

BEFORE THE COMMISSIONER OF INSURANCE  
OF THE STATE OF KANSAS

In the Matter of: )  
Oxford Life Insurance ) Docket No. 4612-CO  
Company )  
NAIC # 76112 )

**CONSENT ORDER**

Pursuant to the authority granted to the Commissioner of Insurance (“Commissioner”) by K.S.A. 40-103 and in accordance with K.A.R. 40-9-118 et seq., the Commissioner hereby accepts the stipulations of the parties and enters an order regarding the content of advertisements of products belonging to Oxford Life Insurance Company (“Oxford”). This Consent Agreement and Order shall become effective as a Final Order, without further notice when signed by the Commissioner or the Assistant Commissioner and filed of record with the Kansas Insurance Department (“KID”).

**Stipulated Findings of Fact**

The parties stipulate that if a hearing were conducted in this matter, the following evidence could be adduced by the Commissioner, and although neither admitted nor denied by Respondent, it would be recognized as admissible to show the following:

1. Oxford Life Insurance Company is located at 2721 North Central Avenue Phoenix, AZ 85004, and is authorized to transact the business of insurance in the State of Kansas.
2. The Commissioner of Insurance (“Commissioner”) has jurisdiction over the subject matter of this proceeding, and this proceeding is held in the public interest.
3. Oxford acknowledged in writing the receipt and understanding of KID Bulletin 2012-1.

4. On May 13, 2013, KID made inquiry of Oxford regarding its relationship with Aviant Financial (“Aviant”), an insurance marketing organization (“IMO”). The KID attached a PDF of Aviant’s website made on May 9, 2013, advertising the Income Protector Annuity. The Income Protector Annuity is an Oxford Life Insurance Company product.
5. In a response letter to the KID dated May 24, 2013, Oxford confirmed that effective April 3, 2013, Oxford appointed Aviant as an independent insurance producer to identify potential producers.
6. Aviant’s website advertised the Income Protector Annuity, denoting specific features of the product.
7. Aviant’s website does not establish that the Income Protector Annuity is an Oxford product. The advertisement does not mention or indicate the name of the insurance company offering the product.
8. Oxford Life Insurance Company claimed in its May 24, 2013, response letter, that Aviant did not submit website language to Oxford for prior approval.

#### **Applicable Law**

1. K.A.R. 40-9-118, §2(A)(1)(c) defines an advertisement as, “Material used for the recruitment, training, and education of an insurer’s insurance producers which is designed to be used or is used to induce the public to purchase, increase, modify, reinstate, borrow on, surrender, replace or retain a policy.”
2. K.A.R. 40-9-118, §6(1) requires the name of the insurance company to be clearly identified.
3. K.A.R. 40-9-118 §3(2) requires insurance companies to “...establish and at all times maintain a system of control over the content, form and method of dissemination of all advertisements of its policies. All such advertisements, regardless of by whom written, created, designed or presented, shall be the responsibility of the insurer.”
4. K.A.R. 40-9-118 §4(1) states in part, that advertisements, “...shall be sufficiently complete and clear so as to avoid any deception.”

### **Conclusions of Law**

Based on the Findings of Fact in Paragraphs #1 through #7 and the Applicable Law above,

#### **IT IS THEREFORE, AGREED UPON BY THE COMMISSIONER OF INSURANCE AND OXFORD LIFE INSURANCE COMPANY:**

Oxford Life Insurance Company neither admits nor denies the allegations set forth in Paragraphs #1 through #8 above.

1. Oxford agrees to make a payment to KID of two thousand dollars (\$2,000) for the unspecified acts of claims personnel that could be considered contrary to K.A.R. 40-9-118 §§ 2, 3, 4, and 6.
2. Pursuant to K.A.R. 40-9-118 § 9 (1) Oxford agrees to maintain a file containing a specimen copy of all advertising material produced and/or utilized by Oxford and Oxford's contracting IMOs with a notation indicating the manner and extent of the distribution and the form number of any policy advertised. This file will be maintained for four years during which time shall be subject to inspection by the KID.
3. Pursuant to K.A.R. 40-9-118 § 9 (3), Oxford also agrees to affirm on an annual scheduled basis that all advertising content including webpages produced and/or utilized by Oxford and Oxford's contracting IMOs has been reviewed for compliance prior to use by the IMO and/or their contracting agents.
4. Oxford acknowledges that K.A.R. 40-9-118 applies to advertising meant for the public and material used for the recruitment of agents.
5. In exchange for the payment KID will dismiss this action with prejudice.

6. Upon entry of this Consent Order this action shall be dismissed with prejudice. If payment is not made within 30 days, KID may vacate and/or declare this Consent Order void and proceed with a hearing.

7. The Commissioner shall retain jurisdiction over this matter to issue any Order(s) deemed necessary and appropriate.

### **Stipulation**

The undersigned stipulates and agrees to the above stipulated findings of fact and conclusions of law and waives the right to an administrative hearing and judicial review of the Commissioner's Order.

/s/ Anthony J. Meier  
Oxford Life Insurance Company

Prepared by:

/s/ Diane Minear  
Diane Minear  
Staff Attorney  
Kansas Insurance Department

### **ORDER**

The Commissioner is charged with safeguarding the security and integrity of the insurance business and protecting insurance consumers from deceptive and misleading advertising in violation of K.S.A. 40-2404. The following action is both necessary and sufficient to serve that purpose.

Advertisements that fail to identify the name of the insurance company or make claims about the product that cannot be substantiated are in violation of the Kansas Unfair Trade

Practices Act. The KID has found such practices constitute unfair methods of competition or unfair or deceptive acts or practices in the business of insurance.

**THE COMMISSIONER OF INSURANCE THEREFORE ORDERS THE FOLLOWING:**

- 1. Oxford shall establish and maintain a system of control over the content, form and method of dissemination of all advertisements of its policies or products.**
- 2. Oxford shall CEASE AND DESIST from further violation of Kansas insurance law and regulation; and**
- 3. Oxford shall pay an administrative penalty of two thousand dollars (\$2,000), payment of which is hereby acknowledged.**

IT IS SO ORDERED THIS 19th DAY OF NOVEMBER, 2013, IN THE CITY OF TOPEKA,  
COUNTY OF SHAWNEE, STATE OF KANSAS.



/s/ Sandy Praeger  
Sandy Praeger  
Commissioner of Insurance

BY:

/s/ John Wine  
John Wine  
General Counsel

Submitted and Approved By:

/s/ Diane Minear  
Diane Minear  
Staff Attorney  
Kansas Insurance Department

Approved By:

/s/ Anthony J. Meier  
Oxford Life Insurance Company

**Certificate of Service**

The undersigned hereby certifies that above and foregoing Consent Order was served via the United States Postal Service, first-class postage prepaid, on this 19th day of November, 2013, addressed to the following:

Anthony Meier  
Director of Compliance  
Oxford Life Insurance Company  
2721 North Central Avenue  
Phoenix, AZ 85004

/s/ Diane Minear \_\_\_\_\_  
Diane Minear  
Staff Attorney