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STATE OF ARIZONA
FILED

MAY 24 2000

STATE OF ARIZONA
DEPARTMENT OF INSURANCE

DEPT. OF INSURANCE
BY

In the Matter of:

JOHN ALDEN LIFE INSURANCE COMPANY,
NAIC #65080;

Respondent.

) Docket No. 00A-085-INS
)
) **CONSENT ORDER**
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An Examiner for the Department of Insurance (the "Department") conducted a market conduct examination of John Alden Life Insurance Company ("John Alden"). The Report of the Examination of the Market Conduct Affairs of John Alden, dated September 11, 1997 alleges that John Alden has violated A.R.S. §§ 20-311, 20-448.01, 20-461, 20-462, 20-2104, 20-2110, 20-2309, and A.A.C. R20-6-215, R20-6-801, R20-6-1203, and the prior Consent Order, Docket #8570, dated October 5, 1994.

John Alden wishes to resolve this matter without formal proceedings, admits that the following Findings of Fact are true, and consents to the entry of the following Conclusions of Law and Order.

FINDINGS OF FACT

1. John Alden is authorized to transact life and disability insurance pursuant to a Certificate of Authority issued by the Director.

2. The Examiner was authorized by the Director to conduct a market conduct examination of John Alden. The on-site examination covered the time period from January 1, 1994 through December 31, 1996, and was concluded on September 11, 1997. Based on the findings the Examiner prepared the "Report of Examination of the Market Conduct Affairs of John Alden Life Insurance Company" dated September 11, 1997.

3. Following a market conduct examination of John Alden Life Insurance Company as

1 of December 31, 1990, the Director entered a Consent Order, Docket No. 8570, which was filed
2 on October 5, 1994 (the "1994 Order"). In pertinent part, the 1994 Order stated as follows:

3 "John Alden shall respond to inquires concerning claims from the ADOI
4 within 15 days; acknowledge notification of claims within ten working days
5 of their receipt; notify insureds of the acceptance or denial of claims within 15
6 working days of receipt of properly executed proofs of loss; and either pay
7 claims within 30 days after receipt of an acceptable proof of loss which
8 contains all information necessary for claims adjudication, or pay interest on
9 the claims from the date the claim was received by John Alden."

10 4. John Alden paid a total of 12 commissions to persons or entities not licensed as
11 agents, brokers, or solicitors in Arizona at the time of the payments.

12 5. The Examiner reviewed 26 complaints against John Alden filed with the Arizona
13 Department of Insurance and found that John Alden failed to acknowledge the receipt of two
14 Department of Insurance claim inquiries within the time allotted by the Department.

15 6. The Examiner reviewed 25 of 25 life insurance declined applications during the
16 examination period and found as follows:

17 a. John Alden used an HIV-related test consent form that was not filed nor
18 approved by the Director on 13 applications.

19 b. John Alden, as the replacing insurer, failed to send a *Notice Regarding*
20 *Replacement of Life Insurance* to the existing insurer within three days of receipt of the
21 application in its home or regional office on one application.

22 7. The Examiner reviewed 24 of 62 individual term and whole life insurance policies
23 issued by John Alden during the time frame of the examination, and found as follows:

24 a. John Alden used an HIV-related test consent form that was not filed nor
25 approved by the Director on 22 applications.

b. John Alden failed to provide an individual proposed for coverage with the
specific reason for an adverse underwriting decision in writing or advise the person that upon
written request the person may receive the specific reason in writing on one policy.

1 c. John Alden, as the replacing insurer, failed to send a *Notice Regarding*
2 *Replacement of Life Insurance* to the existing insurer within three days of receipt of the
3 application in its home or regional office on one policy.

4 8. The Examiner reviewed 5 of 5 applications for disability income insurance
5 submitted during the time frame of the examination, and found as follows:

6 a. John Alden failed to obtain the consent of two applicants to conduct HIV-
7 related tests prior to testing the applicants, on a form as prescribed by the Director.

8 b. John Alden failed to provide five applicants with a *Notice of Information*
9 *Practices* which disclosed that applicants had the right of access and correction with respect to
10 all personal information collected.

