

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

IN THE MATTER OF THE TARGET)	
MARKET CONDUCT EXAMINATION)	CONSENT ORDER
OF LIFESHIELD NATIONAL INSURANCE)	
COMPANY)	

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:

LIFESHIELD NATIONAL INSURANCE COMPANY (“LIFESHIELD”) maintains an address of record 5701 N. Shartel, 1st Floor, Oklahoma City, OK 73118 and is an insurance company holding a Certificate of Authority to transact business in the State of South Dakota;

LIFESHIELD is aware that the South Dakota Division of Insurance has conducted an examination of its insurance-related activities in South Dakota;

The South Dakota Division of Insurance (“Division”) alleges the following against LIFESHIELD:

1. LIFESHIELD erroneously reported individual premium as group premium on its 2016 and 2017 annual statements; in violation of SDCL § 58-6-75;
2. LIFESHIELD had a claims policy provision which was directly contrary to SDCL § 58-12-20;
3. LIFESHIELD failed to pay, deny, or settle a substantial number of clean claims within the statutory timelines in violation of SDCL § 58-12-20;
4. LIFESHIELD utilized two third-party administrators that did not have active South Dakota licenses while adjusting claims for LIFESHIELD, in violation of SDCL § 58-29D-13;
5. LIFESHIELD supplied the Division with false, misleading, or incomplete information during the examination, in violation of SDCL § 58-33-66(2);
6. LIFESHIELD published, disseminated, or circulated, untrue, deceptive, and misleading advertisements, announcements, or statements to policyholders, in violation of SDCL § 58-33-5;
7. LIFESHIELD accepted numerous sales through unappointed producers in violation of SDCL § 58-30-176;
8. LIFESHIELD failed to send an Explanation of Benefits within a reasonable time after settlement in violation of SDCL § 58-33-67;

9. LIFESHIELD failed to timely acknowledge claims within a reasonable time after settlement in violation of SDCL § 58-33-67;
10. LIFESHIELD failed to provide a reasonable explanation for denial of a claim or provided an incorrect Explanation of Benefits in violation of SDCL §§ 58-33-6 and 58-33-67(3);
11. The violations identified in paragraphs 3, 8, 9 and 10 above occurred with such frequency as to constitute unfair claims practices in violations of SDCL §§ 58-12-33(2) and 58-12-34(2),(3) and (12);
12. Any of the above-cited conduct may be grounds for the revocation or suspension of LIFESHIELD's certificate of authority pursuant to SDCL §§ 58-6-46, 58-6-75, 58-12-20, 58-12-33, 58-12-34, 58-29D-13, 58-30-176, 58-33-66, and 58-33-67.

LIFESHIELD represents that it did not intentionally violate any provisions of the South Dakota Insurance Code and by the execution of this Consent Order and payment of a monetary penalty pursuant to this Consent Order, LIFESHIELD neither admits to nor denies the alleged violations of the laws of the State of South Dakota;

LIFESHIELD is aware of and understands the nature of the allegations and has been informed of the right to notice, hearing, and appeal;

LIFESHIELD hereby agrees to informal disposition of this matter without a hearing pursuant to SDCL § 1-26-20 and to the payment of a monetary penalty of \$190,000 pursuant to SDCL § 58-4-28.1 in lieu of contesting this matter formally;

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

LIFESHIELD further agrees that nothing in this Consent Order shall be construed to limit the Division's ability to perform any examination or investigation of LIFESHIELD as authorized by law;

LIFESHIELD 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 LIFESHIELD pay a monetary penalty in the amount of \$190,000 payable to "South Dakota Division of Insurance" for deposit in the general fund of the State of South Dakota to be remitted at the time of the remittance of this Consent Order to the Division; and it is further

ORDERED that if LIFESHIELD fails to comply with the provisions of this Order, the Division may seek the suspension or revocation of LIFESHIELD'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.

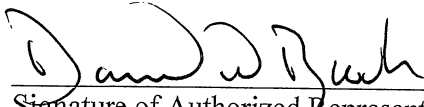
Dated this 15th day of September, 2020.



Larry Deiter, Director
South Dakota Division of Insurance

The undersigned, on behalf of LIFESHIELD, 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 27 day of August, 2020.



Signature of Authorized Representative

David W Brooks

Name of Authorized Representative

President

Title of Authorized Representative