

STATE OF KANSAS
DEPARTMENT OF INSURANCE

IN THE MATTER OF:

UNION NATIONAL LIFE INSURANCE COMPANY,
UNITED INSURANCE COMPANY OF AMERICA, and Docket No: 3065-CO and 3066-CO
THE RELIABLE LIFE INSURANCE COMPANY

CONSENT ORDER

THIS CAUSE came on for consideration and final agency action by the Kansas Department of Insurance (hereinafter "DEPARTMENT"). 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 Illinois Department of Insurance, in consultation with other regulators, to act as primary negotiator in negotiations with UNION NATIONAL LIFE INSURANCE COMPANY, UNITED INSURANCE COMPANY OF AMERICA, and THE RELIABLE LIFE INSURANCE COMPANY (hereinafter "THE COMPANIES"), seeking a proposed negotiated settlement of issues resulting from claims of racially discriminatory practices by THE COMPANIES relating to the sale of industrial life and small face amount life insurance policies.

2. The aforementioned racially discriminatory practices occurred in numerous states and the District of Columbia. One or more of THE COMPANIES is licensed to transact insurance in this state. As affecting this state, the DEPARTMENT has jurisdiction over the subject matter of this proceeding and THE COMPANIES.

3. In accordance with said NAIC Resolution, a proposed settlement has been presented to the DEPARTMENT, the terms of which are set forth in the Regulatory Settlement Agreement dated March 2 2002, which has been executed by THE COMPANIES and the Illinois 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 March 2, 2002, Exhibit "A" hereto, is hereby approved, adopted and fully incorporated herein by reference. THE COMPANIES shall immediately initiate compliance with all terms and conditions of the Regulatory Settlement Agreement as incorporated herein, including payment of the allocated sanction in the amount specified for this state as set forth by Exhibit 2 of Regulatory Settlement Agreement, are hereby ORDERED.

[SIGNATURE PAGE FOLLOWS]

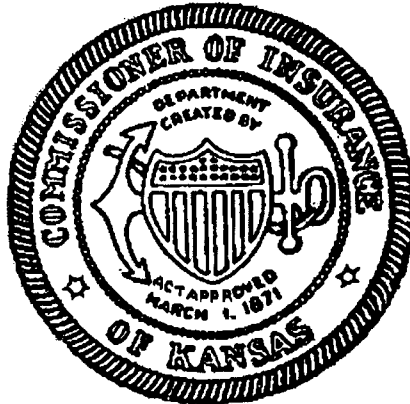
DONE and ORDERED as of MAY 28, 2002

KANSAS DEPARTMENT OF INSURANCE

By: Kathy Greenlee

Name: Kathy Greenlee

Title: General Counsel



APPROVED AND AGREED TO BY AND ON BEHALF OF THE COMPANIES
(SIGNATURES PROVIDED FOR ONLY THOSE COMPANIES LICENSED IN THE STATE
SET FORTH ABOVE) BY:

UNION NATIONAL LIFE INSURANCE
COMPANY

By: Jerry W. Hester

Name: Jerry W. Hester

Title: President

UNITED INSURANCE COMPANY
OF AMERICA

By: Don M. Royster, Sr.

Name: Don M. Royster, Sr.

Title: President

THE RELIABLE LIFE INSURANCE COMPANY

By: Don M. Royster, Sr.

Name: Don M. Royster, Sr.

Title: President

COPIES FURNISHED TO:

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