11 9. The Examiner reviewed 2 of 2 long term care applications declined during the time
12 frame of the examination, and found that John Alden failed to provide a *Summary of Rights* in
13 the event of an adverse underwriting decision, to two applicants.

14 10. The Examiner reviewed 17 of 17 long term care policies issued during the time
15 frame of the examination, and found as follows:

16 a. John Alden failed to provide a *Notice of Insurance Information Practices* to
17 one applicant.

18 b. John Alden failed to provide a *Summary of Rights* in the event of an adverse
19 underwriting decision to one applicant.

20 11. The Examiner reviewed 3 of 3 long term care claims paid during the time frame of
21 the examination and found that John Alden failed to pay interest on one claim that was not paid
22 within 30 days of receipt of an acceptable proof of loss.

23 12. The Examiner reviewed 46 individual medical conversion claims that were paid
24 during the time frame of the examination and found as follows:

25 a. John Alden failed to acknowledge receipt of a notice of claim on six claims

1 within 10 working days after receipt of proof of loss.

2 b. John Alden failed to notify five first party claimants of the acceptance or
3 denial of the claim within 15 working days after receipt of proof of loss.

4 c. John Alden failed to complete the investigation of four claims within 30 days
5 after notification of the claim.

6 d. John Alden failed to pay interest on three claims not paid within 30 days after
7 receipt of an acceptable proof of loss. John Alden has made payments of interest at 10% to each
8 insured in excess of \$5.00.

9 13. The Examiner reviewed 50 of 143 short-term major medical claims paid during the
10 time frame of the examination and found as follows:

11 a. John Alden failed to acknowledge receipt of a notice of claim on ten claims
12 within ten working days after receiving the notice of claim.

13 b. John Alden failed to notify six first party claimants of the acceptance or denial
14 of the claim within 15 working days after receipt of proof of loss.

15 c. John Alden failed to complete the investigation of four claims within 30 days
16 after notification of claim.

17 d. John Alden failed to pay interest on three claims not paid within 30 days after
18 receipt of an acceptable proof of loss. John Alden has made payments of interest at 10% to two
19 insureds in excess of \$5.00.

20 14. The Examiner reviewed 53 of 110 short-term major medical claims denied during
21 the time frame of the examination and found as follows:

22 a. John Alden failed to acknowledge receipt of the notice of claim on four claims
23 within ten working days after receiving notification of claim.

24 b. John Alden failed to notify one first party claimant of the acceptance or denial
25 of the claim within 15 working days after receipt of proof of loss.

1 15. The Examiner reviewed 22 of 33 JaliCare declined applications during the time
2 frame of the examination and found as follows:

3 a. John Alden failed to provide ten applicants with the specific reason for an
4 adverse underwriting decision in writing, or to advise the applicant that upon written request, the
5 person may receive the specific reason in writing or to provide the applicant with the required
6 summary of rights.

7 b. John Alden failed to provide a *Summary of Rights* in the event of an adverse
8 underwriting decision to nine applicants.

9 16. The Examiner reviewed 50 of 311 JaliCare policies issued during the time frame of
10 the examination and found as follows:

11 a. John Alden used an HIV-related test consent form to obtain the consent of 46
12 subjects, which was not filed with nor approved by the Director.

13 b. John Alden failed to obtain an HIV consent form from four applicants prior to
14 testing.

15 c. John Alden failed to provide one applicant with the specific reason for an
16 adverse underwriting decision in writing, or to advise the person that upon written request, the
17 applicant may receive the specific reason in writing or to provide the applicant with the required
18 summary of rights.

19 d. John Alden failed to provide to provide two applicants with a *Summary of*
20 *Rights* in the event of an adverse underwriting decision.

21 17. The Examiner reviewed 109 of 4,579 JaliCare medical claims paid during the time
22 frame of the examination and found as follows:

23 a. John Alden failed to acknowledge receipt of a notice of claim within ten
24 working days after receiving the notice of claim on 20 claims.

25 b. John Alden failed to notify 22 first party claimants of the acceptance or denial

1 of the claims within 15 working days after receipt of proof of loss.

