

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

In the Matter of Best Life and Health)
Insurance Company) Docket No. 3067-CO

CONSENT ORDER

Best Life and Health Insurance Company ("Best Life") resolve this matter without formal adjudicative proceedings by entering into this consent order. The Commissioner of Insurance ("Commissioner") hereby makes the following findings of fact, conclusions of law, and order, to-wit:

Findings of Fact

1. Best Life and Health Insurance Company ("Best Life") is a stock insurance company authorized to transact the business of insurance in the State of Kansas with its office located at 6901 North Lamar Avenue, Suite 103, Austin, Texas, and is subject statutes regulating the business of insurance.

2. The Commissioner of Insurance ("the Commissioner") has jurisdiction over the subject matter of this proceeding, and this proceeding is held in the public interest.

3. In April 22, 1986, Best Life Assurance Company of California, a corporation organized under California law, was authorized to transact the business of insurance as a stock company in Kansas.

4. On February 21, 2000, Best Life submitted its "Year 1999 Insurance Department State of Kansas Life Insurance Company Annual Premium Tax Statement" ("Tax Statement") in the name of "Best Life and Health Insurance Company." \$9,795 premium tax was due and paid.

5. In March, 2000, Best Life requested information regarding the procedure for effecting a redomestication from California to Texas and a name change from Best Life Assurance Company of California to Best Life and Health Insurance Company. The information was forwarded to the company.

6. On March 30, 2002, Best Life responded to the initial letter sent in March, 2000 with documents necessary to effect the changes. The company indicated that the total amount of premiums written in 2000 and 2001 for new business written in Kansas was \$16,758.00.

7. For Year 2000, Best Life filed a tax statement. \$7,425 premium tax was due and paid.

8. For Year 2001, Best Life filed a tax statement. \$3,572 premium tax was due and paid.

Conclusions of Law

1. K.S.A. 40-214 provides, in relevant part,

It shall be unlawful for any person, company, corporation... to transact business of insurance, indemnity or suretyship, or do any act toward transacting such business, unless such person, company corporation... shall have been duly authorized under the laws of this state to transact such business and shall have received proper written authority from the commissioner of insurance in conformity with the provisions of the laws of this state relative to insurance...

2. K.S.A. 40-216(a) provides, in relevant part:

No insurance company shall hereafter transact business in this state until certified copies of its charter and amendments thereto shall have been filed with and approved by the commissioner of insurance...No contract of insurance or indemnity shall be issued or delivered in this state until the form of the same has been filed with the commissioner of insurance gives written notice within 30 days of such filing, to the company proposing to issue such contract, showing wherein the form of such contract does not comply with the requirements of the laws of this state...

3. K.S.A. 40-2,125(a)(1) provides, in relevant part:

If the commissioner determines after notice and opportunity for a hearing that any person 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... 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 violation.

4. K.S.A. 40-955(f) provides, in relevant part:

No insurer shall make or issue a contract or policy except in accordance with filings which have been filed or approved for such insurer as provided in this act.

5. K.S.A. 40-963 provides, in relevant part:

...if the commissioner finds any person or organization has violated any provision of this act, may impose a penalty of not more than \$500 for each violation, but if the commissioner finds such violation to be willful, may impose a penalty of not more than \$2,000 for each such violation...

6. Kansas Administrative Regulations ("K.A.R.") 40-1-5(a) provides, in relevant part:

The following information shall be filed with the commissioner of insurance within 30 days after the changes or actions become effective or are otherwise finalized: Each change in the charter of an insurance company authorized to transact business in this state...

7. K.A.R. 40-1-15(a) provides, in relevant part:

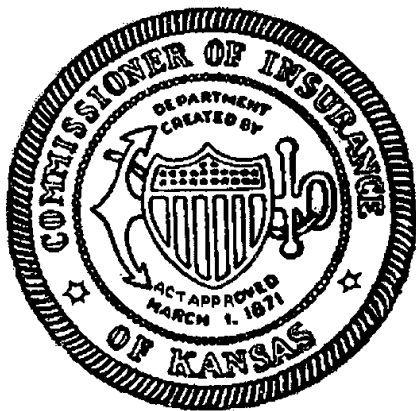
A policy form shall not contain the name of an insurance company that is unauthorized to transact business in Kansas.

8. Based on the information contained in paragraphs three (3) through six (6) above, it appears that Best Life and Health Insurance Company transacted business of insurance in the state of Kansas without proper authority from the commissioner of insurance, did not submit amended articles within thirty days after changes were effective, issued or delivered forms without prior approval, and issued contracts in this state that were not filed with this department in violation of K.S.A. 40-214, 40-216(a), 40-252(B), and 40-955(f) and K.A.R. 40-1-5(a),(b) and 40-1-15(a).
9. Best Life and Health agrees to the order, but admits no deliberate wrongdoing.

IT IS THEREFORE, BY THE COMMISSIONER OF INSURANCE, ORDERED THAT:

Best Life and Health Insurance Company shall remit to the Kansas Insurance Department an administrative penalty in the sum of one thousand dollars (\$1,000) for violating K.S.A. 40-214, 40-216(a), 40-252(B), and 40-955(f) and K.A.R. 40-1-5(a),(b) and 40-1-15(a).

IT IS SO ORDERED THIS _14th_ DAY OF JUNE, 2002, IN THE CITY OF TOPEKA, COUNTY OF SHAWNEE, STATE OF KANSAS.



_____/s/ Kathleen Sebelius_____
Kathleen Sebelius
Commissioner of Insurance
BY:

_____/s/ Kathy Greenlee_____
Kathy Greenlee
General Counsel

_____/s/ Gary Lee Miller_____
Gary Lee Miller
Best Life and Health Insurance Department

SUBMITTED AND APPROVED BY:

_____/s/ Deletria L. Nash_____
Deletria L. Nash
Attorney for Petitioner
Kansas Insurance Department