

**STATE OF MICHIGAN  
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES**

**Before the Director of the Department of Insurance and Financial Services**

In the matter of:

**SECURITY BENEFIT LIFE INSURANCE COMPANY**  
NAIC ID No. 0001385

**Enforcement Case No. 18-15117**

Respondents.

\_\_\_\_\_ /

Issued and entered  
on June 8, 2018  
by Teri L. Morante  
Chief Deputy Director

**ORDER ACCEPTING STIPULATION**

Based upon the Stipulation to Entry of Order and the files and records of the Department of Insurance and Financial Services (DIFS) in this matter, the Chief Deputy Director finds and concludes that:

1. Pursuant to Executive Order 2013-1, all authority, powers, duties, functions, and responsibilities of the Commissioner of the Office of Financial and Insurance Regulation (Commissioner) have been transferred to the Director of DIFS.
2. The Chief Deputy Director has jurisdiction and authority to adopt and issue this Order Accepting Stipulation in this proceeding pursuant to the Michigan Administrative Procedures Act of 1969 (APA), as amended, MCL 24.201 *et seq.*, and the Michigan Insurance Code of 1956 (Code), MCL 500.100 *et seq.*
3. All required notices have been issued in this case, and the notices and service thereof were appropriate and lawful in all respects.
4. Acceptance of the Stipulation to Entry of Order is reasonable and in the public interest.
5. All applicable provisions of the APA have been met.
6. Respondent violated Section 4037(b) of the Code, MCL 500.4037(b), by failing to provide two customers with illustrative reports upon receiving requests from those customers in October 2017 for in-force illustrations of their respective individual life insurance policies.

Now therefore, based upon the Stipulation to Entry of Order and the facts surrounding this case, **IT IS ORDERED THAT:**

7. Respondent shall pay to the State of Michigan, through DIFS, administrative and civil fines in the amount of \$5,000.00. Respondent shall pay the fines by the date identified on the invoice issued by DIFS, which date shall be at least fifteen calendar days from the date this Order is entered.
8. Respondent shall not engage in any violations of sections of the Code identified in paragraph 6 of this Order.
9. The Chief Deputy Director retains jurisdiction over the matters contained herein and has the authority to issue such further order(s) as shall be deemed just, necessary, and appropriate in accordance with the Code, provided that entry of this Order and Respondent's compliance herewith shall resolve this enforcement action, upon such conditions, no additional penalty shall be assessed or adverse actions to be taken with respect to the violation described in paragraph 6 of this Order. Failure to abide by the terms and provisions of the Stipulation to Entry of Order and this Order may result in the commencement of additional proceedings.

  
Teri L. Morante  
Chief Deputy Director

**STATE OF MICHIGAN  
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES**

**Before the Director of the Department of Insurance and Financial Services**

In the matter of:

**SECURITY BENEFIT LIFE INSURANCE COMPANY**  
NAIC ID No. 0001385

**Enforcement Case No. 18-15117**

Respondents.

\_\_\_\_\_ /

**STIPULATION TO ENTRY OF ORDER**

Security Benefit Life Insurance Company (Respondent) stipulates to the following:

1. On or about April 2, 2018, the Department of Insurance and Financial Services (DIFS) served Respondent with a Notice of Opportunity to Show Compliance (NOSC) alleging that Respondent violated a provision of the Insurance Code of 1956 (Code), MCL 500.100 *et seq.*
2. Specifically, the NOSC contained allegations that Respondent violated Section 4037(b) of the Code, MCL 500.4037(b), by failing to provide two customers with illustrative reports upon receiving requests from those customers in October 2017 for in-force illustrations of their respective individual life insurance policies.
3. Respondent exercised its right to an opportunity to show compliance pursuant to the Michigan Administrative Procedures Act (APA), MCL 24.204 *et seq.*
4. Respondent and DIFS conferred for the purpose of resolving this matter.
5. At all pertinent times, Respondent was an authorized foreign insurer.
6. All parties have complied with the procedural requirements of the APA and the Code.
7. Respondent admits that it violated Section 4037(b) of the Code, MCL 500.4037(b). At the time Respondent received the requests from their customers, Respondent did not have software that could produce illustrative reports upon request.
8. Respondent has sufficiently demonstrated to DIFS that it currently has the ability to provide illustrative reports of universal life insurance policies upon request.
9. Respondent agrees that it will pay to the State of Michigan, through DIFS, administrative and civil fines in the amount of \$5,000.00. Respondent further agrees to pay by the date identified on the invoice issued by DIFS, which date shall be at least fifteen calendar days from the date the Order Accepting Stipulation is entered.

10. Respondent has had an opportunity to review this Stipulation to Entry of Order and the proposed Order Accepting Stipulation and have the same reviewed by legal counsel.
11. Respondent understands and agrees that this Stipulation to Entry of Order will be presented to the Chief Deputy Director for approval.
12. Respondent understands and agrees that the Chief Deputy Director may, in her sole discretion, decide to accept or reject this Stipulation to Entry of Order. If the Chief Deputy Director accepts the Stipulation to Entry of Order, Respondent waives its right to a hearing in this matter and consents to the entry of the Order Accepting Stipulation as a resolution of the violations identified in this enforcement action. If the Chief Deputy Director does not accept the Stipulation to Entry of Order, Respondent waives any objection to the Director holding a formal administrative hearing and making a decision after such hearing.
13. It is further stipulated that failure to comply with the Order of the Director accepting this settlement by failing to pay the administrative and civil fines as set forth above shall result in the commencement of an action to suspend (or to continue the suspension of) all licenses held under the Code held by Respondent.

It is further stipulated that the amount of fines and/or fees has been negotiated in return for the avoidance of further proceedings and certain promises and conditions, one of which is the timely payment of said fines and/or fees. Timely payment of fees as specified in this Stipulation shall resolve this enforcement action and no additional penalty shall be assessed or adverse action be taken with respect to the violations described above. Should Respondent fail to pay the fines and/or fees in accordance with the terms of this Stipulation and the Director's Order, the parties agree that an action will commence to determine if the Respondent has, in fact, failed to pay, and, if so, Respondent agrees that the fines and/or fees will immediately increase to the maximum amount allowed under the Code, shall be immediately due in full, and Respondent's license shall be revoked.

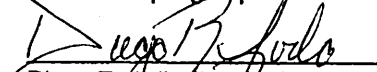


Security Benefit Life Insurance Company  
NAIC ID No. 0001385

Its: Vice President  
Title

6/5/18  
Date

DIFS Staff approve this Stipulation and recommend that the Chief Deputy Director accept it and issue an Order Accepting Stipulation.



Diego R. Avila (P72657)  
DIFS Staff Attorney

6/6/18  
Date