2 c. John Alden failed to complete investigation of nine claims within 30 days
3 after notification of the claims.

4 d. John Alden failed to pay interest on 18 claims not paid within 30 days after
5 receipt of an acceptable proof of loss. John Alden has made payments of interest at 10% to ten
6 insureds in excess of \$5.00.

7 18. The Examiner reviewed 50 of 2,461 JaliCare medical claims that were denied during
8 the time frame of the examination, and found as follows:

9 a. John Alden failed to acknowledge receipt of 14 claims within ten working
10 days after receiving notification of the claim.

11 b. John Alden failed to notify 12 first party claimants of the acceptance or denial
12 of the claim within 15 working days after receipt of proof of loss.

13 c. John Alden failed to complete the investigation of seven claims within 30
14 days after notification of the claims.

15 d. John Alden failed to pay interest on two claims that were not paid within 30
16 days of receipt of an acceptable proof of loss. John Alden has made a payment of interest at 10%
17 to one insured in excess of \$5.00.

18 19. The Examiner reviewed John Alden's renewal procedures for Spectrum during the
19 time frame of the examination, and found as follows:

20 a. John Alden, due to its computer processes, failed to provide a written notice
21 of renewal at least 60 days prior to actual policy expiration to, to all groups who renewed whose
22 renewal date fell in the first month of any quarter. In the event that John Alden failed in send the
23 renewal notice in a timely manner, John Alden extended the prior coverage and pricing for an
24 additional month.

25 b. John Alden failed to include in all renewal notices sent, an explanation of the

1 extent to which an increase in premium was due to the actual or expected claims experience of
2 the individuals covered by the employer's health plan to an unknown number of certificate
3 holders.

4 20. The Examiner reviewed 54 of 61 Spectrum group disability applications denied
5 during the time frame of the examination, and found as follows:

6 a. John Alden failed to use an HIV-related test consent form subsequent to
7 March 7, 1994, which was not filed with nor approved by the Director on five applicants.

8 b. John Alden failed to obtain an HIV consent form from three applicants prior
9 to HIV testing.

10 c. John Alden failed to provide 12 applicants with the specific reason for an
11 adverse underwriting decision in writing, or to advise the applicant that upon written request, the
12 applicant may receive the specific reason in writing or to provide the applicant with the required

13 *Summary of Rights.*

14 d. John Alden failed to provide 11 applicants with a *Summary of Rights* in the
15 event of an adverse underwriting decision.

16 21. The Examiner reviewed 50 of 1176 Spectrum group certificates issued during the
17 time frame of the examination, and found as follows:

18 a. John Alden failed to obtain an HIV consent form from two applicants prior to
19 HIV testing.

20 b. John Alden used an HIV-related test consent form subsequent to March 7,
21 1994, which was not filed with nor approved by the Director on one applicant.

22 22. The Examiner reviewed 200 of 126,886 Spectrum group medical claims paid during
23 the time frame of the examination and found as follows:

24 a. John Alden failed to acknowledge receipt of 32 claims within ten working
25 days after receiving notification of the claim.

1 b. John Alden failed to notify 21 first-party claimants of the acceptance or denial
2 of the claims within 15 working days after receipt of proof of loss.

3 c. John Alden failed to complete the investigation of 13 claims within 30 days
4 after notification of the claim.

5 d. John Alden failed to pay interest on 17 claims that were not paid within 30
6 days of receipt of an acceptable proof of loss. John Alden has made payments of interest at 10%
7 to each insured.

8 23. The Examiner reviewed 113 of 43,889 Spectrum group medical claims denied
9 during the time frame of the examination and found as follows:

10 a. John Alden failed to acknowledge receipt of 13 claims within ten working
11 days after receiving notification of the claim.

12 b. John Alden failed to notify 12 first-party claimants of the acceptance or denial
13 of the claims within 15 working days after receipt of proof of loss.

14 c. John Alden failed to complete the investigation of four claims within 30 days
15 after notification of the claim.

16 d. John Alden failed to pay interest on three claims that were not paid within 30
17 days of receipt of an acceptable proof of loss. John Alden has made payments of interest at 10%
18 to each insured.

