STATE OF SOUTH CAROLINA
DEPARTMENT OF INSURANCE

IN THE MATTER OF: UNION NATIONAL LIFE INSURANCE COMPANY 8282 GOODWOOD BOULEVARD BATON ROUGE, LA 70806 UNITED INSURANCE COMPANY OF AMERICA ONE EAST WACKER DRIVE CHICAGO, IL 60601 THE RELIABLE LIFE INSURANCE COMPANY 231 W. LOCKWOOD WEBSTER GROVES, MO 63119	)	Case Nos: 113282 113288 113289

CONSENT ORDER

THIS CAUSE came on for consideration and final agency action by the South Carolina Department of Insurance (hereinafter "DEPARTMENT"). Upon consideration of the record, and being otherwise fully advised in the premises, I, as the Director of Insurance in this state hereby find:

1. One of more of THE COMPANIES is licensed to transact insurance in this state. As affecting this state, the DEPARTMENT has jurisdiction over the subject matter of this proceeding and THE COMPANIES. These allegedly discriminatory practices constitute a violation of the South Carolina insurance laws.

2. By unanimous Resolution of the National Association of Insurance Commissioners (hereinafter "NAIC"), dated June 12, 2000, the NAIC authorized the Illinois Department of Insurance, in consultation with other regulators, to act as lead regulatory negotiator in negotiations with UNION NATIONAL LIFE INSURANCE

COMPANY, UNITED INSURANCE COMPANY OF AMERICA, AND THE RELIABLE LIFE INSURANCE COMPANY (hereinafter "THE COMPANIES"), seeking a proposed negotiated settlement of issues resulting from claims of racially discriminatory practices by THE COMPANIES relating to the sale of certain industrial life and small face amount life insurance policies.

3. Prior to the initiation of formal administrative proceedings against THE COMPANIES by the State of South Carolina, THE COMPANIES agreed to compromise and settle this matter by waiving any rights it may have had to a public hearing, and submitted this matter to me along with a specific recommendation from THE COMPANIES and the Department for my summary decision. The recommendation of the parties is contained in the Regulatory Settlement Agreement which is attached to this consent order as Exhibit A.

4. After carefully considering the recommendations of the parties, and pursuant to the discretionary authority provided to me by the State of South Carolina General Assembly within S.C. Code Ann. Section 38-2-10 (Supp. 2000) and S.C. Code Ann. Section 38-5-130 (Supp. 2000), I hereby accept the recommendation of the parties and impose an administrative fine in the total amount of $58,472 contingent on the terms and conditions of Exhibit A being satisfied as more particularly set forth in paragraph 3 hereof. This fine has been reached by the parties as a result of negotiation and compromise, and in consideration of THE COMPANIES' cooperation with this multi-state examination and its assurance that it will comply with all South Carolina insurance laws including, but not limited, to the provisions prohibiting the race-based pricing of insurance products.

5. In accordance with said NAIC Resolution, a proposed settlement has been presented to the DEPARTMENT, the terms of which are set forth in the Regulatory Settlement Agreement dated May 2, 2002, which has been executed by THE COMPANIES and the Illinois Department of Insurance, in its capacity as primary negotiator, which is attached hereto as Exhibit "A". The parties agree this consent order and its attachments are to be governed by the laws of the State of South Carolina, and the jurisdiction of any dispute arising under this consent order shall be vested in the Court of Common Pleas for the State of South Carolina, Richland County.

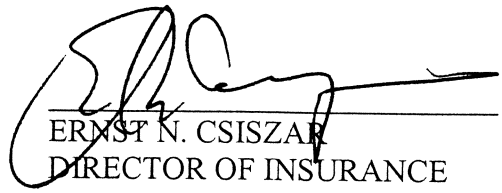
6. Upon review of the Regulatory Settlement Agreement, it is found that it is a fair and proper disposition of the matters addressed therein. By its signature upon this Consent Order, THE COMPANIES, acknowledge that they understand the terms and conditions of this order and that this administrative disciplinary 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. Section 30-4-10, *et seq*. (1976, as amended, and Supp. 2000).

IT IS THEREFORE ORDERED:

The Regulatory Settlement Agreement dated May 2, 2002, Exhibit "A" hereto, is hereby approved, adopted and fully incorporated herein by reference. THE COMPANIES shall immediately initiate compliance with all terms and conditions of the Regulatory Settlement Agreement as incorporated herein, including payment of the allocated sanction in the amount of $58,472 pursuant to paragraph 4 hereof. All terms and conditions of the Regulatory Settlement Agreement are hereby ORDERED. It is further ordered that a copy of this Consent Order Imposing Administrative Fine shall be

immediately transmitted to the National Association of Insurance Commissioners for distribution to its member states.

DONE and ORDERED this 22 day of ~~June~~ July 2002.



ERNST N. CSISZAR
DIRECTOR OF INSURANCE

APPROVED AND AGREED TO BY AND ON BEHALF OF THE COMPANIES (SIGNATURES PROVIDED FOR ONLY THOSE COMPANIES LICENSED IN THE STATE SET FORTH ABOVE) BY:

UNION NATIONAL LIFE INSURANCE COMPANY

By: _____

Name: **Jerry W. Hester**

Title: **President**

UNITED INSURANCE COMPANY OF AMERICA

By: _____

Name: **Don M. Royster, Sr.**

Title: **President**

THE RELIABLE LIFE INSURANCE COMPANY

By: _____

Name: **Don M. Royster, Sr.**

Title: **President**

COPIES FURNISHED TO:

Francesca J. Robertson
Vice President & Senior Counsel
United Insurance Company of America
One East Wacker Drive
Chicago, Illinois 60601

Robert Enoex
Chief Counsel
Illinois Department of Insurance
320 West Washington Street – 4th Floor
Springfield, Illinois 62767