

**FINAL ORDER**  
OFFICE 5-23-14

BEFORE THE COMMISSIONER OF INSURANCE  
OF THE STATE OF KANSAS

In the Matter of

SECURITY BENEFIT LIFE INSURANCE COMPANY )

) Docket No. 4656-MC

NAIC #68675

**SUMMARY ORDER**

Pursuant to the authority conferred upon the Commissioner of Insurance in K.S.A. 40-222, Sandy Praeger, the duly elected, qualified and serving Commissioner of Insurance hereby adopts the Kansas Insurance Department's Report of Market Conduct Examination of Security Benefit Life Insurance Company ("Security Benefit"), as of December 31, 2012 (attached herein as Attachment A) by incorporating the same in its entirety with specific findings stated as follows. This Summary Order shall become effective as a Final Order, without further notice, upon the expiration of the 15 day period if no request for a hearing is made, pursuant to K.S.A. 77-542.

**Findings of Fact**

1. The Commissioner of Insurance has jurisdiction over this matter pursuant to K.S.A. 40-222.
2. The Kansas Insurance Department ("Department") completed a targeted market conduct examination of Security Benefit. The period of examination was January 1, 2010 through December 31, 2012.

3. The Examiner-in-Charge provided Security Benefit a draft of the Market Conduct Examination report (“Report”) with a request for Security Benefit’s response in the form of written comments, additions, or acceptance.
4. Security Benefit responded to the Report with written comments.
5. The Company had three errors for untimely responses to Kansas Insurance Department during investigations of complaints.

#### Applicable Law

K.A.R. 40-1-34, Section 6(B) states:

Every insurer, upon receipt of any inquiry from the insurance department respecting a claim shall, within fifteen working days of receipt of such inquiry, furnish the department with an adequate response to the inquiry.

K.S.A. 40-2,125 states, in pertinent part:

(a) If the commissioner determines after notice and opportunity for a hearing that any person has engaged or is engaging in any act or practice constituting a violation of any provision of Kansas insurance statutes or any rule and regulation or order thereunder, the commissioner may in the exercise of discretion, order any one or more of the following:

(1) Payment of a monetary penalty of not more than \$1,000 for each and every act or violation, unless the person knew or reasonably should have known such person was in violation of the Kansas insurance statutes or any rule and regulation or order thereunder, in which case the penalty shall be not more than \$2,000 for each and every act or violation;

(3) that such person cease and desist from the unlawful act or practice and take such affirmative action as in the judgment of the commissioner will carry out the purposes of the violated or potentially violated provision.

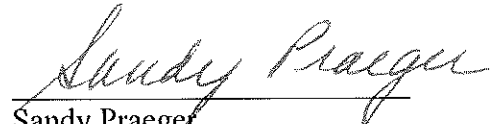
#### Conclusions of Law

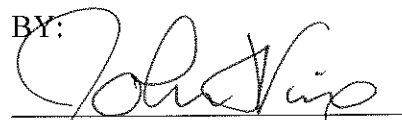
Based upon the Findings of Fact enumerated in Paragraphs #1 through #5 and the applicable Law cited above, **IT IS, THEREFORE, ORDERED BY THE COMMISSIONER OF INSURANCE:**

1. The Commissioner of Insurance has jurisdiction over this matter pursuant to K.S.A. 40-222.
2. The Kansas Insurance Department's ("KID") Report of Market Conduct Examination of Security Benefit as of December 31, 2012 is herein adopted in its entirety.
3. Based on Finding of Fact #5, Security Benefit has violated K.A.R. 40-1-34, Section 6(B).
4. Pursuant to K.S.A. 40-2,125(a)(1), Security Benefit shall pay a monetary penalty of \$1000.00 for the above-stated violations.

IT IS SO ORDERED THIS 5<sup>th</sup> DAY OF MAY 2014, IN THE CITY OF TOPEKA,  
COUNTY OF SHAWNEE, STATE OF KANSAS.



  
Sandy Praeger  
Commissioner of Insurance

BY:   
John Wine  
General Counsel

#### NOTICE OF RIGHTS

Security Benefit is entitled to a hearing pursuant to K.S.A. 77-537, the Kansas Administrative Procedure Act. If Security Benefit desires a hearing, Security Benefit must file a written request for a hearing with:

John Wine, General Counsel  
Kansas Insurance Department  
420 S.W. 9<sup>th</sup> Street  
Topeka, Kansas 66612

This request must be filed within fifteen (15) days from the date of service of this Summary Order. If Security Benefit requests a hearing, the Department will notify Security Benefit of the time and place of the hearing and information on the procedures, right of representation, and other rights of parties relating to the conduct of the hearing before the commencement of the same.

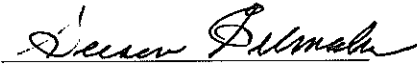
If a hearing is not requested in the time and manner stated above, this Summary Order shall become effective as a Final Order upon the expiration of time for requesting a hearing, pursuant to K.S.A. 77-613. In the event that Security Benefit files a petition for judicial review, pursuant to K.S.A. 77-613(e), the agency officer to be served on behalf of the Department is:

John Wine, General Counsel  
Kansas Insurance Department  
420 S.W. 9<sup>th</sup> Street  
Topeka, Kansas 66612

#### CERTIFICATE OF SERVICE

The undersigned hereby certifies that he served the above and foregoing Order and Notice of Rights on this 5<sup>th</sup> day of May 2014, by causing the same to be deposited in the United States Mail, registered mail with return-receipt requested postage prepaid, addressed to the following:

Security Benefit Life Insurance Company  
Attn: Carmen Hill, 2<sup>nd</sup> Vice-President  
One Security Benefit Place  
Topeka, KS 66636

  
Susan Ellmaker  
Staff Attorney