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RECEIVED

MAY 17 2012

UTAH STATE  
INSURANCE DEPT.

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BEFORE THE INSURANCE COMMISSIONER  
OF THE STATE OF UTAH

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<p><b>COMPLAINANT:</b></p> <p>UTAH INSURANCE DEPARTMENT</p> <p><b>RESPONDENT:</b></p> <p>NATIONAL WESTERN LIFE INSURANCE COMPANY 850 East Anderson Lane Austin, TX 78752-1602 Utah Co. Id. No. 548</p>	<p><b>STIPULATION AND ORDER</b></p> <p>Docket No. 2012-090 LF</p> <p>Enf. Case No. 3114</p>
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**STIPULATION**

1. Respondent, National Western Life Insurance Company, ("National Western") is an insurer domiciled in the State of Colorado and authorized to do insurance business in the State of Utah, Utah Company Identification No. 548.

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 it 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 8<sup>th</sup> day of May, 2012.

  
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NATIONAL WESTERN LIFE  
INSURANCE COMPANY  
James P. Payne, Senior Vice President

  
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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. On January 23, 2004, two applications for National Western "Liberty Champion" annuity contracts were signed by an applicant residing in Sandy, Utah (subsequently issues as contract numbers 1079710 and 1079767). However, the applications stated that they were signed in Henderson, KY, when such was not the case.

2. On March 22, 2004, the same Utah consumer signed another annuity application for a National Western "Confidence 85" annuity contract, (subsequently issued as contract number 1086484). That application stated that it was signed by the applicant in Newburgh, IN, when such was not the case.

3. Respondent issued three annuity contracts referred to above, to a Utah resident using forms that had not been filed for use in Utah, and were not compliant with Utah's Standard Non-Forfeiture Law.

4. The Department obtained an Affidavit of Statement signed on May 9, 2011, wherein the annuitant states that these three annuity applications were signed by her at her residence in Sandy, Utah.

5. In a letter dated May 18, 2011, the annuitant again states that the three annuity applications were signed at her residence in Sandy, Utah, and that the agent who sold her the annuities is her brother. The brother/agent was not and is not now a licensed producer in the State of Utah.

6. Respondent has revised the surrender charge schedules for each of the above annuities in order to be compliant with Utah law.

7. Respondent has also terminated the producer who sold the subject annuities.

9. On March 2, 2012, the Department recommended to Respondent a stipulation and an administrative forfeiture in the amount of \$1,500.00. On March 6, 2012, Respondent agreed to the recommended forfeiture of \$1,500.00.

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

**CONCLUSIONS OF LAW**

1. In issuing annuities to a resident of the State of Utah when the annuity forms had not been filed for use in the State of Utah and that did not meet the requirements of Utah's standard non-forfeiture law, Respondent violated Utah Code Ann. §§ 31A-21-201(1)(a) and 31A-22-409.

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, National Western Life Insurance Company, is assessed an administrative forfeiture in the total amount of \$1,500.00. The forfeiture shall be paid to the Department within 30 days of issuance of this Order.

**NOTIFICATION**

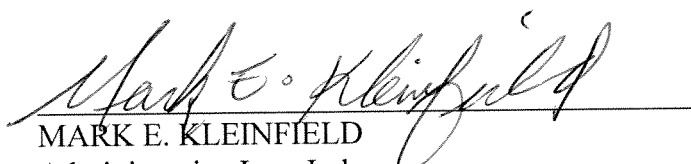
You are hereby notified that a failure to obey an Order of the Commissioner may subject you to further penalties, including forfeiture of up to \$5,000 per violation and the suspension or

revocation of your license and the filing of an action in district court, which may impose forfeitures of up to \$10,000 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 22<sup>nd</sup> day of May, 2012.

NEAL T. GOOCH  
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

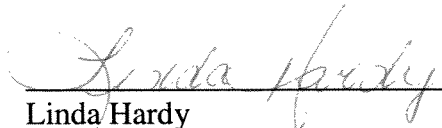
I do hereby certify that on this date I mailed, by regular mail postage prepaid, a true and correct copy of the attached:

STIPULATION  
&  
ORDER

To the following:

National Western Life Ins. Co.  
Thomas Kopetic  
850 East Anderson Lane  
Austin, TX 78752-1602

DATED this 22<sup>ND</sup> day of May, 2012



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Linda Hardy  
Market Conduct  
Utah Department of Insurance  
State Office Building, Room 3110  
Salt Lake City, UT 84114-6901  
801-538-3860

**UTAH**  
**Invoice - Original**

Printed Date: May 21, 2012  
 Invoice Date: May 21, 2012  
 Balance Due: \$1,500.00  
 Due Date: June 20, 2012  
 Invoice ID: 582982  
 NAIC ID: 66850  
 Payor ID: 548

THOMAS F KOPETIC  
 NATIONAL WESTERN LIFE INSURANCE COMPANY  
 850 EAST ANDERSON LANE  
 AUSTIN TX 78752-1602

<b>Item Description</b>	<b>Amount</b>
5/21/2012 Monetary Penalty Company	\$1,500.00
E-Case 3114          Docket 2012-090 LF	
<b>Original Amount Due</b>	<b>\$1,500.00</b>
<b>Payments Received</b>	<b>Balance Due</b>

**UTAH**  
**Invoice - Original**

Invoice Date: May 21, 2012  
 Balance Due: \$1,500.00  
 Due Date: June 20, 2012  
 Invoice ID: 582982  
 Payor ID: 548  
 Payor Name: NATIONAL WESTERN  
 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