

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

<b>In the Matter of</b>	)	
<b>AMERITAS LIFE INSURANCE</b>	)	<b>Docket No.: 4973-CO</b>
<b>CORPORATION</b>	)	
<b>NAIC # 61301</b>	)	

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

The Kansas Insurance Department (“KID”) and Ameritas Life Insurance Corporation (“Ameritas”) submit this Consent Agreement and Final Order. Ameritas hereby waives any and all rights to further administrative adjudication or review of this matter, including any and all rights conferred upon it under K.S.A. 77-501 *et seq.* 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 KID’s agreement made with Ameritas 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 offered by the Commissioner, and although neither admitted nor denied by Respondent, would be recognized as admissible to show the following:

1. Ameritas is domiciled in Nebraska and has been authorized in Kansas since 1891.
2. KID completed a review of the business of Ameritas and its arrangements with National Congress of Employers (“NCE”) and United Service Association for Healthcare (“USA+”).
3. Ameritas sold group dental and vision policies to NCE and USA+.
4. Ameritas provided certificates of coverage under the policies to Kansas residents who were new NCE and USA+ members.

5. Ameritas did not file group or individual policies in Kansas for NCE or USA+. The group contracts are issued in Washington, D.C.
6. As of December 16, 2016, under the NCE association group policies, there were 13 certificate-holders in Kansas.
7. As of December 16, 2016 under the USA+ association group policies, there were 796 certificate-holders in Kansas.
8. There was no demonstrated method of joining NCE or USA+ without the purchase of insurance products.
9. KID contacted Ameritas about NCE and USA+, indicating that they were not eligible groups under Kansas law as they did not appear to be organized and maintained for purposes other than the sale of insurance.
10. On November 15, 2016 Ameritas indicated that they stopped issuing all health certificates to NCE and USA+ members but those certificates with existing members would be maintained.

#### Applicable Law

1. K.S.A. 40-2209(f)(5) provides:

(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.

2. K.S.A. 40-2215(a) provides:

(a) No individual policy of accident and sickness insurance as defined in K.S.A. 40-2201, and amendments thereto, shall be issued or delivered to any person in this state nor shall any application, rider or endorsement be used in connection therewith, until a copy of the form thereof and of the classification of risks and the premium rates pertaining thereto, have been filed with the commissioner of insurance.

#### Conclusions of Law

Based on the Findings of Fact enumerated in Paragraphs 1 through 10 and the applicable law cited above, **THE COMMISSIONER OF INSURANCE MAKES THE FOLLOWING ORDERS:**

1. The Commissioner of Insurance has jurisdiction over this matter pursuant to K.S.A. 40-222.
2. NCE was not eligible as an association group policyholder under K.S.A. 40-2209(f)(5) as there is no demonstrated method to join without the purchase of insurance products.
3. USA+ was not eligible as an association group policyholder under K.S.A. 40-2209(f)(5) as there is no demonstrated method to join without the purchase of insurance products.
4. The certificates issued to Kansas residents amount to individual insurance sales under K.S.A. 40-2215(a) as the association groups are improper.
5. Ameritas 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. Ameritas shall pay a monetary penalty of \$2,000 total, or \$1,000 for each improper association policyholder, for the above stated violations of K.S.A. 40-2209(f)(5), 40-2215(a), 40-4905(a), and 40-4912(a).
2. The Commissioner shall retain jurisdiction over this matter to issue any orders deemed necessary.

IT IS SO ORDERED THIS 24<sup>th</sup> DAY OF APRIL, 2017, IN THE CITY OF TOPEKA, STATE OF KANSAS.



BY:

*Ken Sejer*  
*Diane Minear*  
Diane Minear  
General Counsel

APPROVED BY:

*Kate McC*  
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Kate McCown  
Ameritas Insurance Corp.  
475 Fallbrook Blvd.  
Lincoln, NE 68521

**Certificate of Service**

The undersigned hereby certifies that he served a true and correct copy of the above and foregoing **Consent Order** on this 24th day of April, 2017, by causing the same to be placed in the United States Mail, first class postage prepaid, addressed to the following:

Ameritas Insurance Corporation  
5900 O Street  
Lincoln, NE 68510



Elizabeth J. Hickert Fike  
Staff Attorney