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:

COLONIAL LIFE & ACCIDENT INS CO (“COLONIAL LIFE”), with an address of record of 1200 Colonial Life Blvd, Columbia, SC 29210, is an insurance company holding a Certificate of Authority to transact business in the State of South Dakota;

COLONIAL LIFE 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) COLONIAL LIFE pays the premium for a group accidental death and dismemberment policy issued to a trust with a $10,000 benefit on behalf of participating employers’ employees;

2) There are 339 South Dakota consumers under the group accidental death and dismemberment policy;

3) COLONIAL LIFE offered South Dakota consumers a “free” insurance policy as an illegal inducement under SDCL 58-33-14 and 58-33-15;

4) Any of the above-cited conduct may be grounds for the revocation or suspension of COLONIAL LIFE’s certificate of authority pursuant to SDCL 58-6-46.

COLONIAL LIFE 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 COLONIAL LIFE 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;

COLONIAL LIFE agrees to a monetary penalty in the amount of $30,000 pursuant to SDCL 58-4-28.1, in lieu of contesting this matter formally;

COLONIAL LIFE further agrees to conduct itself in accordance with the insurance laws and regulations of the State of South Dakota; and
COLONIAL LIFE 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 COLONIAL LIFE pay a monetary penalty in the amount of $30,000 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 COLONIAL LIFE fail to comply with the provisions of this Order, the Division may seek the suspension or revocation of COLONIAL LIFE’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 4th day of May, 2021.

Larry Dieter, Director
South Dakota Division of Insurance

The undersigned, on behalf of COLONIAL LIFE & ACCIDENT INS CO, represents it understands the terms of this Consent Order and the waiver of its due process rights and it voluntarily enters into this Consent Order.

Dated this _______ day of ___________, 2021.

Wendy Nesmith
Signature of Authorized Representative

AVP, Market Conduct, Complaints & Regulatory Affairs
Title