

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

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IN THE MATTER OF )  
AETNA LIFE INSURANCE COMPANY )

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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:

AETNA LIFE INSURANCE COMPANY ("AETNA"), whose address of record is 151 Farmington Ave. - RT21, Hartford, CT 06156-9154, is a life insurance company holding a Certificate of Authority to transact business in the State of South Dakota;

AETNA 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) AETNA has acted as in the capacity of a third-party administrator ("TPA") in South Dakota since October 2012;
- 2) Despite acting as a TPA, AETNA does not hold a TPA license in South Dakota in violation of SDCL § 58-29D-21;
- 3) AETNA applied for a TPA Registration in South Dakota on December 7, 2012;
- 4) The above-cited violation may be grounds for the revocation or suspension of AETNA's Certificate of Authority pursuant to SDCL §§ 58-6-46 and 58-29D-21;

AETNA 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 AETNA 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;

AETNA agrees to a monetary penalty in the amount of \$2,500 pursuant to SDCL § 58-4-28.1, in lieu of contesting this matter formally; and

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

AETNA further 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 AETNA pay a monetary penalty in the amount of \$2,500 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 AETNA fail to comply with the provisions of this Order, the Division may seek the suspension or revocation of AETNA'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 AETNA's December 7, 2012 TPA Registration Application and any addenda are approved for licensure and that AETNA be registered as a TPA; 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 14<sup>th</sup> day of January, 2013.



Merle Scheiber, Director  
South Dakota Division of Insurance

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

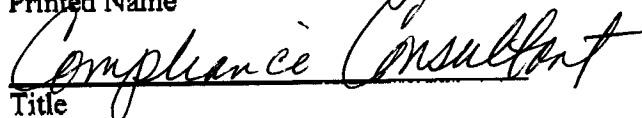
Dated this 10<sup>th</sup> day of January, 2013



Signature of Authorized Representative

Renea L. Taylor

Printed Name



Title