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

In the Matter of)
STANDARD LIFE & ACCIDENT)
INSURANCE COMPANY)
NAIC # 86355)

COMMISSIONER OF INSURANCE
STATE OF KANSAS
Docket No. 4827-CO

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 Standard Life & Accident Insurance Company (hereinafter "Standard") 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. Standard is domiciled in Texas and has been authorized to issue insurance in Kansas since 1977.
2. Health Insurance Innovations is a dba name for Health Plan Intermediaries Holdings LLC, a Limited Liability Company domiciled in Florida and licensed as an agency in Kansas since 2012 and as a Third Party Administrator since 2013.
3. The Kansas Insurance Department ("KID") completed a review of Standard and its Kansas short term medical business written and administered by Health Insurance Innovations, Inc. ("HII").
4. Through HII, Standard sold group short term medical insurance policies ("Policies") to MedSense Guaranteed Association ("MSGA"), a Delaware corporation.

5. From issuance of policy certificates beginning in December 2015 through March, 2016, Standard provided insurance certificates to 26 Kansas residents under the MSGA group policy.
6. In February of 2016, KID contacted Standard about MSGA, indicating that it did not appear to be an eligible group under Kansas law as it did not appear to be organized and maintained for purposes other than sale of insurance.
7. KID also noted there did not appear to be a mechanism to join MSGA without the purchase of insurance.
8. Standard disputes the assertions as set forth in paragraph 6 and paragraph 7 above, but made the decision on March 22, 2016 to cease issuing certificates in Kansas with MSGA association memberships and notified HII and MSGA of such.
9. Further review of the business written through HII indicates three policies were written by an agent after the appointment termination date.
10. Non-insurance benefits were added to the sale of Standard insurance certificates by HII.
11. The online marketing division of HII known as Agile Health Insurance contained an “exclusive offer” with “free” additional benefits included with purchase of the Standard short term medical plans.
12. According to HII, the free additional benefits were removed from the website on 3/16/2016.
13. Applicants may not have been informed of the actual insurance premiums prior to purchase. Applicants were informed of a plan cost on the sales verification call and welcome emails from HII, however these amounts included both premium and other

various benefits that were added on by HII which could have been confusing and the KID believes is unfair.

Applicable Law

14. K.S.A. 40-4912 provides, in part:

* * *

(a) Any company authorized to transact business in this state may, upon determining that the insurance agent is of good business reputation and, if an individual, has had experience in insurance or will immediately receive a course of instruction in insurance and on the policies and policy forms of such company, appoint such insurance agent as the insurance agent of the company under the license in effect for the insurance agent. The appointment shall be made on a form prescribed by the commissioner. Such form shall be sent to the commissioner within 30 days of the date the company appoints such insurance agent.

15. K.S.A. 40-2404 (8)(a) provides:

(8) *Rebates.* (a) Except as otherwise expressly provided by law, knowingly permitting, offering to make or making any contract of life insurance, life annuity or accident and health insurance, or agreement as to such contract other than as plainly expressed in the insurance contract issued thereon; paying, allowing, giving or offering to pay, allow or give, directly or indirectly, as inducement to such insurance, or annuity, any rebate of premiums payable on the contract, any special favor or advantage in the dividends or other benefits thereon, or any valuable consideration or inducement whatever not specified in the contract; or giving, selling, purchasing or offering to give, sell or purchase as inducement to such insurance contract or annuity or in connection therewith, any stocks, bonds or other securities of any insurance company or other corporation, association or partnership, or any dividends or profits accrued thereon, or anything of value whatsoever not specified in the contract.

16. K.A.R. 40-4-23 (c)(1)(2) provides:

(c) Unfair or deceptive acts or practices in the selling of the insurance subject to this regulation shall include:

(1) Making any misrepresentation or false, deceptive or misleading statement;

(2) using comparisons or analogies or manipulating amounts and numbers in a way that will mislead the prospective purchaser concerning the cost of the insurance protection to be provided by the insurance contract, or any other significant aspect of the contract;

Conclusions of Law

Based on the Findings of Fact enumerated in Paragraphs #1 through #11 and the applicable law cited above, **THE COMMISSIONER OF INSURANCE MAKES THE FOLLOWING ORDERS:**

17. The Commissioner of Insurance has jurisdiction over this matter pursuant to K.S.A. 40-222.
18. The Commissioner adopts the fact set forth in paragraphs 10 and 11 and finds that Standard has violated K.S.A. 40-2404 (8)(a).
19. The Commissioner adopts the fact set forth in paragraphs 13 and finds that Standard has violated K.A.R. 40-4-23 (c)(1)(2).

Orders

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

1. Standard shall pay a monetary penalty of \$1,000 for the above state violations of K.S.A. K.S.A. 40-2404 (8)(a).
2. Standard shall pay a monetary penalty of \$2,000 for the above state violations of K.S.A. K.A.R. 40-4-23 (c)(1)(2).
3. The Commissioner shall retain jurisdiction over this matter to issue any orders deemed necessary.

IT IS SO ORDERED THIS 12th DAY OF September, 2016, IN THE CITY OF TOPEKA, STATE OF KANSAS.



Ken Selzer

Ken Selzer, CPA

Commissioner of Insurance

BY:

Diane Minear

Diane Minear
General Counsel

APPROVED BY:

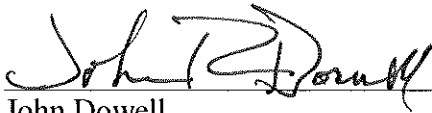
James P. Stelling

James Stelling, COO
Standard Life & Accident Insurance Company
One Moody Plaza
Galveston, TX 77550

Certificate of Service

The undersigned hereby certifies that he served a true and correct copy of the above and foregoing Consent Order on this 12th day of September, 2016, by causing the same to be placed in the United States Mail, first class postage prepaid, addressed to the following:

James Stelling, COO
Standard Life & Accident Insurance Company
One Moody Plaza
Galveston, TX 77550



John Dowell
Staff Attorney