

**BEFORE THE STATE OF KANSAS
DEPARTMENT OF INSURANCE**

In the matter of:)	
)	
Liberty Life Insurance Company)	
Of Greenville, SC)	Docket No. 3177-CO
Post Office Box 789)	
Greenville, South Carolina 29602)	
_____)	

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. The NAIC authorized the South Carolina Department of Insurance, in consultation with other regulators, to act as primary negotiator in negotiations with Liberty Life Insurance Company ("Liberty"), seeking a proposed negotiated settlement of issues resulting from claims of racially discriminatory practices by Liberty relating to the sale of industrial life and certain other life insurance policies set forth in the Report on Examination dated June 30, 2000.

2. The alleged practices affected citizens of this state. Liberty is licensed to transact insurance in this state. As affecting this state, The Department has jurisdiction over the subject matter of this proceeding and Liberty.

3. A proposed settlement has been presented to the Department, the terms of which are set forth in the Regulatory Settlement Agreement dated January 16, 2003,

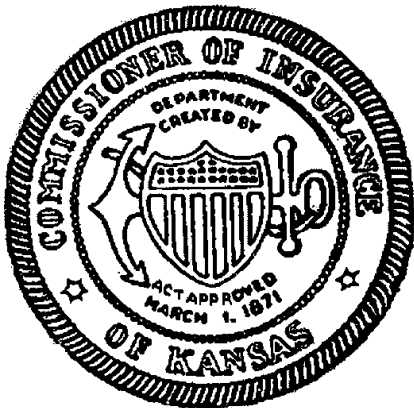
which has been executed by Liberty and the South Carolina Department of Insurance, in its capacity as primary negotiator which is attached hereto as Exhibit "A."

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 January 16, 2003, Exhibit "A" hereto, is hereby approved, adopted and fully incorporated herein by reference. Liberty shall immediately initiate compliance with all terms and conditions of the Regulatory Settlement Agreement as incorporated herein. All terms and conditions of the regulatory Settlement Agreement are hereby ORDERED.

DONE and ORDERED this _11th_ day of July, 2003.



_____/s/ Sandy Praeger_____

Sandy Praeger

Commissioner of Insurance

BY:

_____/s/ John W. Campbell_____

John W. Campbell

General Counsel