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

IN THE MATTER OF AMERICAN FAMILY LIFE ASSURANCE 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:

AMERICAN FAMILY LIFE ASSURANCE COMPANY ("AFLAC"), whose address of record is 1932 Wynnton Road, Columbus, GA 31999, is an insurance company holding a certificate of authority to transact business in the State of South Dakota;

AFLAC 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) AFLAC allowed policies to be sold by unlicensed and/or unappointed agents in violation of SDCL §§ 58-1-5, 58-30-143, 58-30-171, and 58-30-176;
- 2) AFLAC improperly issued certificates through an association not approved in South Dakota, in violation of SDCL §§ 58-18-3, as well as ARSD 20:06:42:01;
- 3) AFLAC improperly issued insurance certificates in South Dakota, without filing the certificates with the Division, in violation of SDCL § 58-11-12;
- 4) Any of the above-cited conduct may be grounds for the revocation or suspension of AFLAC's certificate of authority pursuant to SDCL § 58-6-46;

AFLAC 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 AFLAC 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;

AFLAC agrees to a monetary penalty in the amount of \$100,000 pursuant to SDCL § 58-4-28.1, in lieu of contesting this matter formally; and

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

AFLAC 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 AFLAC pay a monetary penalty in the amount of \$100,000 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 AFLAC fail to comply with the provisions of this Order, the Division may seek the suspension or revocation of AFLAC'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 thirdparty 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 30th day of October, 2019.

Larry Deiter, Director

South Dakota Division of Insurance

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

Dated this <u>24th</u> day of <u>October</u> , 2019.

rigilature of Authorized Representa

Thomas L. McDaniel Printed Name

Senior Vice President, Chief Compliance Officer_ Title