

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

In the Matter of)	
RELIASTAR LIFE INSURANCE)	Docket No. 4903-CO
COMPANY)	
NAIC # 67105)	

CONSENT AGREEMENT AND FINAL ORDER
(Pursuant to K.S.A. 40-222 and K.S.A. 77-537)

Pursuant to the authority conferred upon the Commissioner of Insurance in K.S.A. 40-222, Ken Selzer, CPA, the duly elected, qualified and serving Commissioner of Insurance hereby adopts the Kansas Insurance Department’s agreement made with ReliaStar Life Insurance Company and finds and Orders as follows:

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. ReliaStar is domiciled in Minnesota and has been authorized to issue insurance in Kansas since 1903.
2. The Kansas Insurance Department (“KID”) completed a review of the business of ReliaStar Life Insurance Company (“ReliaStar”) and its arrangement with MedSense Guaranteed Association (“MSGA”).
3. ReliaStar sold group life insurance and group accidental death and dismemberment insurance policies (“Policies”) to MSGA, a Missouri corporation.
4. The policies were issued in Missouri and intended to cover MSGA members in a number of states.

5. From issuance of the policies until June 1, 2015, ReliaStar provided coverage under the policies to new MSGA members who purchased a membership package that included such coverage. Some purchasers resided in Kansas and ReliaStar issued certificates to such Kansas residents under the group policy issued in Missouri.
6. There was no method of joining MSGA without the purchase of insurance products.
7. MSGA's membership program, including insurance enrollment, was administered by Health Insurance Innovations, Inc. ("HII").
8. In April of 2015, KID contacted ReliaStar about MSGA, indicating that it was not an eligible group under Kansas law as it did not appear to be organized and maintained for purposes other than sale of insurance.
9. ReliaStar made the decision to terminate the MSGA policies and notified MSGA that all coverage under the policies will terminate no later than December 31, 2015.

Applicable Law

10. K.S.A. 40-2209 provides, in part:

* * *

(f) Group accident and health insurance may be offered to a group under the following basis:

* * *

(5) A policy issued to an association which has been organized and is maintained for the purposes other than that of obtaining insurance, insuring at least 25 members, employees, or employees of members of the association for the benefit of persons other than the association or its officers. The term "employees" shall include retired employees. The premiums for the policies shall be paid by the policyholder, either wholly from association funds, or funds contributed by the members of such association or by employees of such members or any combination thereof.

(6) Under a policy issued to any other type of group which the commissioner of insurance may find is properly subject to the issuance of a group sickness and accident policy or contract.

11. K.S.A. 40-433 provides, in part:

No policy of group life shall be delivered unless it conforms to one of the following descriptions:

* * *

(5) A policy issued to an association which has been organized and is maintained for purposes other than that of obtaining insurance, insuring at least 25 members, employees, or employees of members of the association for the benefit of persons other than the association or its officers. The term "employees" as used herein shall be deemed to include retired employees. The premiums for the policies shall be paid by the policyholder, either wholly from association funds, or funds contributed by the members of such association or by employees of such members or any combination thereof. The amounts of insurance under the policy shall be based upon some plan precluding individual selection either by the insured person or by the association or by the member.

* * *

(7) A policy may be issued to any other group which the commissioner of insurance finds is the proper subject of a group life insurance policy or contract. Any such group shall be subject to any appropriate conditions or provisions relating thereto which the commissioner may establish or require, consistent with the provisions of this act, and such conditions and provisions shall be included in the policy or contract.

Conclusions of Law

Based on the Findings of Fact enumerated in Paragraphs #1 through #12 and the applicable law cited above, **THE COMMISSIONER OF INSURANCE MAKES THE FOLLOWING ORDERS:**

12. The Commissioner of Insurance has jurisdiction over this matter pursuant to K.S.A. 40-222.

13. MSGA was not eligible as an association group policyholder under K.S.A. 40-2209(f)(5) and K.S.A. 40-433(5) in that, as operated by HII, there was no method to join MSAG without the purchase of insurance products.

14. The policies issued to MSGA did not otherwise meet the requirements of K.S.A. 40-2209(f)(6) or K.S.A. 40-433(7). ReliaStar neither admits nor denies the violations noted above.

Orders

Based on the Findings of Fact, Applicable and conclusions cited above, **IT IS ORDERED BY THE COMMISSIONER OF INSURANCE:**

1. ReliaStar shall pay a monetary penalty of \$ 1,000 for issuing certificates to Kansas residents under a group policy issued to an invalid group.
2. The Commissioner shall retain jurisdiction over this matter to issue any orders deemed necessary.

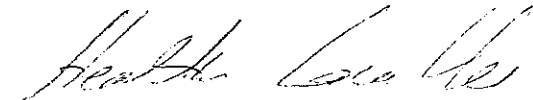
IT IS SO ORDERED THIS 31st DAY OF December, 2015, IN THE CITY OF TOPEKA, STATE OF KANSAS.



Ken Selzer

Diane Minear
General Counsel

APPROVED BY:

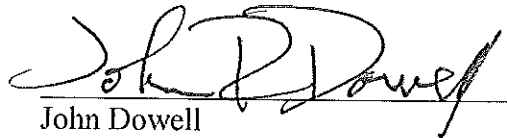


Heather Lavallee
Senior Vice President
ReliaStar Life Insurance Company
20 Washington Avenue S.
Minneapolis, MN 55401

Certificate of Service

The undersigned hereby certifies that he served a true and correct copy of the above and foregoing **Consent Order** on this *4th* day of *January*, by causing the same to be placed in the United States Mail, first class postage prepaid, addressed to the following:

Heather Lavallee
Senior Vice President
ReliaStar Life Insurance Company
20 Washington Avenue S
Minneapolis, MN 55401



John Dowell
Staff Attorney