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

IN THE MATTER OF AETNA LIFE INSURANCE COMPANY )
 ) 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 Avenue RT 21, Hartford, Connecticut 06156-9154 is an 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 issued three group trust arrangements affecting South Dakota residents without seeking prior approval, a violation of SDCL § 58-18-4;

2) AETNA was fined $1,000,000 in a 2012 Washington administrative action for similar violations;

3) On September 19, 2014, AETNA filed group trust arrangements numbered AENX-G129731566, AENX-G129731717, and AENX-G129731598, through SERFF for Division approval;

4) Pursuant to SDCL § 58-6-46, the Division may revoke or suspend AETNA's certificate of authority for AETNA's violation of SDCL § 58-18-4 and/or the Division may disapprove the filed group trust arrangements;

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 $25,000 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;
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 $25,000 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 the group trust arrangements numbered AENX-G129731566, AENX-G129731717, and AENX-G129731598, as submitted by AETNA through SERFF, are hereby approved by the Director as of the effective date of this Consent Order in accordance with SDCL § 58-18-6; 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 abide by the agreements made by it in this Consent Order; 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 20th day of October, 2014.

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 8th day of October, 2014.

Signature of Authorized Representative

Dale Mack
Printed Name

President
Title