S.C. Code Ann. § 38-7-60(3) (Supp. 2000). Accordingly, I hereby impose an administrative penalty in the amount of $2,000 against CDLIC pursuant to the discretion provided to me by the State of South Carolina General Assembly in S.C. Code Ann. §§ 38-5-130 and 38-2-10 (Supp. 2000). This administrative penalty must be paid within ten days of my date and my signature upon this consent order. If CDLIC has not paid that total amount on, or before, that date, then its certificate of authority to transact business as an insurer within the State of South Carolina will be summarily revoked without any further administrative disciplinary proceedings.

DD CDLIC

The parties have arrived at this administrative penalty in consideration of the internal corrective internal measures CDLIC has implemented to prevent this problem from recurring and of CDLIC's assurance that it will timely file each of its future tax returns with the Department. This penalty includes all expenses related to investigation of this matter as provided in § 38-13-70 of the South Carolina Code. The parties expressly agree and understand CDLIC's payment of the agreed-upon penalty constitutes full accord and satisfaction of this matter.

By the signature of one of its officers or authorized representatives upon this consent order, CDLIC acknowledges that it understands that this administrative disciplinary order is a public record subject to the disclosure requirements of the State of South Carolina's *Freedom of Information Act,* S.C. Code Ann. §§ 30-4-10, *et seq*. (1991 and Supp. 2000).

Nothing contained within this administrative disciplinary order should be construed to limit, or to deprive any person of, any private right of action under the law. Nothing contained within this administrative disciplinary order should be construed to limit, in any manner, the criminal jurisdiction of any law enforcement or judicial officer. Nothing contained within this administrative disciplinary order should be construed to limit the statutory duty, pursuant to S.C. Code Ann. § 38-3-110 (Supp. 2000), of the Director of Insurance, exercised either directly or through the Department, to "report to the Attorney General or other appropriate law enforcement officials criminal violations of the laws relative to the business of insurance or the provisions of this title which he considers necessary to report."

It is, therefore, ordered that Commonwealth Dealers Life Insurance Company shall, within ten days of my date and my signature upon this consent order, pay through the Department an administrative penalty in the total amount of $2,000.

It is further ordered that a copy of this consent order shall be immediately transmitted to the National Association of Insurance Commissioners for distribution to its member states.

This consent order becomes effective on the date of my signature below.

Ernst N. Csiszar
Director

8 November, 2001
Columbia, South Carolina

CDLIC

I CONSENT:

Signature of Authorized Representative

Theresa Dicks
Name

Secretary/Asst. Treas.
Title
Commonwealth Dealers Life Insurance Company
8001 West Broad Street
Richmond, Virginia 23294

Dated this 31 day of Oct., 2001