



**FILED**

OCT 21 2016

OFFICE OF  
INSURANCE REGULATION

Docketed by: GPO.

OFFICE OF INSURANCE REGULATION

DAVID ALTMAIER  
COMMISSIONER

IN THE MATTER OF:

CASE NO.: 186074-16-CO

SECURITY LIFE OF DENVER  
INSURANCE COMPANY

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CONSENT ORDER

THIS CAUSE came on for consideration as the result of an agreement by and between SECURITY LIFE OF DENVER INSURANCE COMPANY (hereinafter referred to as "SECURITY LIFE OF DENVER") and the OFFICE OF INSURANCE REGULATION (hereinafter referred to as the "OFFICE"). The OFFICE, having considered the record in this case and being otherwise fully advised in the premises, finds as follows:

1. The OFFICE has jurisdiction over SECURITY LIFE OF DENVER and the subject matter of this proceeding.
2. SECURITY LIFE OF DENVER is a foreign life and health insurer authorized to transact insurance business in the state of Florida pursuant to a Certificate of Authority issued by the OFFICE, pursuant to Chapter 624, Part III, Florida Statutes.
3. The OFFICE conducted an investigation of SECURITY LIFE OF DENVER pursuant to Section 624.318, Florida Statutes. As a result of the investigation, the OFFICE determined that SECURITY LIFE OF DENVER issued an adjustable term rider to a life insurance policy (hereinafter referred to as the "ATR") to consumers using an unapproved form.

4. Pursuant to Section 626.451(3), Florida Statutes, an insurer is bound by the acts of its agents within the scope of the agents' employment or appointment.

5. The OFFICE determined that an authorized agent for SECURITY LIFE OF DENVER provided at least one consumer with a sales illustration that reflected the potential for a higher death benefit than the death benefit she received after her application underwent the underwriting process. Based upon the sales illustration, this consumer believed she received a guaranteed four percent (4%) yearly increasing death benefit to an amount that far exceeded the maximum death benefit that SECURITY LIFE OF DENVER actually agreed to pay the consumer upon the addition of the ATR to her policy. Furthermore, the information sent to this consumer following the issuance of the ATR, and possibly sent to others, did not include the ATR itself.

6. The OFFICE finds that SECURITY LIFE OF DENVER violated Sections 627.410(1) and 627.474, Florida Statutes, by issuing the ATR without first receiving approval from the OFFICE for use of that form.

7. Pursuant to Section 624.418(2)(a), Florida Statutes, the OFFICE may, in its discretion, suspend or revoke the certificate of authority of an insurer if the OFFICE finds that the insurer has violated any provisions of the Florida Insurance Code. Section 624.4211, Florida Statutes, allows for an administrative fine in lieu of suspension if the OFFICE finds that grounds exist for the discretionary revocation or suspension of a certificate of authority issued under Chapter 624, Florida Statutes.

8. SECURITY LIFE OF DENVER agrees that upon the execution of this Consent Order, it shall be subject to the following terms and conditions:

a. Within thirty (30) days of the execution of this Consent Order, SECURITY LIFE OF DENVER shall pay a penalty of twenty thousand U.S. Dollars (\$20,000.00) and administrative costs of five thousand U.S. Dollars (\$5,000.00). SECURITY LIFE OF DENVER shall send its payment to the address reflected on the invoice (attached as Exhibit A). SECURITY LIFE OF DENVER agrees that failure to make this payment in full within the specified time period, in accordance with the terms of the attached invoice hereby incorporated by reference, may result in further administrative action.

b. Within ten (10) days of execution of this Consent Order, SECURITY LIFE OF DENVER shall submit the ATR for approval. Within thirty (30) days of receiving such approval, SECURITY LIFE OF DENVER shall provide written certification to the OFFICE that all current rider policyholders whose policy contains the ATR have received updated ATR information.

9. SECURITY LIFE OF DENVER agrees that failure to adhere to one or more of the terms and conditions of this Consent Order shall constitute a violation of a lawful order of the OFFICE and may result in the OFFICE revoking, suspending, or taking other action as the OFFICE deems appropriate upon SECURITY LIFE OF DENVER's Certificate of Authority in the state of Florida.

10. SECURITY LIFE OF DENVER expressly waives a hearing in this matter, as well as the making of findings of fact and conclusions of law by the OFFICE and all further and other proceedings to which the parties may be entitled, either by law or by rules of the OFFICE. SECURITY LIFE OF DENVER hereby knowingly and voluntarily waives all rights to challenge or to contest this Consent Order, in any forum now available to it, including the right to any administrative proceeding, circuit or federal court action, or any appeal.

11. Except as noted above, each party to this action shall bear its own costs and attorney's fees.

12. This Consent Order shall be deemed to be executed when the OFFICE has executed a copy of this Consent Order bearing the signatures of SECURITY LIFE OF DENVER or its authorized representative under the seal of a notary public, notwithstanding the fact that the copy may have been transmitted to the OFFICE electronically. Further, SECURITY LIFE OF DENVER agrees that its signature, as affixed to this Consent Order, shall be under the seal of a Notary Public.

