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RECEIVED

MAR 08 2010

UTAH STATE
INSURANCE DEPT

BEFORE THE INSURANCE COMMISSIONER
OF THE STATE OF UTAH

COMPLAINANT:

UTAH INSURANCE DEPARTMENT

RESPONDENT:

AMERICAN INCOME LIFE INSURANCE
COMPANY
1200 Wooded Acres Drive
Waco, TX 76710
NAIC ID 60577

STIPULATION AND ORDER

Docket No. 2010-019 HL

Enf. Case No. 2591

STIPULATION

1. Respondent, American Income Life Insurance Company, is an insurer domiciled in the State of Indiana and authorized to do business in the State of Utah, Utah Company Identification No. 139.

2. Respondent stipulates with the Complainant, Utah Insurance Department, as follows:

- a. If a hearing were held, witnesses called by the Complainant could offer and introduce evidence that would support the Findings of Fact herein;

- b. Respondent admits the Findings of Fact and Conclusions made therefrom;
- c. Respondent stipulates to the summary entry of the Order herein which shall be in lieu of other administrative proceedings by Complainant in this matter; and
- d. Respondent and Complainant have negotiated the terms of the Order entered herein and Respondent agrees to its entry and further agrees to be bound by all its terms.

3. Respondent is aware of its right to a hearing at which he may be represented by counsel, present evidence and cross-examine witnesses. Respondent has irrevocably waived its right to such hearing and to any appeal related thereto.

4. Respondent admits the jurisdiction of the State of Utah Insurance Commissioner as to all matters herein.

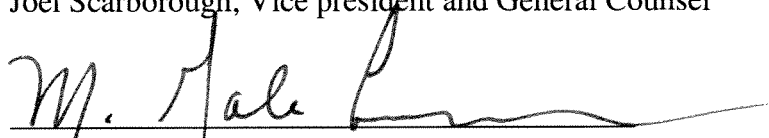
5. Respondent is acting herein free from any duress or coercion of any kind or nature, having been advised fully as to its rights set forth herein.

6. Respondent acknowledges that the issuance of this Order by the Commissioner is solely for purpose of disposition of the matter entitled herein.

DATED this 4th day of MARCH, 2010.



~~AMERICAN INCOME LIFE INSURANCE COMPANY~~
Joel Scarborough, Vice president and General Counsel



UTAH INSURANCE DEPARTMENT
M. Gale Lemmon, Assistant Attorney General

Based upon the foregoing Stipulation and information in the file, the Presiding Officer makes the following Findings of Fact:

FINDINGS OF FACT

1. For the period from approximately July 2008 to October 1, 2009, Nicholas Lorence, a licensed insurance producer, conducted business in Utah for Respondent, American Income Life Insurance Company, by marketing and selling its insurance policies.

2. Nicholas Lorence was not appointed by Respondent to conduct business on its behalf in the State of Utah until October 2, 2009.

Based upon the foregoing Stipulation and Findings of Fact, the Presiding Officer enters the following Conclusions of Law:

CONCLUSIONS OF LAW

1. Utah Code Ann. §31A-23a-115(1)(a) (West 2009) requires that “[a]n insurer shall appoint an individual or agency with whom it has a contract as an insurance producer, limited line producer or managing general agent to act on the insurer’s behalf in order for the licensee to do business for the insurer in this state.”

2. Respondent was in violation of Utah Code Ann. § 31A-23a-115 for the period of July 2008 through October 1, 2009, when Nicholas Lorence was conducting business on its behalf without appointment.

3. An administrative forfeiture of \$3000.00 and probation for a period of 12 months is appropriate under the circumstances.

Based upon the foregoing Stipulation, Findings of Fact and Conclusions of Law, the Presiding Officer herewith enters the following Order:

ORDER

IT IS HEREBY ORDERED:

1. Respondent American Income Life Insurance Company, is assessed an administrative forfeiture of \$3000.00 to be paid to the Utah Insurance Department within 30 days of issuance of this Order.


NOTIFICATION

Respondent is hereby notified that failure to abide by the terms of this Order may subject you to further penalties, including additional forfeitures of up to \$5,000.00 per violation and the suspension or revocation of your license, and the filing of an action to enforce this Order in the District Court, which may impose penalties of up to \$10,000.00 per day for continued violation.

You are further notified that other jurisdictions in which you may be licensed may require that you report this action to them.

DATED this 8th day of March, 2010.

NEAL T. GOOCH
Acting Insurance Commissioner


MARK E. KLEINFELD
Administrative Law Judge
Utah Insurance Department
State Office Building, Room 3110
Salt Lake City, Utah 84114
Telephone: (801) 538-3800

CERTIFICATE OF MAILING

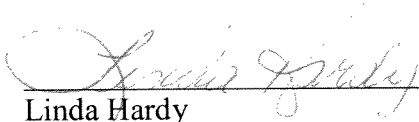
I do hereby certify that on this date I mailed, by regular mail, postage prepaid a true and correct copy of the attached:

STIPULATION & ORDER

To the following:

American Income Life Insurance Company
1200 Wooded Acres Drive
Waco, TX 60577

DATED this 9th day of March, 2010.



Linda Hardy
Utah Department of Insurance
State Office Building, Room 3110
Salt Lake City, UT 84114-6901

**UTAH
Invoice - Original**

Printed Date: March 09, 2010
Invoice Date: March 09, 2010
Balance Due: \$3,000.00
Due Date: April 06, 2010
Invoice ID: 451569
NAIC ID: 60577
Payor ID: 139

AMERICAN INCOME LIFE INSURANCE COMPANY
P O BOX 2608
WACO TX 76797

Item Description	Amount
3/9/2010 Monetary Penalty Company E-Case 2591 Docket 2010-019 HL	\$3,000.00
Original Amount Due	<u>\$3,000.00</u>

**UTAH
Invoice - Original**

Invoice Date: March 09, 2010
Balance Due: \$3,000.00
Due Date: April 06, 2010
Invoice ID: 451569
Payor ID: 139
Payor Name: AMERICAN INCOME
LIFE INSURANCE
COMPANY

Make checks payable to: Utah Insurance Department

Send payment to:

Utah Insurance Department
3110 State Office Building
Salt Lake City, UT 84114-6901