

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

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IN THE MATTER OF SILVERSCRIPT                    )  
INSURANCE COMPANY                                )

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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:

SILVERSCRIPT INSURANCE COMPANY (“SILVERSCRIPT”), whose address of record is 445 Great Circle Road, Nashville, TN 37228, is an insurance company holding a certificate of authority to transact business in the State of South Dakota;

SILVERSCRIPT 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) SILVERSCRIPT failed to respond to Division inquiries dated December 19, 2012 and February 19, 2013 within 20 days in violation of SDCL §§ 58-33-66(1) and 58-33-68;
- 2) SILVERSCRIPT, through human error, provided the Division with incorrect information concerning producer appointment terminations for cause, when in fact the terminations were not for a reason specified in SDCL § 58-30-167;
- 4) Any of the above-cited conduct may be grounds for the revocation or suspension of SILVERSCRIPT’s certificate of authority pursuant to SDCL § 58-6-46;

SILVERSCRIPT 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;

SILVERSCRIPT has represented to the Division that quality control measures have been implemented to prevent similar issues from occurring in the future;

In return for SILVERSCRIPT 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;

SILVERSCRIPT agrees to a monetary penalty in the amount of \$5,000 pursuant to SDCL § 58-4-28.1, in lieu of contesting this matter formally; and

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

SILVERSCRIPT 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;

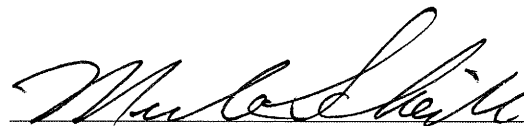
Wherefore, good cause appearing from the foregoing, it is hereby ORDERED that SILVERSCRIPT pay a monetary penalty in the amount of \$5,000 payable to "South Dakota Division of Insurance" for deposit in the general fund of the State of South Dakota; and it is further

ORDERED that should SILVERSCRIPT fail to comply with the provisions of this Order, the Division may seek the suspension or revocation of SILVERSCRIPT'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 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.

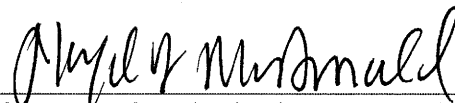
Dated at Pierre, South Dakota this 13<sup>th</sup> day of June, 2013.



Merle Scheiber, Director  
South Dakota Division of Insurance

The undersigned, on behalf of SILVERSCRIPT, 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 11<sup>th</sup> day of June, 2013.



Signature of Authorized Representative

Lloyd D. McDonald

Printed Name

president

Title