19 24. The Examiner reviewed 14 of 14 Spectrum group life insurance death claims paid
20 during the time frame of the examination and found as follows:

21 a. John Alden failed to maintain one file's notes and work papers in such detail
22 that pertinent events and the dates of such events could be reconstructed. Specifically, the file
23 did not contain the date that the beneficiary received the settlement proceeds.

24 b. John Alden failed to maintain two file's notes and work papers in such detail
25 that pertinent events and the dates of such events could be reconstructed. Specifically, the files

1 did not contain the date that the Company received the notice of the claim.

2 c. John Alden failed to notify three first-party claimants of the acceptance or
3 denial of the claims within 15 working days after receipt of proof of loss.

4 d. John Alden failed to pay interest on two claims that were not paid within 30
5 days of receipt of an acceptable proof of loss. John Alden has made payments of interest at 10%
6 to each insured.

7 25. The Examiner reviewed 90 of 2,311 Spectrum paid dental claims processed during
8 the time frame of the examination and found as follows:

9 a. John Alden failed to acknowledge receipt of 17 claims within ten working
10 days after receiving notification of the claim.

11 b. John Alden failed to notify seven first-party claimants of the acceptance or
12 denial of the claims within 15 working days after receipt of proof of loss.

13 c. John Alden failed to complete the investigation of five claims within 30 days
14 after notification of the claim.

15 d. John Alden failed to pay interest on four claims that were not paid within 30
16 days of receipt of an acceptable proof of loss. John Alden has made payments of interest at 10%
17 to three insureds in excess of \$5.00.

18 26. The Examiner reviewed 10 of 2,311 Spectrum dental claims denied during the time
19 frame of the examination and found as follows:

20 a. John Alden failed to acknowledge receipt of four claims within ten working
21 days after receiving notification of the claim.

22 b. John Alden failed to notify three first-party claimants of the acceptance or
23 denial of the claims within 15 working days after receipt of proof of loss.

24 c. John Alden failed to complete the investigation of three claims within 30 days
25 after notification of the claim.

1 27. The Examiner reviewed four of four Real Choices group disability policies renewed
2 during the time frame of the examination and found that John Alden failed, in five instances, to
3 include in renewal notices sent to groups, an explanation of the extent to which any increase in
4 premium was due to the actual or expected claims experience of the individuals covered under
5 the employer's health benefit plan.

6 28. The Examiner reviewed 146 of 9,583 Real Choices group medical claims paid
7 during the time frame of the examination and found as follows:

8 a. John Alden failed to acknowledge receipt of 34 claims within ten working
9 days after receiving notification of the claim.

10 b. John Alden failed to notify 33 first-party claimants of the acceptance or denial
11 of the claims within 15 working days after receipt of proof of loss.

12 c. John Alden failed to complete the investigation of 24 claims within 30 days
13 after notification of the claim.

14 d. John Alden failed to pay interest on 27 claims that were not paid within 30
15 days of receipt of an acceptable proof of loss. John Alden has made payments of interest at 10%
16 to 24 insureds in excess of \$5.00.

17 29. The Examiner reviewed 50 of 3,304 Real Choices group medical claims denied
18 during the time frame of the examination, and found as follows:

19 a. John Alden failed to acknowledge receipt of 12 claims within ten working
20 days after receiving notification of the claim.

21 b. John Alden failed to notify nine first-party claimants of the acceptance or
22 denial of the claims within 15 working days after receipt of proof of loss.

23 c. John Alden failed to complete the investigation of four claims within 30 days
24 after notification of the claim.

25 d. John Alden failed to pay interest on four claims that were not paid within 30

1 days of receipt of an acceptable proof of loss. John Alden has made payments plus interest at
2 10% to three insureds in excess of \$5.00.

3 30. The Examiner reviewed 50 of 734 Real Choice group dental claims paid during the
4 time frame of the examination, and found as follows:

5 a. John Alden failed to acknowledge receipt of 23 claims within ten working
6 days after receiving notification of the claim.

