



# STATE OF CONNECTICUT

INSURANCE DEPARTMENT

## Market Conduct Report

of

## American Family Life Assurance Company of Columbus

July 20, 2020

The Market Conduct Division of the Connecticut Insurance Department examined by survey the market conduct practices of American Family Life Assurance Company of Columbus using a sample period of January 1, 2018 through December 31, 2018. The examination survey was limited to Connecticut life and health insurance business.

American Family Life Assurance Company of Columbus has its home office in the State of Nebraska. By authority granted under §38a-15 of the Connecticut General Statutes, this examination survey was conducted by Market Conduct examiners of the State of Connecticut Insurance Department (the Department) at the Department offices in Hartford, Connecticut.

The purpose of the examination survey was to evaluate the Company's market conduct practices in the State of Connecticut. The examiners reviewed the Company's survey response, which included new business, claims, complaints and underwriting information requested for the examination period.

The Department's findings are as follows:

- five (5) producers acting as agent of Respondent without required appointment
- in certain instances, the Company failed to pay claims in a timely manner

As it relates to the issues listed above, the Company was not in compliance with applicable Connecticut Statutes and Regulations.



# STATE OF CONNECTICUT

## INSURANCE DEPARTMENT

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IN THE MATTER OF: DOCKET MC 20-26  
AMERICAN FAMILY LIFE ASSURANCE  
COMPANY OF COLUMBUS:  
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### STIPULATION AND CONSENT ORDER

It is hereby stipulated and agreed between American Family Life Assurance Company of Columbus and the State of Connecticut Insurance Department by and through Andrew N. Mais, Insurance Commissioner, to wit:

I

WHEREAS, pursuant to a Market Conduct examination, the Insurance Commissioner alleges the following with respect to American Family Life Assurance Company of Columbus:

1. American Family Life Assurance Company of Columbus, hereinafter referred to as Respondent, is domiciled in the State of Nebraska and is licensed to transact life and health insurance in the State of Connecticut. The NAIC company code number is 60380.
2. From January 10, 2020 through March 4, 2020 the Department conducted an examination of Respondent's market conduct practices in the State of Connecticut covering the period from January 1, 2018 through December 31, 2018.
3. During the period under examination, Respondent failed to follow established practices and procedures to ensure compliance with statutory requirements, resulting in the instances of:
  - a. five (5) producers acting as agent of Respondent without required appointment
  - b. in certain instances, the Company failed to pay claims in a timely manner
4. The conduct as described above violates §§38a-702m, and 38a-816 of the Connecticut General Statutes, and constitutes cause for the imposition of a fine or other administrative penalty under §§38a-2, 38a-41, and 38a-817 of the Connecticut General Statutes.

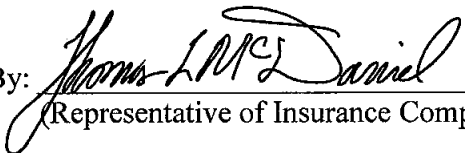
II

1. WHEREAS, Respondent admits to the allegations contained in paragraphs three and four of Article I of this Stipulation; and
2. WHEREAS, Respondent agrees to undertake a complete review of its practices and procedures to enhance compliance with Connecticut statutes in the areas of concern, as described in the Market Conduct Report and this Stipulation; and
3. WHEREAS, Respondent agrees to provide the Insurance Commissioner with a summary of actions taken to comply with the recommendations in the Market Conduct Report within ninety (90) days of the date of this document; and
4. WHEREAS, Respondent agrees to pay a fine in the amount of \$8,500.00 for the violations described herein; and
5. WHEREAS, Respondent, being desirous of terminating this proceeding without the necessity of a formal proceeding or further litigation, does consent to the making of this Consent Order and voluntarily waives:
  - a. any right to a hearing; and
  - b. any requirement that the Insurance Commissioner's decision contain a statement of findings of fact and conclusions of law; and
  - c. any and all rights to object to or challenge before the Insurance Commissioner or in any judicial proceeding any aspect, provision or requirement of this Stipulation.

NOW THEREFORE, upon the consent of the parties, it is hereby ordered and adjudged:

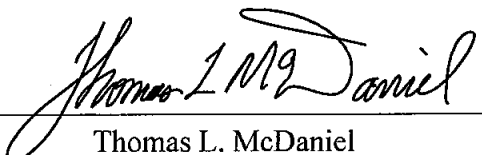
1. That the Insurance Commissioner has jurisdiction of the subject matter of this administrative proceeding.
2. That Respondent is fined the sum of Eight Thousand Five Hundred Dollars (\$8,500.00) for the violations herein above described.

American Family Life Assurance Company of Columbus

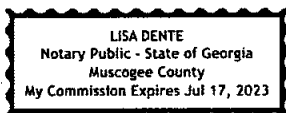
By:   
(Representative of Insurance Company)

CERTIFICATION

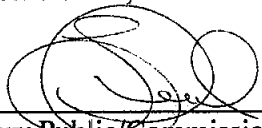
The undersigned deposes and says that he/~~she~~ has duly executed this Stipulation and Consent Order on this 30th day of July 2020 for and on behalf of American Family Life Assurance Company of Columbus, that he/~~she~~ is the Chief Compliance Officer of such company, and he/~~she~~ has authority to execute and file such instrument.

By:   
Thomas L. McDaniel

State of \_\_\_\_\_  
County of \_\_\_\_\_



Personally appeared on this 30 day of July 2020  
Lisa Dente signer and sealer of the foregoing Stipulation and  
Consent Order, acknowledged same to be his/~~her~~ free act and deed before me.

  
Notary Public/Commissioner of the Superior Court

*Section Below To Be Completed by State of Connecticut Insurance Department*

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Dated at Hartford, Connecticut this 5th day of August 2020.

  
Andrew N. Mais  
Insurance Commissioner