

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

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| IN THE MATTER OF AMERICAN FAMILY LIFE ASSURANCE CO OF COLUMBUS | INS 26-30917 CONSENT ORDER |
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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 CO OF COLUMBUS (AFLAC), with an address of record of 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 into its insurance-related business;

The Division alleges the following with regard to AFLAC:

1. AFLAC was the subject of a consumer complaint regarding denial of a claim which should have been paid when the claim was initially received;
2. AFLAC paid the consumer's claim more than 30 days after the claim was submitted without the need for additional documentation;
3. The Division requested AFLAC review all South Dakota consumers' claims to determine whether other consumers' claims were also incorrectly denied or pending;
4. Upon review, AFLAC informed the Division that it had identified South Dakota consumers' claims that were incorrectly denied or pending due to the benefits being missed or underpaid by its third-party administrator or an AFLAC employee;
5. As the result of Division's investigation, AFLAC paid benefits for additional claims that were previously pending or denied and which needed no additional claim documentation beyond what was included in the initial submission to AFLAC;
6. AFLAC is responsible for the actions, including claims payment procedures, of its third-party administrator pursuant to SDCL 58-29D-13;
7. AFLAC was the subject of a Consent Order, effective May 6, 2025, involving claims handling violations by a different third-party administrator, paying a monetary penalty to the Division for its conduct;

8. The actions of AFLAC constitute violations of SDCL 58-1-5; 58-12-20; 58-12-33(2); and 58-12-34(3), (11), & (12);
9. The Director of the Division may revoke or suspend AFLAC's Certificate of Authority for any one of the above-cited violations;

AFLAC is aware of and understands the nature of the allegations and has been informed that they have the right to a Notice of Hearing, counsel, and appeal, and that by signing this Consent Order, waives these rights;

In return for AFLAC agreeing to, signing, and complying with the provisions of this Consent Order, the Division agrees not to proceed to administrative hearing and agrees that this Consent Order will constitute an informal disposition of this licensing matter pursuant to SDCL 1-26-20;

By the execution of the Consent Order and payment of a penalty, AFLAC neither admits to nor denies any violation of the laws of the State of South Dakota but waives its right to contest the existence of this Consent Order in any future actions or licensing procedures with the Division;

AFLAC agrees to a monetary penalty in the amount of \$430,000 pursuant to SDCL 58-4-28.1, in lieu of an administrative hearing and Final Decision;

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

AFLAC further agrees that this Consent Order may be considered for the purpose of determining the appropriate sanction in any future substantially similar 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;

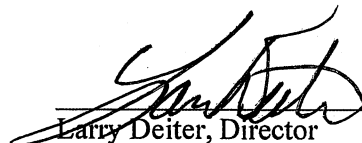
Wherefore, good cause appearing from the foregoing, it is hereby ORDERED that AFLAC pay a monetary penalty in the amount of \$430,000 payable to "South Dakota Division of Insurance" for deposit in the General Fund of the State of South Dakota; and it is further

ORDERED that AFLAC abide by the agreements made by it in this Consent Order; 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 21st day of May, 2026.



Larry Deiter, Director
South Dakota Division of Insurance

The undersigned, on behalf of AMERICAN FAMILY LIFE ASSURANCE CO OF COLUMBUS, 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 13th day of May, 2026.



Signature of Authorized Representative
Thomas L. McDaniel

Printed Name
Chief Auditor and U.S. Compliance Officer

Title