7 b. John Alden failed to notify 18 first-party claimants of the acceptance or denial
8 of the claims within 15 working days after receipt of proof of loss.

9 c. John Alden failed to complete the investigation of 14 claims within 30 days
10 after notification of the claim.

11 d. John Alden failed to pay interest on 14 claims that were not paid within 30
12 days of receipt of an acceptable proof of loss. John Alden has made payments plus interest at
13 10% to one insured in excess of \$5.00.

14 31. The Examiner reviewed 40 of 40 Real Choices group dental claims denied during
15 the time frame of the examination, and found as follows:

16 a. John Alden failed to acknowledge receipt of 15 claims within ten working
17 days after receiving notification of the claim.

18 b. John Alden failed to notify ten first-party claimants of the acceptance or
19 denial of the claims within 15 working days after receipt of proof of loss.

20 c. John Alden failed to complete the investigation of ten claims within 30 days
21 after notification of the claim.

22 CONCLUSIONS OF LAW

23 1. John Alden violated A.R.S. § 20-311(A) by paying commissions to unlicensed
24 agents.

25 2. John Alden violated A.A.C. R20-6-215(F)(3)(c) by failing to send *Notices*

1 *Regarding Replacement of Life Insurance* to the existing insurers within three working days of
2 the receipt of applications.

3 3. John Alden violated A.R.S. § 20-461(A)(2), A.A.C. R20-6-801(E)(1), and the 1994
4 Order by failing to acknowledge within 10 days of notification of claims.

5 4. John Alden violated A.R.S. § 20-461(A)(3) and A.A.C. R20-6-801(F) by failing to
6 complete claims investigations within 30 days of notification of claim.

7 5. John Alden violated A.R.S. § 20-461(A)(5), A.A.C. R20-6-801(G)(1)(a), and the
8 1994 Order by failing to accept or deny claims within 15 days after receipt of proof of loss.

9 6. John Alden violated A.R.S. § 20-462(A) and the 1994 Order by failing to pay
10 interest on claims not paid within 30 days after the receipt of acceptable proof of loss which
11 contained all information necessary for claim adjudication.

12 7. John Alden violated A.R.S. § 20-2104(A) by failing to provide the applicant with a
13 *Notice of Insurance Information Practices*.

14 8. John Alden violated A.R.S. § 20-2104(B) by failing to provide the applicant with a
15 *Notice of Insurance Information Practices* that contained all of the required information.

16 9. John Alden violated A.R.S. § 20-2110(A) by failing to give applicants for insurance
17 (1) notice of adverse underwriting decisions and (2) either the specific reasons for adverse
18 underwriting or (3) notification that the specific reasons could be obtained upon written request.
19 Also, (4) by failing to provide *Summaries of Rights* to individuals subject to adverse
20 underwriting decisions.

21 10. John Alden violated A.R.S. § 20-2309(A) by failing to include in its renewal notice
22 an explanation of the extent to which any increase in premium was due to the actual or expected
23 claim experience of the individuals covered by the employer's health plan.

24 11. John Alden violated A.A.C. R20-6-801(C) by failing to document all claim files in
25 sufficient detail that the Examiner could reconstruct pertinent events and dates of the events.

1 13. John Alden violated A.A.C. R20-6-801(E)(2) and the 1994 Order by failing to
2 acknowledge the receipt of a Department of Insurance Complaint within the time frame allotted
3 by the Department.

4 14. John Alden violated A.R.S § 20-448.01(B) and A.A.C. R20-6-1203(C) by obtaining
5 consent for HIV-related testing from the subjects on forms not prescribed or approved by the
6 Director.

7 15. Grounds exist for the entry of the following Order, in accordance with A.R.S. §§ 20-
8 220, 20-456, and 20-2117.