WHEREFORE, the agreement between SECURITY LIFE OF DENVER INSURANCE COMPANY and the OFFICE, the terms and conditions of which are set forth above, is APPROVED.

FURTHER, all terms and conditions above are hereby ORDERED.

DONE AND ORDERED this 21 day of October, 2016.



*David Altmaier*  
David Altmaier, Commissioner  
Office of Insurance Regulation

By execution hereof SECURITY LIFE OF DENVER INSURANCE COMPANY consents to entry of this Consent Order, agrees without reservation to all of the above terms and conditions, and shall be bound by all provisions herein. The undersigned represents that he or she has the authority to bind SECURITY LIFE OF DENVER INSURANCE COMPANY to the terms and conditions of this Consent Order.

SECURITY LIFE OF DENVER INSURANCE COMPANY

By: [Signature]

Michael S. Smith  
Print or Type Name

Title: President

Date: October 12, 2016

Corporate Seal

STATE OF New York

COUNTY OF New York

The foregoing instrument was acknowledged before me this 12<sup>th</sup> day of October 2016, by

Michael S. Smith as President  
(Name of person) (type of authority.... e.g. officer, trustee attorney in fact)

for ~~Novia Fin~~ Security Life of Denver  
(company name) Insurance Company

[Signature]  
PIERA MOORE  
(Signature of the Notary)  
Notary Public, State of New York  
No. 01MO6115336  
Qualified in Kings County  
Certificate filed in New York County  
Commission Expires Sept. 7, 2020  
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known X or Produced Identification \_\_\_\_\_

Type of Identification Produced \_\_\_\_\_

My Commission Expires Sept. 7, 2020

COPIES FURNISHED TO:

MICHAEL SCOTT SMITH, PRESIDENT  
Security Life of Denver Insurance Company  
5780 Powers Ferry Road, N.W.  
Atlanta, GA 30327-4390  
Telephone: (770) 980-5100  
E-mail: [Michael.Smith@voya.com](mailto:Michael.Smith@voya.com)

ROBIN PROUD, COMPLIANCE  
ANALYST  
Security Life of Denver Insurance Company  
5780 Powers Ferry Road, N.W.  
Atlanta, GA 30327-4390  
Telephone: (770) 541-3148  
E-mail: [FSSC\\_Compliance@voya.com](mailto:FSSC_Compliance@voya.com)

AMY GROSZOS, FINANCIAL  
ADMINISTRATOR  
Florida Office of Insurance Regulation  
Market Investigations  
200 East Gaines Street  
Tallahassee, FL 32399  
E-mail: [Amy.Groszos@flor.com](mailto:Amy.Groszos@flor.com)

JENIFER L. FORTENBERRY,  
ASSISTANT GENERAL COUNSEL  
Florida Office of Insurance Regulation  
200 East Gaines Street  
Tallahassee, FL 32399  
Telephone: (850) 413-4170  
Facsimile: (850) 922-2543  
E-mail: [Jenifer.Fortenberry@flor.com](mailto:Jenifer.Fortenberry@flor.com)



OFFICE OF INSURANCE REGULATION

FINANCIAL SERVICES  
COMMISSION

RICK SCOTT  
GOVERNOR

JEFF ATWATER  
CHIEF FINANCIAL OFFICER

PAM BONDI  
ATTORNEY GENERAL

ADAM PUTNAM  
COMMISSIONER OF  
AGRICULTURE

DAVID ALTMAIER  
COMMISSIONER

**INVOICE**

In order to ensure that your payment is received and properly credited, please make your check payable to the Florida Department of Financial Services and **return this invoice with your payment to:**

**Department of Financial Services  
Revenue Processing Section  
P.O. Box 6100  
Tallahassee, Florida 32314-6100**

REFERENCE

NAME: Security Life of Denver Insurance Company  
ADDRESS: 5780 Powers Ferry Road, N.W.  
CITY, STATE, ZIP: Atlanta, GA 30321-4390  
FEID: 84-0499703  
NAIC COCODE: 68713  
EXAM YR END:  
CASE #: 186074-16-CO  
ATTORNEY: Jenifer L. Fortenberry  
SOURCE: Market Investigations

*Fine Due:* \$ 20,000.00  
*Costs Due:* \$ 5,000.00  
*Total Amount Due:* \$ 25,000.00

*Amount Remitted:*

OFFICIAL USE ONLY – PLEASE DO NOT MARK BELOW THIS LINE

| <u>B/T</u> | <u>T/C</u>            | <u>F/T</u> | <u>AMOUNT</u> |
|------------|-----------------------|------------|---------------|
| C          | 1105 – MARKET CONDUCT | J          |               |
| C          | 1249- Attorney's fees | J          |               |

**Exhibit A**