

FINDINGS OF FACT

3. The Insurance Department finds true and correct each of the following Findings of Fact:

- (a) Respondent is American Progress Life and Health Insurance Company and maintains its address at 8735 Henderson Road, Tampa, FL 33634.
- (b) Respondent, during the period 2010 through 2019, rescinded reduced paid-up (RPU) life insurance policies with cash value of \$500 or less and paid the cash value to Pennsylvania policyholders without their consent.
- (c) Respondent's actions, described in 3(b) above, constitutes violations of the following:
 - (i) 40 P.S. §1171.5 (7)(ii) - Unfair methods of competition and unfair or deceptive acts or practices defined. (a) "Unfair methods of competition" and "unfair or deceptive acts or practices" in the business of insurance means: (7) Unfairly discriminating by means of: (ii) Making or permitting any unfair discrimination between individuals of the same class and of essentially the same hazard in the amount of premium, policy, fees or rates charged for any policy or contract of insurance or in the benefits payable thereunder, or in any of the terms or conditions of such contract, or in any other manner whatever.

CONCLUSIONS OF LAW

4. In accord with the above Findings of Fact and applicable provisions of law, the Insurance Department makes the following Conclusions of Law:

- (a) Respondent is subject to the jurisdiction of the Pennsylvania Insurance Department.
- (b) Respondent's violations of 40 P.S. §1171.5 (7)(ii) are punishable by the following, under 40 P.S. §1171.5 (7)(ii)
 - (i) suspension, revocation or refusal to issue the certificate of qualification or license;
 - (ii) imposition of a civil penalty not to exceed five thousand dollars (\$5,000.00) for every violation of the Act;
 - (iii) an order to cease and desist; and
 - (iv) any other conditions as the Commissioner deems appropriate.

ORDER

5. In accord with the above Findings of Fact and Conclusions of Law, the Insurance Department orders and Respondent consents to the following:

- (a) Respondent shall cease and desist from engaging in the activities described herein in the Findings of Fact and Conclusions of Law.
- (b) Respondent shall file an affidavit stating under oath that it will provide each of its directors, at the next scheduled directors meeting, a copy of the executed Consent Order. Such affidavit shall be submitted within thirty (30) days of the date of this Order.
- (c) Respondent shall pay Forty-Two Thousand Dollars (\$42,000.00) in settlement of all violations contained in the order.
- (d) Payment of this matter shall be made to the Commonwealth of Pennsylvania. Payment should be directed to Crystal B. Welsh, Pennsylvania Insurance Department, Office of Market Regulation, RE: Bureau of Market Actions, 1209 Strawberry Square, Harrisburg, Pennsylvania 17120. Payment must be made no later than thirty (30) days after the date of this Order.
- (e) Respondent shall identify all RPU life insurance policies with a cash value of \$500 and under that it rescinded during the period from 2010 to 2019 and paid the cash value without the consent of the policyholders and give the identified policyholders the option of choosing either to (1) put their policies back in force without seeking to recoup any monies paid out as part of the unauthorized rescissions of the policies, or (2) receive an additional payment reflecting the

difference between the surrender value previously paid and the RPU death benefit. For policies in which the policyholder is deceased, the Company will pay the RPU death benefit to the beneficiary or estate. In cases where it cannot locate a beneficiary or estate or determine whether he or she is still alive, the Respondent shall escheat the RPU death benefit under the applicable state abandoned property statutes and regulations. The terms of this paragraph shall be referred to as "the Plan".

- (f) The Plan shall require the Respondent to rectify all violations cited herein and provide full restitution where applicable on a rolling basis, with all remediation, including restitution payments, commencing no later than sixty (60) days from the approval of Plan. Monthly, the Respondent shall provide to the Department a written update reflecting its remediation progress, including all restitution payments made to policyholder and/or beneficiaries. Respondent should include in the monthly report any failure it has discovered in its adherence to the Plan along with the corrective action taken. The remediation for the Plan is to conclude no later than twelve (12) months from the date of Respondent's signing of this Consent Order. After the completion of the Plan, the Respondent shall provide a certificate signed by an officer of the Company authorized to bind the Respondent that the Plan has been successfully completed.

6. In the event the Insurance Department finds that there has been a breach of any of the provisions of this Order, based upon the Findings of Fact and Conclusions of Law

contained herein may pursue any and all legal remedies available, including but not limited to the following: The Insurance Department may enforce the provisions of this Order in the Commonwealth Court of Pennsylvania or in any other court of law or equity having jurisdiction; or the Department may enforce the provisions of this Order in an administrative action pursuant to the Administrative Agency Law, supra, or other relevant provision of law.

7. Alternatively, in the event the Insurance Department finds that there has been a breach of any of the provisions of this Order, the Department may declare this Order to be null and void and, thereupon, reopen the entire matter for appropriate action pursuant to the Administrative Agency Law, supra, or other relevant provision of law.

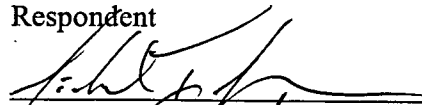
8. In any such enforcement proceeding, Respondent may contest whether a breach of the provisions of this Order has occurred but may not contest the Findings of Fact and Conclusions of Law contained herein.

9. Respondent hereby expressly waives any relevant statute of limitations and application of the doctrine of laches for purposes of any enforcement of this Order.

10. This Order constitutes the entire agreement of the parties with respect to the matters referred to herein, and it may not be amended or modified except by an amended order signed by all the parties hereto.

11. This Order shall be final upon execution by the Insurance Department. Only the Insurance Commissioner or a duly authorized delegee is authorized to bind the Insurance Department with respect to the settlement of the alleged violations of law contained herein, and this Consent Order is not effective until executed by the Insurance Commissioner or a duly authorized delegee.


BY: AMERICAN PROGRESSIVE LIFE &
HEALTH INSURANCE COMPANY
Respondent



President / Vice President



Secretary / Treasurer



CHRISTOPHER R. MONAHAN
Deputy Insurance Commissioner
Commonwealth of Pennsylvania