

**STATE OF MICHIGAN  
DEPARTMENT OF ENERGY, LABOR & ECONOMIC GROWTH  
OFFICE OF FINANCIAL AND INSURANCE REGULATION**

**Before the Commissioner of Financial and Insurance Regulation**

In the Matter of:

**AFLAC**

**Enforcement Case No. 10-7594**

Respondent  
\_\_\_\_\_ /

**CONSENT ORDER AND STIPULATION**

**I.  
FINDINGS OF FACT AND CONCLUSIONS OF LAW**

The Office of Financial and Insurance Regulation (“OFIR”) and AFLAC (the “Respondent”) state the following facts are true and correct:

1. In a letter dated January 6, 2010, AFLAC informed OFIR that it had terminated its agency appointment with Amanda Reed (UN457). The basis for its termination is that she filed fraudulent claims and submitted invalid business with no intent to pay.
2. From May 2009 until her date of termination Ms. Reed offered and sold AFLAC insurance products to the general public and received commission payments from AFLAC for those policies sold.
3. A review of OFIR’s databases indicate that AFLAC failed to file a notice of appointment for the insurance producer within 15 days from the date the agency contract is executed or the first insurance application is submitted.
4. AFLAC violated MCL 500.1208a(6) where it failed to file the required notice of appointment and pay the required fees for Amanda Reed.
5. Without admitting or denying any of the allegations, and without admitting or denying any violations of the Code, the Respondent is now prepared to voluntarily consent to entry of this Consent Order and Stipulation as follows:

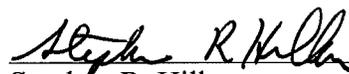
**II.  
ORDER**

Based on the above findings of fact and conclusions of law and Respondent’s stipulation, it is **ORDERED** that:

1. Respondent shall structure its practices so as not to violate the Michigan Insurance Code, including but not limited to Section 1208a of the Michigan Insurance Code.
2. Respondent shall also use OFIR's website to generate a list of active insurance agents appointed by AFLAC and run a separate list on their internal systems to make sure all agents are properly appointed. If an agent does not have a proper appointment, then AFLAC must submit names and appointments electronically.
3. Respondent shall pay to the State of Michigan a civil fine of \$200.00 (two hundred dollars and zero cents). Upon execution of this Order, OFIR will send Respondent an Invoice for the civil fine that is payable within 30 days of issuance of the Invoice.

OFFICE OF FINANCIAL AND  
INSURANCE REGULATION

Dated: 6/3/10

  
\_\_\_\_\_  
Stephen R. Hilker  
Chief Deputy Commissioner

**III.  
STIPULATION**

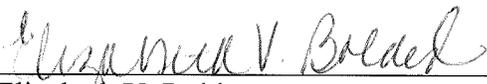
I have read and understand the Consent Order above. I agree that the Commissioner has jurisdiction and authority to issue this Consent Order pursuant to the Michigan Insurance Code. I waive the right to a hearing in this matter if this Consent Order is issued. I understand that the Consent Order and Stipulation will be presented to the Commissioner for approval and the Commissioner may or may not issue this Consent Order. I waive any objection to the Commissioner deciding this case following a hearing in the event the Consent Order is not approved.

Dated: 5/25/10

  
AFLAC  
By: Jeff Arrington  
Title: 2nd Vice President  
Agents' Accounting

The Office of Financial and Insurance Regulation staff approves this stipulation and recommends that the Commissioner issue the above consent order.

Dated: May 27, 2010

  
Elizabeth V. Bolden  
OFIR Staff Attorney