

2205468

IN THE MATTER OF THE
MULTI-STATE EXAMINATION OF
AMERICAN BANKERS INSURANCE
GROUP, INC.

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CONSENT ORDER

Case No.: MIA-211-5/02

Whereas, on May 11, 1998 a multi-state examination (the "Examination") of American Bankers Insurance Group, Inc. (hereinafter referred to as "Respondent") commenced; and

Whereas, as a result of the Examination, Respondent entered into a Consent Order (the "Order") on or about November 23, 1998 with the participating states; and

Whereas, in entering into the Order, Respondent agreed to implement a Compliance Plan; and

Whereas, Respondent agreed to pay a monetary sanction of \$15 Million. Of the monetary sanction, \$3 Million was stayed pending Respondent's compliance with the Order and Compliance Plan; and

Whereas, a subsequent multi-state compliance examination of Respondent for the period inclusive of October 1, 1998 through December 31, 1999, has found that Respondent has failed to completely implement the compliance plan and is therefore in violation of the Order; and

Whereas, Respondent understands and agrees that by entering into this Consent Order, Respondent waives any and all rights to a hearing or judicial review of this matter.

It is on the 19th day of December 2001, stipulated and agreed upon by and between the several states and Respondent and ORDERED as follows:

1. Respondent agrees to accept the Multi-State Compliance Examination dated November 2000 as a final report and waives any and all rights to a hearing on the report.
2. In accordance with the terms of the Order, Respondent agrees to pay the sum of \$3 Million to the states as a monetary sanction. The \$3 Million shall be payable by individual checks to each of the participating states as apportioned by those states within (15) fifteen days of the effective date of the individual states executed agreement with this Consent Order.
3. Respondent agrees to continue implementation of the Compliance Plan and agrees to take remedial action to bring Respondent into compliance with the Compliance Plan.
4. This Consent Order shall be binding on Respondent and on the respective states executing this Consent Order.
5. Each of the signatures to this Consent Order has full and unqualified legal authority to sign this Consent Order and, where such signatory is signing on behalf of a party, to bind that party now and in the future.

- 6. The several states and Respondent agree that the particular substantive law of each of the individual states shall be utilized for the purpose of interpreting, applying and enforcing any provision of this Consent Order in each particular individual state. Nothing in this Consent Order enlarges, supersedes or preempts the insurance laws and regulations of any of the several states.
- 7. This Consent Order shall be binding on and inure to the benefit of the several states and Respondent and their legal representatives, successors and assigns.
- 8. If Respondent defaults with respect to any obligation under this Consent Order and such default is not remedied within fifteen (15) business days following personal delivery or delivery by facsimile of written notice specifying such default (during which period the several states and Respondent shall make reasonable efforts to resolve any disputes regarding the default), the several states may seek judicial enforcement of this Consent Order.

IN WITNESS WHEREOF, the several states and Respondent have executed this Consent Order on the date written below the signatories signature. Changes in the language of this Consent Order required by any participating state to satisfy that state's particular statutory requirements shall be attached as amendments hereto and incorporated herein as to that state's requirements upon acknowledgement and agreement thereto by Respondent. That amendment shall have an effect only for the amended state and shall have no other effect on any other participating state.

Consented to in form and content:

AMERICAN BANKERS INSURANCE GROUP, INC.

BY: 

Print Name: J. A. Atkinson

Title: SVP & Asst. Secretary

MARYLAND INSURANCE ADMINISTRATION

BY: 

Steven B. Larsen
Commissioner

ILLINOIS DEPARTMENT OF INSURANCE

BY: 

Nathaniel S. Shapo
Director

Amendment American Bankers Insurance Group, Inc. Consent Order

Consented to in form and content except as follows: None.

American Bankers Insurance Group, Inc.

BY: 

Jerome A. Atkinson
SVP & Assistant Secretary

Date: 4/29/02

Alabama Department of Insurance

BY: 

David Parsons
Commissioner

Date: 3/17/02

Amendment
American Bankers Insurance Group, Inc. Consent Order

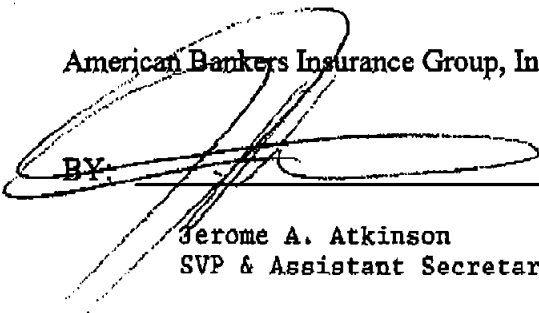
Consented to in form and content except as follows: None.

RECEIVED

JAN 15 2002

FINANCE
ARKANSAS INSURANCE DEPARTMENT


American Bankers Insurance Group, Inc.

BY: 

Jerome A. Atkinson
SVP & Assistant Secretary

Date: 12/19/01

Arkansas Insurance Department

BY: 

Mike Pickens
Commissioner

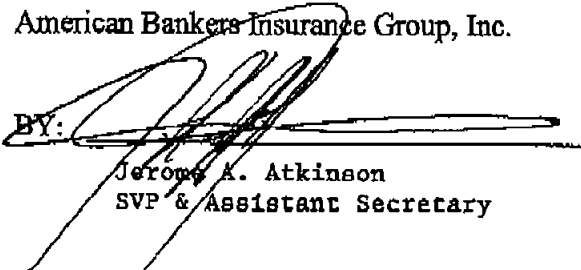
Date: 1/17/02

- 6. Copies of the Company examination, the Consent Order, and the Compliance Plan will be made available to the public upon the parties' signature to this Colorado Endorsement of the Consent Order.

American Bankers Insurance Group, Inc.

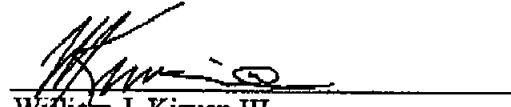
Colorado Division of Insurance

BY:



Jerome A. Atkinson
SVP & Assistant Secretary

BY:



William J. Kirven III
Commissioner

Date: 4/29/02

Date:

3/1/02