

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

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IN THE MATTER OF	)	
GUARANTY INCOME LIFE	)	CONSENT ORDER
INSURANCE COMPANY	)	

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In resolution of the above titled matter and in lieu of a Notice of Hearing and formal insurance license revocation proceeding, the undersigned parties do hereby agree to the following:

GUARANTY INCOME LIFE INSURANCE COMPANY (“GILICO”), whose address of record of is 929 Government St, Baton Rouge, LA 70802, is an insurance company holding a Certificate of Authority to transact business in the State of South Dakota;

GILICO is aware that the South Dakota Division of Insurance (“Division”) has conducted an investigation of its insurance-related activities in South Dakota;

The Division alleges the following with regard to GILICO:

- 1) GILICO acquired an ongoing South Dakota life insurance policy on October 26, 1992 and entered into an ongoing relationship with residents of South Dakota in the form of annuity contracts throughout 2017 and 2018. GILICO has not paid premium taxes owed these contracts.
- 2) GILICO applied for a Certificate of Authority in June of 2019 but did not disclose the existence of policies involving South Dakota residents.
- 3) In the course of the Division’s investigation, GILICO revealed that it had inadvertently reported the amount on its 2018 Schedule T incorrectly.
- 4) GILICO’S conduct described herein amounts to violations of SDCL 10-44-2, SDCL SDCL 58-6-1, SDCL 58-6-12, and SDCL 58-33-66(1) and constitutes grounds to suspend or revoke GILICO’S Certificate of Authority pursuant to SDCL 58-6-46.

GILICO is aware of and understands the nature of these allegations. It has been informed that it has a right to a Notice of Hearing, a formal hearing contesting the allegations, and to be represented by counsel in connection thereto, and that by agreeing to this Consent Order waives these due process rights;

By the execution of this Consent Order and the payment of a penalty pursuant to this Consent Order, waives the right to contest the allegations contained in this Consent Order in any future actions or licensing procedures with the Division;

In return for GILICO agreeing to and complying with the provisions of this Consent Order, the Division agrees not to initiate proceedings to revoke or suspend GILICO’S South Dakota Certificate of Authority under SDCL 58-6-46 for the allegations outlined above, and agrees that this Consent Order will constitute an informal disposition of this licensing matter pursuant to SDCL 1-26-20;

GILICO agrees to pay all back premium tax on all premiums received from South Dakota insureds and to remit other materials required by SDCL 58-6-12 within 30 days from the effective date of this Consent Order;

GILICO agrees to pay a monetary penalty in the amount of \$10,000 pursuant to SDCL 58-4-28.1 in lieu of contesting the matter formally, in addition to paying all back premium tax and penalties owed;

GILICO agrees to conduct itself in accordance with all South Dakota law; and

GILICO 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 any Order of the Director;

Wherefore, good cause appearing from the foregoing, it is hereby ORDERED that GILICO pay a monetary penalty in the amount of \$10,000, in addition to any back premium tax and penalties owed, which is to be payable to "South Dakota Division of Insurance" and submitted with this completed Consent Order for deposit in the General Fund of the State of South Dakota; and it is further

ORDERED that GILICO abide by the agreements made by it in this Consent Order; and it is further

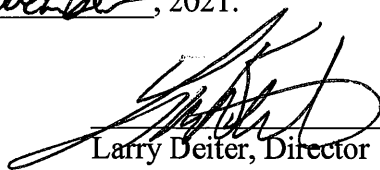
ORDERED that GILICO pay all back premium tax on all premiums received from South Dakota insureds and to remit other materials required by SDCL 58-6-12 within 30 days from the effective date of this Consent Order; and it is further

ORDERED that should GILICO fail to comply with the provisions of this Order, the Division may seek the suspension or revocation of Certificate of Authority at hearing pursuant to SDCL 58-30-167 and Chapter 1-26, 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

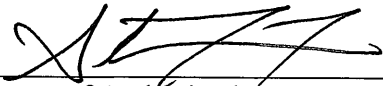
ORDERED that the provisions of this Consent Order shall be effective from the date the Director signs this Order.

Dated at Pierre, South Dakota this 13<sup>th</sup> day of November, 2021.

  
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Larry Deiter, Director  
South Dakota Division of Insurance

The undersigned, on behalf of GUARANTY INCOME LIFE INSURANCE COMPANY, represents that 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 11<sup>th</sup> day of November, 2021.

  
\_\_\_\_\_  
Signature of Authorized Representative

STEVEN FRY  
\_\_\_\_\_  
Printed Name

CFO  
\_\_\_\_\_  
Title