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

IN THE MATTER OF AMERICAN GENERAL LIFE INSURANCE COMPANY)	CONSENT ORDER	
GENERAL EILE INSURANCE COMI ANT	,		

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:

AMERICAN GENERAL LIFE INSURANCE COMPANY ("AMERICAN GENERAL"), whose address of record is 2727-A Allen Parkway, Houston, Texas 77019, is an insurance company holding a certificate of authority to transact business in the State of South Dakota;

AMERICAN GENERAL 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) AMERICAN GENERAL failed to make required disclosures regarding balloon payment disclosures in numerous instances in 2007 and 2008 in violation of ARSD 20:06:06:11;
- 2) AMERICAN GENERAL has represented that it has since effectively exited the credit life and credit accident and health business;
- 3) The above-cited conduct constitutes grounds for the revocation or suspension of AMERICAN GENERAL's certificate of authority pursuant to SDCL § 58-6-46;

AMERICAN GENERAL 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 AMERICAN GENERAL 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;

AMERICAN GENERAL agrees to a monetary penalty in the amount of \$15,000 pursuant to SDCL § 58-4-28.1, in lieu of contesting this matter formally; and

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

AMERICAN GENERAL 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 AMERICAN GENERAL pay a monetary penalty in the amount of \$15,000 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 AMERICAN GENERAL fail to comply with the provisions of this Order, the Division may seek the suspension or revocation of AMERICAN GENERAL'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 AMERICAN GENERAL abide by the agreements made by it in this Consent Order;

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 28 day of October, 2014.

Merle Scheiber, Director South Dakota Division of Insurance

The undersigned, on behalf of AMERICAN GENERAL, 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 24th day of October, 2014.

Approved as to legal terms only
By: M
American General Life Companies

Benefit Solutions Legal Team

Date: 10/13/2014