

BEFORE THE INSURANCE COMMISSIONER
FOR THE STATE OF DELAWARE

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| IN THE MATTER OF: |) | |
| |) | |
| LIFESHIELD NATIONAL INSURANCE |) | |
| COMPANY (NAIC #99724), |) | DOCKET NO. 4190-2019 |
| |) | |
| 5701 N. Shartel Ave., 2nd Floor |) | |
| Oklahoma City, OK 73118 |) | |
| |) | |

STIPULATION AND CONSENT ORDER

THIS STIPULATION AND CONSENT ORDER is entered into as of February 4, 2020, by and between LifeShield National Insurance Company (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 incorporated under Oklahoma law 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 September 30, 2018; and

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

WHEREAS, Respondent has reviewed and commented on such draft version 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 September 30, 2018 ("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 the provisions of 18 *Del. Admin. C.* §§ 902, 1302, 1310, 1406 and 18 *Del. C.* §§ 332, 1703, 1715, 2304, and 2712 (collectively hereinafter the "Notice Violations"); and

WHEREAS, many of the Notice Violations were not committed directly by the Respondent but rather indirectly in conjunction with Respondent's use of various third party administrators; Respondent took immediate action to implement positive changes for its customers and the Company as a whole; Respondent replaced one administrator and hired additional staff to mitigate the risk of future issues; and Respondent was fully responsive and cooperative with the Department regarding the Examination; 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 One Hundred

Thousand Dollars (\$100,000.00). 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 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.

[Signature Pages Follow]

**LIFESHIELD NATIONAL
INSURANCE COMPANY**

**DELAWARE INSURANCE
DEPARTMENT**

David W. Brooks

**David W. Brooks
President**

Date: February 4, 2020

Trinidad Navarro

**Trinidad Navarro
Insurance Commissioner**

Date: 3/2/20

Witness to Respondent's Signature

Name: Heather Reeves
Title: AVP, Director of Compliance
Date: February 4, 2020

STATE OF OKLAHOMA)
) SS.
COUNTY OF OKLAHOMA)

The foregoing instrument was acknowledged before me this 4 day of February 2020, by David W. Brooks, who is personally known to me or who has produced _____ as identification, and who certified that he or she is duly authorized to execute this document on behalf of Respondent.

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

Heather K. Reeves
NOTARY PUBLIC

Heather K. Reeves
PRINT NAME

9/11/2022
MY COMMISSION EXPIRES

