

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

In the Matter of AMERICAN FAMILY)
LIFE INSURANCE COMPANY and)
AMERICAN FAMILY MUTUAL)
INSURANCE COMPANY) Docket No. 3115-CO

CONSENT ORDER

American Family Life Insurance Company and American Family Mutual Insurance Company (“American Family”) wishes to resolve this matter without formal adjudicative proceedings by entering into this consent order. The Commissioner of Insurance (“Commissioner”) hereby makes the following findings of fact, conclusions of law, and order, to-wit:

Findings of Fact

1. Records maintained by the Kansas Insurance Department (“KID”) indicate that American Family Life Insurance Company and American Family Mutual Insurance Company are Kansas admitted, foreign insurance companies with offices located at 4802 Mitchell Avenue, St. Joseph, Missouri, 64507, and are subject to the Kansas statutes regulating the business of insurance.
2. The Commissioner has jurisdiction over the subject matter of this proceeding, and this proceeding is held in the public interest.
3. Ronald E. Brown (“Brown”) is a non-resident insurance agent licensed by the State of Kansas, with a current address of 8612 E. 97th Terrace, Kansas City, Missouri 64134.

4. On May 25, 1999, Brown was appointed as an agent for American Family Life Insurance Company and American Family Mutual Insurance Company.

5. Brown's license renewal date and continuing education compliance date was July 22, 2001.

6. On April 22, 2001, a reminder letter regarding Brown's license renewal date and continuing education compliance date was sent to him.

7. Brown did not renew his license and submit proof of his compliance with the continuing education requirements by July 22, 2001.

8. On July 22, 2001, Brown's license was suspended based on his failure to renew his license and submit proof of his compliance with the continuing education requirements.

9. On October 22, 2001, Brown's license was terminated based on his failure to renew his license and submit proof of his compliance with the continuing education requirements.

10. A letter was sent to American Family informing it of the termination of Brown's nonresident insurance agent's license in the State of Kansas in the first week of November 2001.

11. Brown continued to engage in the business of insurance and write policies with American Family who continued to accept the business after Brown was notified of his license suspension and termination and American Family was notified of his license termination.

12. On January 17, 2002, Brown reinstated his Kansas nonresident insurance agent's license.

13. On March 1, 2002, American Family appointed Brown as an agent with their company.

14. From July 22, 2001 to March 1, 2002, Brown sold, solicited or negotiated approximately 300 policies as American Family's agent.

Conclusions of Law

15. K.S.A. 2001 Supp. 40-4912 provides, in relevant part:

“(a) Any company authorized to transact business in this state may,...appoint such insurance agent as the agent of the company under the license in effect for the insurance agent...[f]ailure of the company to certify an insurance agent within 30 working days of such insurance agent's appointment shall subject the company to a penalty of not more than \$25 per calendar day...from the date of appointment to the date proper certification is recorded by the insurance department...”

16. Based upon the information contained in paragraphs 3 through 14 above, it appears that American Family Life Insurance Company and American Family Mutual Insurance Company failed to certify Ronald E. Brown, as agent of the company within 30 days of appointment of the agent by the company, in violation of K.S.A. 2001 Supp. 40-4912.

17. American Family Life Insurance Company and American Family Mutual Insurance Company admits to the allegations set forth herein this order as described above.

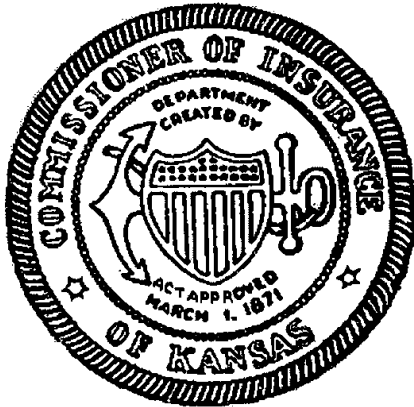
18. For the purposes of this Consent Order, American Family Life Insurance Company and American Family Mutual Insurance Company waives their right to a formal adjudicative proceeding and notice thereof and voluntarily consents to the following order of the Commissioner of Insurance.

IT IS THEREFORE ORDERED BY THE COMMISSIONER OF INSURANCE THAT:

1. American Family Life Insurance Company and American Family Mutual Insurance Company shall immediately cease and desist from all acts alleged to be violations herein. Specifically, they shall cease and desist from accepting business from an individual who is not properly licensed to engage in the business of insurance in this state.

2. American Family Life Insurance Company and American Family Mutual Insurance Company shall remit to the Kansas Insurance Department an administrative penalty in the sum of two thousand eight hundred fifty dollars (\$2,850.00) for violating K.S.A. 2001 Supp. 40-4912.

IT IS SO ORDERED THIS 8th DAY OF JANUARY, 2003, IN THE CITY OF TOPEKA, COUNTY OF SHAWNEE, STATE OF KANSAS.



/s/ Matthew D. All.
Matthew D. All
Assistant Commissioner of Insurance

/s/
Representative of American Family
Life Insurance Company and American
Family Mutual Insurance Company

SUBMITTED AND APPROVED BY:

___/s/ JaLynn Copp_____

JaLynn Copp

Attorney for Petitioner

Kansas Insurance Department