

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

---

IN THE MATTER OF	)	
FIRST CONTINENTAL LIFE	)	CONSENT ORDER
& ACCIDENT INS. CO.	)	

---

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:

FIRST CONTINENTAL LIFE & ACCIDENT INS. CO. ("FIRST CONTINENTAL"), whose address of record is 101 Parklane Blvd. Suite 301, Sugar Land, TX 77478, is an insurance company holding a certificate of authority to transact business in the State of South Dakota;

FIRST CONTINENTAL is aware that the South Dakota Division of Insurance ("Division") has conducted an investigation of its insurance-related activities in South Dakota regarding the issuance of association health plan coverage;

The Division has alleged the following:

- 1) FIRST CONTINENTAL enrolled over 500 South Dakota residents in plans through at least 3 unapproved associations in violation of SDCL §§ 58-1-26, 58-11-12, 58-18-3, 58-18-4, 58-30-143, 58-30-171, 58-30-175, and 58-30-176 and ARSD Ch. 20:06:42;
- 2) Any of the above-cited conduct may be grounds for the revocation or suspension of FIRST CONTINENTAL's certificate of authority pursuant to SDCL § 58-6-46;

By the execution of and the payment of a penalty pursuant to this Consent Order, FIRST CONTINENTAL neither admits to nor denies the alleged violations of the laws of the State of South Dakota;

FIRST CONTINENTAL 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;

FIRST CONTINENTAL represents that upon being informed by the Division it immediately instructed all such associations to discontinue issuing any certificates of insurance underwritten by FIRST CONTINENTAL in the State of South Dakota;

In return for FIRST CONTINENTAL 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;

FIRST CONTINENTAL agrees to a remit monetary penalty in the amount of \$10,000 pursuant to SDCL § 58-4-28.1, in lieu of contesting this matter formally;

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

FIRST CONTINENTAL 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 FIRST CONTINENTAL pay a monetary penalty in the amount of \$10,000 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 FIRST CONTINENTAL fail to comply with the provisions of this Order, including the attached Compliance Plan, the Division may seek the suspension or revocation of FIRST CONTINENTAL'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

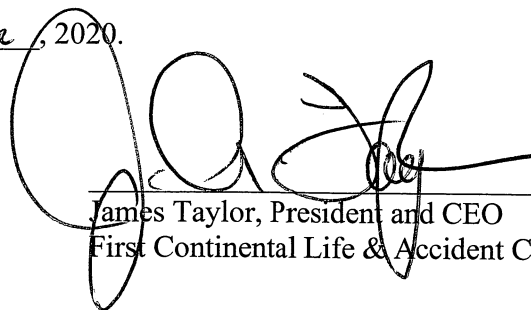
ORDERED that the provisions of this Consent Order shall be effective from the date the Director signs this Order.

Dated at Pierre, South Dakota this 22<sup>nd</sup> day of September, 2020.

  
\_\_\_\_\_  
Larry Deiter, Director  
South Dakota Division of Insurance

The undersigned, on behalf of FIRST CONTINENTAL, 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 10<sup>th</sup> day of September, 2020.

  
\_\_\_\_\_  
James Taylor, President and CEO  
First Continental Life & Accident Company