

**BEFORE THE INSURANCE COMMISSIONER  
FOR THE STATE OF DELAWARE**

|                               |   |                             |
|-------------------------------|---|-----------------------------|
| <b>IN THE MATTER OF:</b>      | ) |                             |
|                               | ) |                             |
| <b>FREEDOM LIFE INSURANCE</b> | ) |                             |
| <b>COMPANY of AMERICA</b>     | ) |                             |
| <b>(NAIC #62324),</b>         | ) | <b>DOCKET NO. 3338-2016</b> |
|                               | ) |                             |
|                               | ) |                             |
| <b>Respondent</b>             | ) |                             |

**STIPULATION AND CONSENT ORDER**

**THIS STIPULATION AND CONSENT ORDER** is entered into as of October 20, 2017, by and between Freedom Life Insurance Company of America (the "Respondent") and the State of Delaware Department of Insurance ("Department"). The Respondent and the Department are collectively referred to herein as the "Parties."

**WHEREAS**, Respondent is a life and health insurance company domiciled in the State of Texas and authorized to conduct the business of insurance in the State of Delaware; and

**WHEREAS**, the Department, through its examiners, conducted a target market conduct examination ("Examination") of Respondent's affairs and practices as of January 31, 2016; and

**WHEREAS**, the Department, through its examiners, prepared and provided to Respondent for review and comments draft versions of a report of the Examination; and

**WHEREAS**, Respondent has reviewed and commented on such draft versions of the report of the Examination; and

**WHEREAS**, after considering Respondent's comments, the Department, through its examiners, has prepared a final report of the Examination, dated as of January 31, 2016 ("Final Examination Report"); and

**WHEREAS**, among other findings contained in the Final Examination Report, the Department concluded that the Respondent's practices and procedures did not comply with (i) 18 *Del. C.* § 1715, in that it failed to file notices of agent appointments within 15 days from the date the agency contract was executed or the first application was submitted; (ii) 18 *Del. C.* § 2304, in that it failed to provide pertinent facts or insurance policy provisions relating to plan coverage; (collectively hereinafter the "Notice Violations"); and

**WHEREAS**, after communications with the Department, Respondent desires to resolve this matter without recourse to any administrative hearing or court action (such as an appeal).

**NOW, THEREFORE, IT IS AGREED**, by and between Respondent and the Department as follows:

1. Respondent accepts the Final Examination Report, waives any right to a hearing thereon, and agrees that the Department may file the Final Examination Report without any further modifications.

2. Upon its execution of this Stipulation and Consent Order, Respondent shall pay to the Department an administrative penalty for the Notice Violations in the amount of Seventy Thousand Dollars (\$70,000.00). Respondent shall make the check for the administrative penalty payable to the "State of Delaware."

3. Respondent waives any right to challenge in an administrative or court proceeding any of the terms and conditions of this Stipulation and Consent Order.

4. This Stipulation and Consent Order is the free and voluntary act of the Respondent, and its terms are binding upon the Respondent and may be admitted into evidence in any judicial or administrative proceeding against the Respondent to enforce such terms. Respondent acknowledges that they have had a full opportunity to seek and receive advice of counsel on all

matters related to this Stipulation and Consent Order.

5. This Stipulation and Consent Order contains all of the terms and conditions agreed to by the parties and constitutes the final agreement between the Respondent and the Department.

6. No change, amendment, or modification hereto shall be effective or binding unless it is in writing, dated, and signed by the parties.

7. If the Department fails to act on any one or more defaults by the Respondent, such failure to act shall not be a waiver of any rights hereunder on the part of the Department to declare the Respondent in default and to take such action as may be permitted by this Stipulation and Consent Order or by law.

8. This Stipulation and Consent Order may be signed in duplicate, and both documents shall be considered originals. The person executing this Stipulation and Consent Order on behalf of Respondent shall acknowledge his or her signature before a Notary Public and, by executing this Stipulation and Consent Order, certifies that he or she is duly authorized to execute this Stipulation and Consent Order on behalf of Respondent. Respondent agrees that an uncertified copy of this Stipulation and Consent Order shall be valid as evidence in any proceeding for purposes of enforcement.

