

STATE OF NEW JERSEY
DEPARTMENT OF BANKING AND INSURANCE

IN THE MATTER OF:

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|---------------------------------------------|---|------------------|
| Proceedings by the Commissioner of Banking |) | |
| and Insurance, State of New Jersey, to fine |) | |
| Federated Life Insurance Company |) | CONSENT ORDER |

TO: Federated Life Insurance Company
121 East Park Square
Owatonna, MN 55060

This matter, having been opened by the Commissioner of Banking and Insurance ("Commissioner"), State of New Jersey, upon information that Federated Life Insurance Company ("Federated Life"), a foreign insurance company admitted to transact business in New Jersey, may have violated various provisions of the insurance laws of the State of New Jersey; and

WHEREAS, Federated is an insurance company incorporated in Minnesota and admitted to transact the business of insurance in New Jersey since August 1, 1996, pursuant to N.J.S.A. 17B:23-1 to -11; and

WHEREAS, N.J.S.A. 17B:26-1 provides that no health policy, or application, if a written application is required and is to be made a part of the policy, or printed rider or endorsement for use with the policy, shall be delivered or issued for delivery in this State unless the form has been filed with the Commissioner for approval in accordance with the provisions of section 16 of P.L. 1995, c. 73 (C. 17B:25-18.2); and

WHEREAS, on January 16, 2014, Federated Life received approval from the Commissioner of application form L-12(NJ) Ed. 04-14 for use with individual life insurance pursuant to N.J.S.A. 17B.25-18 and was advised that use of the application for disability income insurance requires a separate submission to the New Jersey Department of Banking and Insurance's ("Department") Health Bureau; and

WHEREAS, Federated Life issued 76 disability income insurance policies to New Jersey residents using form L-12(NJ) Ed. 04-14 without prior approval from the Department for use of the application for disability income insurance; and

WHEREAS, Federated Life identified the error, self-reported such and has addressed the issue by submitting Life and Disability Income application form L-12(NJ) Ed. 04-14 to the Health Bureau and obtaining an approval of the form for use with disability income insurance; and

WHEREAS, Federated Life desires to settle this matter with the Department without resort to a formal hearing and consents to the payment of a fine;

NOW, THEREFORE, IT IS on this 22nd day of February, 2019

ORDERED AND AGREED, that Federated Life shall pay a fine in the amount of twenty five thousand dollars (\$25,000.00) to the Department; and

IT IS FURTHER ORDERED AND AGREED, that said fine shall be paid by certified check, cashier's check or wire transfer payable to the "State of New Jersey, General Treasury," which shall be paid upon execution of this Consent Order by Federated Life; and

IT IS FURTHER ORDERED AND AGREED that the signed Consent Order together with the payment of \$25,000.00 shall be remitted to:

New Jersey Department of Banking and Insurance
ATTN: Virgil Downtin, Chief of Investigations
9th Floor, Consumer Protection Services, Enforcement
P O Box 329
Trenton, New Jersey 08625-0329

and


IT IS FURTHER ORDERED AND AGREED, that the provisions of this Consent Order represent a final agency decision and constitute a final resolution of the violations contained herein; and

IT IS FURTHER ORDERED AND AGREED that Federated Life shall cease and desist from engaging in the conduct that gave rise to this Consent Order.



Marlene Caride
Commissioner

Consented to as to
Form, Content and Entry

By 

Lori M. Weisenburger, Vice President,
Director of Compliance for Federated
Life Insurance Company

Date: 1/14/19



Subscribed and sworn before me
on this 14th day of January, 2019.



Carolyn R. Kanne