

**BEFORE THE COMMISSIONER OF INSURANCE  
OF THE STATE OF KANSAS**

In the Matter of )  
AMERICAN GENERAL LIFE AND ) Docket No. 2877-CO  
ACCIDENT INSURANCE COMPANY )

**CONSENT ORDER**

THIS CAUSE came on for consideration and final agency action by the Kansas Insurance Department ("KID"). Upon consideration of the record, and being otherwise fully advised in the premises, the Insurance Commissioner of this state hereby finds:

1. By unanimous Resolution of the National Association of Insurance Commissioners (hereinafter "NAIC"), dated June 12, 2000, the NAIC authorized the Florida Department of Insurance, in consultation with other regulators, to act as primary negotiator in negotiations with AMERICAN GENERAL LIFE AND ACCIDENT INSURANCE COMPANY (hereinafter "AGLA"), seeking a proposed negotiated settlement of issues resulting from claims of racially discriminatory practices by AGLA relating to the sale of industrial life and low value life insurance policies. The racially discriminatory practices occurred in all fifty states and the District of Columbia.

2. AGLA is licensed to transact insurance in this state and the aforementioned racially discriminatory practices are prohibited by subsection (7)(a) of the Kansas Unfair Trade Practices Act, K.S.A. § 40-2404 (1999). As affecting this state, KID has jurisdiction over the subject matter of this proceeding and AGLA.

3. In accordance with the NAIC Resolution, a proposed settlement has been presented to KID, the terms of which are set forth in the Regulatory Settlement Agreement dated

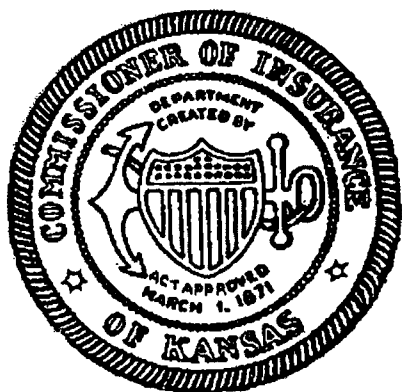
June 21, 2000, which has been executed by AGLA and the Florida Department of Insurance, in its capacity as primary negotiator, which is attached hereto as Exhibit "A".

4. Upon review of the Regulatory Settlement Agreement, it is found that it is a fair and proper disposition of the matters addressed therein.

IT IS THEREFORE ORDERED:

The Regulatory Settlement Agreement dated June 21, 2000, Exhibit "A" hereto, is hereby approved, adopted and fully incorporated herein by reference. AGLA shall immediately initiate compliance with all terms and conditions of the Regulatory Settlement Agreement as incorporated herein, including payment to KID of the allocated sanction amount of Twenty Three Thousand Four Hundred and 00/100 Dollars (\$23,400). All terms and conditions of the Regulatory Settlement Agreement are hereby ORDERED.

IT IS SO ORDERED THIS 22nd DAY OF JUNE, 2000 IN THE CITY OF TOPEKA, COUNTY OF SHAWNEE, STATE OF KANSAS.



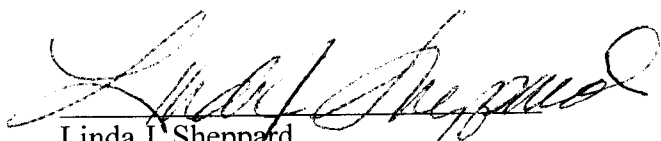
Kathleen Sebelius  
Commissioner of Insurance

Certificate of Service

The undersigned hereby certifies that a true and correct copy of the above Consent Order was mailed on this 13 day of June, 2000, via U.S. mail, first class postage prepaid, to:

Tom Zurek, Deputy General Counsel  
American General Corporation  
2929 Allen Parkway  
Houston, TX 77019-2155

Dan Sumner, General Counsel  
Florida Department of Insurance  
The Capitol, LL-26  
Tallahassee, FL 32399-0307



Linda J. Sheppard  
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