9. This Stipulation and Consent Order shall survive the Respondent and be enforceable against their successors, transferors, or assigns.

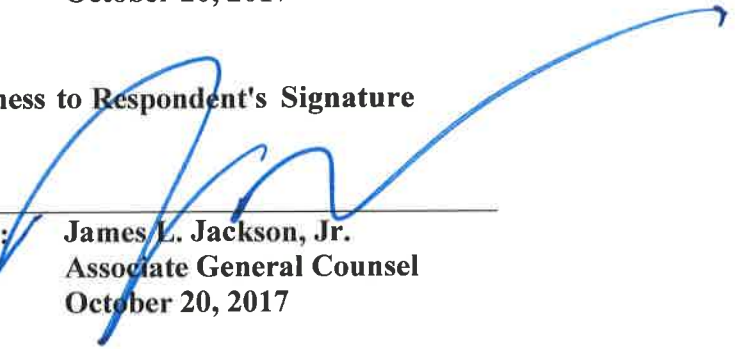
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**FREEDOM LIFE INSURANCE COMPANY OF AMERICA**



**Name:** Konrad Kober  
**Title:** Executive Vice President  
**Date:** October 20, 2017

**Witness to Respondent's Signature**

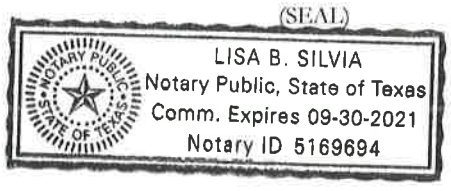



**Name:** James L. Jackson, Jr.  
**Title:** Associate General Counsel  
**Date:** October 20, 2017

STATE OF TEXAS )  
 ) SS.  
COUNTY OF TARRANT )

The foregoing instrument was acknowledged before me this the 20<sup>th</sup> day of October, 2017, by Konrad Kober, who is personally known to me, and who certified that he is duly authorized to execute this document on behalf of Respondent.

GIVEN under my Hand and Seal of office, the day and year aforesaid.



  
Notary Public in and for the State of Texas  
Lisa B. Silvia

My Commission expires 9/30/2021

**Delaware Insurance Department**

  
Trinidad Navarro  
Insurance Commissioner  
Date: 10-26-2017

Trinidad Navarro  
Commissioner



Delaware Department of Insurance

I, Trinidad Navarro, Insurance Commissioner of the State of Delaware, do hereby certify that the attached REPORT ON EXAMINATION, made as of January 31, 2016 on

**Freedom Life Insurance Company of America**

is a true and correct copy of the document filed with this Department.

Attest By: \_\_\_\_\_



*In Witness Whereof*, I have hereunto set my hand and affixed the official seal of this Department at the City of Dover.

  
\_\_\_\_\_  
Trinidad Navarro  
Insurance Commissioner

Trinidad Navarro  
Commissioner



Delaware Department of Insurance

I, Trinidad Navarro, Insurance Commissioner of the State of Delaware, do hereby certify that the attached REPORT ON EXAMINATION, made as of January 31, 2016 on

**Freedom Life Insurance Company of America**

is a true and correct copy of the document filed with this Department.

Attest By:

A handwritten signature in blue ink, appearing to read "Trinidad Navarro", written over a horizontal line.



In Witness Whereof, I have hereunto set my hand and affixed the official seal of this Department at the City of Dover.

A handwritten signature in blue ink, appearing to read "Trinidad Navarro", written over a horizontal line.

Trinidad Navarro  
Insurance Commissioner

Trinidad Navarro  
Commissioner



Delaware Department of Insurance

REPORT ON EXAMINATION  
OF THE  
**Freedom Life Insurance Company of America**  
AS OF  
January 31, 2016

The above-captioned Report was completed by examiners of the Delaware Department of Insurance.

Consideration has been duly given to the comments, conclusions and recommendations of the examiners regarding the status of the Company as reflected in the Report.

This Report is hereby accepted, adopted and filed as an official record of this Department.

A handwritten signature in blue ink, appearing to read "Trinidad Navarro", written over a horizontal line.

Trinidad Navarro  
Insurance Commissioner