

**STATE OF MINNESOTA
COMMISSIONER OF COMMERCE**

In the Matter of the Certificate of Authority
of Fortis Insurance Company,
a Wisconsin corporation licensed
to do business in the State of Minnesota,
NAIC No. 69477; and
Fortis Benefits Insurance Company
a Minnesota corporation licensed
to do business in the State of Minnesota,
NAIC No. 70408

CONSENT ORDER

TO: Fortis Insurance Company
Fortis Benefits Insurance Company
P. O. Box 3050, West Michigan
Milwaukee, WI 53201-3050

Commissioner of Commerce James E. Bernstein (hereinafter "Commissioner") has determined as follows:

1. The Commissioner has advised Fortis Insurance Company and Fortis Benefits Insurance Company (hereinafter "Respondents") that as a result of an investigation by the Commissioner concerning Respondents' conduct as corporations engaged in the business of insurance in Minnesota, the Commissioner is prepared to commence formal proceedings in accordance with the provisions of Minn. Stat. § 45.027 (2000) against Respondents' Certificates of Authority to engage in the business of insurance in Minnesota based on allegations that Respondents misrepresented the terms of an insurance policy to their customers and the Department, and inappropriately denied several health insurance claims, in violation of Minn. Stat. § 72A.20, subd. 12 (1) and (6) (2000).
2. Respondents acknowledge that they have been advised of their rights to a hearing in this matter, to present argument to the Commissioner and to appeal from any adverse

determination after a hearing, and Respondents hereby expressly waive those rights. Respondents further acknowledge that they have been represented by legal counsel throughout these proceedings or have been advised of their right to counsel, which right they hereby waive.

3. Respondents have agreed to an informal disposition of this matter without a hearing, as provided under Minn. Stat. § 14.59 (2000) and Minn. R. 1400.5900 (1999).

4. The following Order is in the public interest.


NOW, THEREFORE, IT IS HEREBY ORDERED, pursuant to Minn. Stat. § 45.027, subd. 6 (2000) that Respondents shall pay to the State of Minnesota a civil penalty totaling \$5,000.

This Order shall be effective upon signature on behalf of the Commissioner.

Dated: 03-26-01.

JAMES C. BERNSTEIN
State of Minnesota

By:




GARY A. LaVASSEUR
Deputy Commissioner
Enforcement and Compliance Division

85 7th Place East, Suite 500
St. Paul, Minnesota 55101-2198
Telephone: (651)296-2594

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CONSENT TO ENTRY OF ORDER

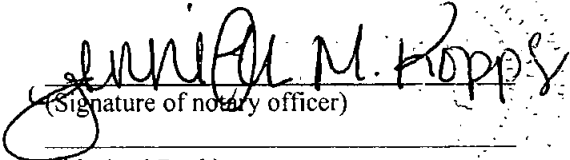
The undersigned, acting on behalf of Fortis Insurance Company and Fortis Benefits Insurance Company, states that he has read the foregoing Consent Order; that he knows and fully understands its contents and effect; that he is authorized to execute this Consent to Entry of Order on behalf of Respondents; that he has been advised of Respondents' right to a hearing; that Respondents have been represented by legal counsel in this matter; or that he has been advised of Respondents' right to be represented by legal counsel and that he has waived this right; and that he consents to entry of this Order by the Commissioner of Commerce. It is further expressly understood that this Order constitutes the entire settlement agreement between the parties hereto, there being no other promises or agreements, either express or implied.

By: 
Its: Vice President

STATE OF Wisconsin
COUNTY OF Milwaukee

This instrument was acknowledged before me on 3/14/01 (date) by Frank Lettela
(name(s) of person(s)) as vice president (type of authority, e.g., officer, trustee, etc.) of
Fortis Health (name of party on behalf of whom the instrument was executed).

(stamp)


(Signature of notary officer)
Title (and Rank)
My commission expires: is permanent