

Before the State of South Carolina  
Department of Insurance

In the matter of: )  
)  
Conseco Life Insurance Company ) SCDI File Number 120459  
)  
11815 N Pennsylvania Street ) Consent Order  
Camel, IN 46032 ) Imposing Administrative Penalty  
)  
\_\_\_\_\_)


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

Conseco hereby admits, and I find as fact, that it used unlicensed producers to sell life insurance policies and or conduct the business of insurance in the state of South Carolina. Conseco has alleged that these violations of South Carolina statutes were completely unintentional. However, these actions are a direct violation of S.C. Code Ann. § 38-43-60 (Supp. 2003), and can ultimately lead to administrative action pursuant to S.C. Code Ann. § 38-5-120 (A) (2) (Supp. 2003) subject to the insurer's right to a public hearing before the Administrative Law Judge Division.

Prior to the initiation of formal administrative disciplinary proceedings by the Department against it, Conseco and the Department agreed to submit the entire matter to me, along with their specific recommendation, for my summary decision. That consensual recommendation was that Conseco would waive its right to a public hearing, immediately submit an administrative penalty in the total amount of \$6,000.

S.C. Code Ann. § 38-43-60) (Supp. 2003) in pertinent part states "All business done in this State by insurers doing the business of insurance as defined in this title must be transacted by their regularly authorized producers licensed in this State or through applications of the producers. ..."

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 Conseco did violate S.C. Code Ann. § 38-43-60 (Supp. 2003). In lieu of taking other administrative action as stated above, I hereby impose an administrative penalty in the amount of \$6,000 against Conseco 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. 2003). This administrative penalty must be paid within ten days of my date and my signature upon this consent order. If that total amount is not paid on, or before, that date, then Conseco will be subject to further administrative



Conseco Life Insurance Company

action as allowed by South Carolina law without any further administrative disciplinary proceedings.

This administrative penalty has been reached by the parties as a result of negotiation and compromise, and in consideration of the internal corrective measures Conseco has taken to prevent this problem from recurring and of its assurance that it will in the future comply with South Carolina insurance statutes and regulations. By the signature of one of its officers or authorized representatives upon this consent order, Conseco 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. 2003).

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. 2003), 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 Conseco Life Insurance Company shall, within ten days of my date and my signature upon this consent order, pay to the Department an administrative penalty in the total amount of \$6,000.

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

April 5, 2004  
Columbia, South Carolina

I CONSENT:



Conseco Life Insurance Company



\_\_\_\_\_  
Signature of Authorized Representative

MATT ZIMPFER  
Name

VICE PRESIDENT  
Title

Conseco Life Insurance Company  
11815 N Pennsylvania Street  
Camel, IN 46032

Dated this 6 day of April 2004