9 **ORDER**

10 **IT IS ORDERED THAT:**

11 1. John Alden Life Insurance Company shall cease and desist from committing the
12 following practices:

- 13 a. Failing to comply with an Order of the Director.
- 14 b. Paying commissions to unlicensed agents;
- 15 c. Obtaining permission of the applicants for HIV-related testing on consent
16 forms other than the form approved by the Director;
- 17 d. Failing to provide a *Notice of Information Practices* in insurance policy
18 applications that contains all of the required information;
- 19 e. Failing to include *Notices of Information Practices* in insurance policy
20 applications that request personal information concerning the applicants;
- 21 f. Failing to send *Notice Regarding Replacement of Life Insurance* to existing
22 insurers within three working days of the receipt of each application;
- 23 g. Failing to give applicants and insureds: 1) written notice of adverse
24 underwriting decisions, 2) the specific reasons for adverse underwriting or notification that the
25 specific reason could be obtained upon written request, and 3) a *Summaries of Rights* to

1 individuals subject to adverse underwriting decisions;

2 h. Failing to document claim files in sufficient detail such that the Examiners can
3 reconstruct pertinent events and the dates of those events;

4 i. Failing to acknowledge and act promptly upon notification of claims;

5 j. Failing to complete claims investigations within 30 days of notification of
6 claim;

7 k. Failing to accept or deny claims within 15 days after receipt of proof of loss;

8 l. Failing to pay interest on claims not paid within 30 days after the receipt of
9 acceptable proof of loss.

10 m. Failing to include in renewal notices an explanation of the extent to which any
11 increase in premium was due to the actual or expected claim experience of the individuals
12 covered by the employer's health plan.

13 n. Failing to acknowledge the receipt of a Department of Insurance complaint
14 with the time frame allotted by the Department.

15 2. Within 90 days of the filed date of this Order, John Alden shall submit corrective
16 action plans as follows to the Arizona department of Insurance for approval:

17 a. New or modified written procedures to ensure compliance with the
18 requirements of A.R.S. § 20-311(A), regarding the payment of commissions to unlicensed
19 agents, to be disseminated to all appropriate personnel. John Alden has submitted a corrective
20 action plan for approval.

21 b. New or modified written procedures to ensure compliance with the
22 requirements of A.R.S. § 20-448.01(B) and A.A.C. R20-6-1203(C) regarding the use of
23 unapproved consent forms to obtain permission from applicants for HIV-related testing, to be
24 disseminated to all sales and underwriting personnel. John Alden has submitted a corrective
25 action plan for approval.

1 c. New or modified written procedures to ensure compliance with the
2 requirements of A.R.S. § 20-2104(A) regarding the failure to provide applicants with a Notices
3 of Insurance Information Practices, to be disseminated to all underwriting personnel. John Alden
4 has submitted a corrective action plan for approval.

5 d. New or modified written procedures to ensure compliance with the
6 requirements of A.R.S. § 20-2104(B) regarding the failure to provide applicants with a *Notice of*
7 *Insurance Information Practices* that contains all of the required information, to be disseminated
8 to all underwriting personnel. John Alden has submitted a corrective action plan for approval.

9 e. New or modified written procedures to ensure compliance with the
10 requirements of A.R.S. § 20-2110(A) regarding the failure to give applicants and insureds
11 written notice of adverse underwriting decisions, and to provide a *Summaries of Rights* to all
12 individuals subject to adverse underwriting decisions, to be disseminated to all underwriting
13 personnel. John Alden has submitted a corrective action plan for approval.

14 f. New or modified written procedures to ensure compliance with the
15 requirements of A.R.S. § 20-2309(A) regarding the need to provide renewal notices to all group
16 policyholders at least 60 days prior to policy expiration, and to include in that notice an
17 explanation of the extent to which any increase in premium was due to the actual or expected
18 claim experience of the individuals covered by the employer's health plan, to be disseminated to
19 all appropriate personnel. John Alden has submitted a corrective action plan for approval.

20 g. New or modified written procedures to ensure compliance with the
21 requirements of A.A.C. R20-6-801(E)(1) regarding the failure to acknowledge and act promptly
22 upon notification of a claim, to be disseminated to all claims personnel. John Alden has
23 submitted a corrective action plan for approval.

24 h. New or modified written procedures to ensure compliance with the
25 requirements of A.A.C. R20-6-801(E)(2) regarding the failure to acknowledge the receipt of a

1 Department of Insurance complaint within the time frame allotted by the Department, to be
2 disseminated to all appropriate personnel. John Alden has submitted a corrective action plan for
3 approval.

