

**BEFORE THE INSURANCE COMMISSIONER  
STATE OF OKLAHOMA**

**FILED**

AUG 07 2008

INSURANCE COMMISSIONER  
OKLAHOMA

STATE OF OKLAHOMA, ex rel. )  
KIM HOLLAND, )  
Insurance Commissioner )  
 )  
Plaintiff, )  
 )  
vs. )  
 )  
PAN-AMERICAN LIFE INSURANCE )  
COMPANY, )  
 )  
Respondents. )

Case No. 08-0559-DIS

**AGREED CONSENT ORDER**

**COMES NOW** the State of Oklahoma ex rel. Kim Holland, and alleges and states as follows:

**JURISDICTION**

1. That Kim Holland is the Insurance Commissioner of the State of Oklahoma and as such is charged with the duty of administering and enforcing all provisions of the Oklahoma Insurance Code, Okla. Stat. tit. 36 § 101 through 7004.

2. That if a hearing is requested by the Respondent, the Insurance Commissioner, pursuant to Okla. Stat. tit. 36 § 318(D), upon written request reasonably made by a person affected by the hearing and at such person's expense, shall cause a full stenographic record of the proceedings to be made by a competent court reporter.

3. That the Insurance Commissioner, pursuant to Okla. Stat. tit. 36 § 319, has appointed an independent hearing examiner who shall sit as a quasi-judicial officer and who may preside over any hearing which may be requested by the Respondent.

## **STIPULATIONS OF FACT**

1. The Respondent is a foreign insurer licensed in the State of Oklahoma, holding Oklahoma certificate of authority number 6472, NAIC number 67539.

2. On December 5, 2007, the Oklahoma Insurance Department (“OID”) received a request for assistance from an Oklahoma resident, Kay Lister, regarding health insurance she purchased through her membership in the Health Care Credit Union Association. In the course of investigating Ms. Lister’s complaint, OID staff discovered that the certificate of coverage issued to Ms. Lister by Respondent, form PA-102401-CERT, had never been filed for approval with OID.

3. Upon further investigation, the parties have determined that since 2004, Respondent issued certificates of coverage that had never been filed for approval to at least 1404 Oklahoma residents.

4. Since realizing its error, Respondent has fully cooperated with OID to resolve the situation. Respondent has filed with and has received approval of certificates of coverage for its employer and association group products and has issued the approved certificates to its insureds who reside in Oklahoma. Respondent has also audited claims previously submitted by Oklahoma residents for compliance with Oklahoma law and, where necessary, paid additional amounts in order to comply with benefits required by Oklahoma law.

5. Pursuant to Okla. Stat. tit. 36 § 619, Petitioner may, after opportunity for a hearing, refuse to renew, or may revoke or suspend an insurer’s certificate of authority if the insurer violates any provision of the Insurance Code other than those to which refusal, suspension or revocation is mandatory; or in addition to revocation or suspension of an insurer’s certificate of authority, may impose a civil penalty of not more than Five Thousand

Dollars (\$5,000.00) for each occurrence against any insurer who knowingly and willfully violates the Insurance Code.

**CONCLUSIONS OF LAW**

The conduct of respondent violated Okla. Stat. tit. 36, § 3602, 3610, which provide that a certificate of coverage is a policy and that no insurance policy form shall be issued, delivered, or used unless filed with and approved by the Insurance Commissioner.

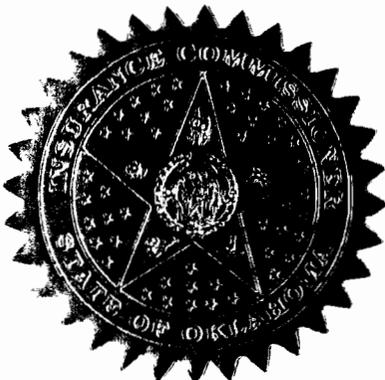
**CONSENT AND ORDER**

**IT IS THEREFORE ORDERED** by the Insurance Commissioner, and **CONSENTED TO** by Respondent, that:

1. Respondent has violated Okla. Stat. tit. 36 §§ 3610, 3636 and is subject to penalty for that conduct.
2. Respondent is fined in the amount of Two Thousand Dollars (\$2,000.00).

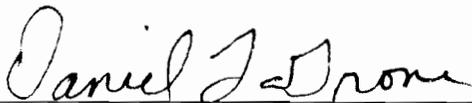
**IT IS FURTHER ORDERED AND CONSENTED TO** that in the future, each Respondent will comply with the Oklahoma Insurance Code, Okla. Stat. tit. 36 § 101 et seq., and will file all policy forms required to be filed by Oklahoma law, including certificates of coverage, for approval by the Insurance Commissioner before they are used within the state of Oklahoma.

**WITNESS** My Hand and Official Seal this 7<sup>th</sup> day of <sup>August</sup> ~~July~~, 2008.

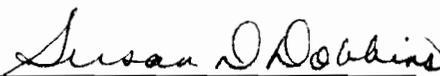


  
KIM HOLLAND  
INSURANCE COMMISSIONER  
STATE OF OKLAHOMA

Agreed as to form and content:

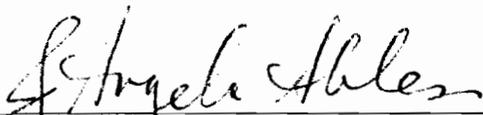


Pan-American Life Insurance Company  
Daniel LaGrone  
Second Vice President, Regulatory Affairs  
Date: July 31, 2008



Susan D. Dobbins  
Assistant General Counsel  
Oklahoma Insurance Department  
Date: August 7, 2008

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