

STATE OF NORTH DAKOTA
BEFORE THE COMMISSIONER OF INSURANCE

In the Matter of)	
)	
Bankers United Life Assurance)	
Company,)	CONSENT ORDER
FEIN 37-0806904,)	
)	
Respondent.)	

Commissioner of Insurance Jim Poolman (hereinafter "Commissioner") has determined as follows:

1. The Commissioner has authority in this matter pursuant to N.D. Cent. Code Title 26.1 and N.D. Cent. Code § 28-32-05.1.
2. Bankers United Life Assurance Company, FEIN 37-0806904 (hereinafter "Respondent"), is a foreign insurance company domiciled in Iowa and licensed to do business in North Dakota pursuant to N.D. Cent. Code Chapter 26.1-11.
3. The Commissioner has jurisdiction over the Respondent and the subject matter of this Consent Order is made in the public interest.
4. N.D. Cent. Code § 26.1-30-19 states, in part:

No insurance policy, contract, agreement, or rate schedule may be issued or delivered in this state until the form of that policy, contract, agreement, or rate schedule has been filed with and approved by the commissioner.
5. On or about May 8, 2001, the Department received information that Respondent had on April 27, 2001, sent one of its North Dakota insureds an offer to purchase assisted living facility coverage wherein the insured would replace her existing Policy Form LTCP (ND) 1189

with Policy Form GCPRO-III TQ (ND 197). In the company's April 27, 2001, offer, the company advised the consumer that if the consumer satisfied the requirements as stated on Form No. ALFA(ND) and if the consumer elected the coverage by completing and returning the application, the replacement coverage would be issued. Policy Form No. ALFA(ND) was not filed nor approved for use in North Dakota. The Commissioner alleges that Respondent's use of this form constitutes a violation of N.D. Cent. Code § 26.1-30-19(1).

6. On or about June 27, 2001, Respondent advised the Department that all policyholders who were issued Policy Form No. LTCP (ND) 1189 had been sent a letter offering the insured an option to purchase assisted living facility benefits under Policy Form No. GCPRO-III TQ (ND) 197 if they returned Form No. ALFA(ND) and satisfied the guidelines stated on the form. The Commissioner alleges that Respondent's issuance of Form No. ALFA(ND) to all policyholders insured under Policy Form No. LTCP (ND) 1189 constitutes a violation of N.D. Cent. Code § 26.1-30-19(1).

7. Respondent denies Policy Form No. ALFA (ND) was an application or other form required to be approved in North Dakota prior to use. By consenting to the entry of this Order, Respondent neither admits nor denies a violation of N.D. Cent. Code § 26.1-30-19(1), but in an effort to compromise and cooperate has agreed to entry of the Consent Order.

8. The Commissioner has considered scheduling a formal hearing to determine whether Respondent's conduct, as alleged, constitutes a basis for imposition of civil penalty, or any action that the Commissioner deems necessary.

9. As a result of the alleged violation, under N.D. Cent. Code § 26.1-01-03.1 Respondent would be subject to payment of an administrative monetary penalty of up to \$10,000.

10. Respondent has agreed to an informal disposition of this matter, without a

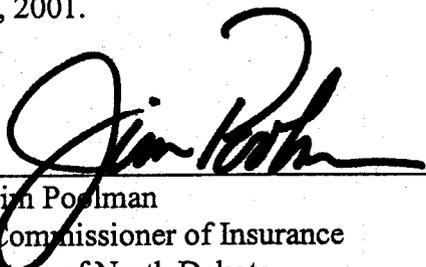
hearing, as provided under N.D. Cent. Code § 28-32-05.1.

11. For purposes of resolving this matter, without further administrative proceedings, Respondent and the Commissioner have agreed to enter the following Order:

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. According to the foregoing, Respondent is assessed an administrative fee in the amount of \$2,000 which shall be paid within 15 days of the execution of this Order.
2. That the company accept and process all applications submitted on Form ALFA (ND) even though the form was not approved.
3. The use of this Consent Order for competitive purposes by an insurance agent or agency holding a license in the State of North 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.

DATED this 2nd day of November, 2001.



Jim Poolman
Commissioner of Insurance
State of North Dakota

CONSENT TO ENTRY OF ORDER

The undersigned, DAN REESE, on behalf of Bankers United Life Assurance Company, states that he/she has read the foregoing Consent Order, that he/she knows and fully understands its contents and effect; that he/she has been advised of his/her right to be represented by legal counsel, his/her right to a hearing in this matter, his/her right to present evidence and arguments to the Commissioner, and his/her right to appeal from an adverse