4 i. New or modified written procedures to ensure compliance with the
5 requirements of A.A.C. R20-6-801(F) regarding the failure to complete claims investigations
6 within 30 days of notification of the claim, to be disseminated to all claims personnel. John
7 Alden has submitted a corrective action plan for approval.

8 j. New or modified written procedures to ensure compliance with the
9 requirements of A.A.C. R20-6-801(G)(1)(a) regarding the failure to accept or deny claims within
10 15 days after receipt of proof of loss, to be disseminated to all claims personnel. John Alden has
11 submitted a corrective action plan for approval.

12 k. New or modified written procedures to ensure compliance with the
13 requirements of A.R.S. § 20-462(A) regarding the payment of interest on claims not paid within
14 30 days after the receipt of acceptable proof of loss which contained all information necessary
15 for claim adjudication, to be disseminated to all claims personnel. John Alden has submitted a
16 corrective action plan for approval.

17 3. The Department shall be permitted, through authorized representatives, to verify that
18 John Alden has complied with all provisions of this Order.

19 4. John Alden shall pay a civil penalty of \$45,000.00 to the Director for deposit in the
20 State General Fund in accordance with A.R.S. § 20-220(B). The civil penalty shall be provided
21 to the Market Conduct Examinations Division of the Department prior to the filing of this Order.

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1 **CONSENT TO ORDER**

2 1. John Alden Life Insurance Company has reviewed the foregoing Order.

3 2. John Alden Life Insurance Company admits the jurisdiction of the Director of
4 Insurance, State of Arizona, admits the foregoing Findings of Fact, and consents to the entry of
5 the Conclusions of Law and Order.

6 3. John Alden Life Insurance Company is aware of the right to a hearing, at which it
7 may be represented by counsel, present evidence, and cross-examine witnesses. John Alden Life
8 Insurance Company irrevocably waives the right to such notice and hearing and to any court
9 appeals related to this Order.

10 4. John Alden Life Insurance Company states that no promise of any kind or nature
11 whatsoever was made to it to induce it to enter into this Consent Order and that it has entered
12 into this Consent Order voluntarily.

13 5. John Alden Life Insurance Company acknowledges that the acceptance of this Order
14 by the Director of the Arizona Department of Insurance is solely for the purpose of settling this
15 matter and does not preclude any other agency or officer of this state or its subdivisions or any
16 other person from instituting proceedings, whether civil, criminal, or administrative, as may be
17 appropriate now or in the future.

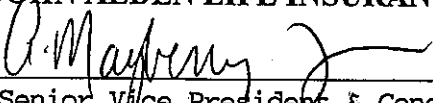
18 6. Ann Mayberry-French, Who holds the office of John Alden Life Insurance
19 Company is authorized to enter into this Order for it and on its behalf.

20 **JOHN ALDEN LIFE INSURANCE COMPANY**

21 May 17, 2000

22 Date

By:


23 Senior Vice President & General Counsel
24
25

1 **COPY of the foregoing mailed/delivered**
2 **this 24th day of May, 2000, to:**

3
4 Sarah Begley
5 Deputy Director

6 Erin H. Klug
7 Chief Market Conduct Examiner

8 Mary Butterfield
9 Assistant Director
10 Life & Health Division

11 Deloris E. Williamson
12 Assistant Director
13 Rates & Regulations Division

14 Gary Torticill
15 Assistant Director and Chief Financial Examiner
16 Corporate & Financial Affairs Division

17 Mary Butterfield
18 Acting Assistant Director
19 Investigations and
20 Consumer Services Division

21 Terry L. Cooper
22 Fraud Unit Chief

23
24 DEPARTMENT OF INSURANCE
25 2910 North 44th Street, Suite 210
Phoenix, AZ 85018

John Alden Life Insurance Company
Mr. Steven E. Johnson, AIRC, ACS
Market conduct Analyst
Fortis Health
P.O. Box 3050
Milwaukee, WI 53201-3050

Curacy Buxton