

STATE OF VERMONT
DEPARTMENT OF BANKING, INSURANCE, SECURITIES
AND HEALTH CARE ADMINISTRATION

)	
)	
IN RE: MONUMENTAL LIFE)	
INSURANCE COMPANY)	DOCKET NO. 10-051-I
)	
)	
)	

STIPULATION AND CONSENT ORDER

NOW COME the Department of Banking, Insurance, Securities and Health Care Administration of the State of Vermont (“Department”) and Monumental Life Insurance Company (“Respondent”) and hereby stipulate and agree as follows:

WHEREAS, pursuant to the authority contained in 8 V.S.A. §§ 11, 12, 13, 15, 8204, 8207 and 4726 the Commissioner of the Department (“Commissioner”) is charged with administering and enforcing the insurance laws of the State of Vermont; and

WHEREAS, pursuant to the authority contained in 8 V.S.A. §4726, the Commissioner may assess an administrative penalty for each violation of the Vermont Insurance Practices Act in addition to any other appropriate penalty if she finds that any person violated such statute; and

WHEREAS, Monumental Life Insurance Company, whose address is 4333 Edgewood Road NE, Cedar Rapids, Iowa, 52499 is domiciled in Iowa and authorized to conduct insurance business in Vermont; and

WHEREAS, Respondent markets credit life and credit disability insurance and distributes the credit insurance through automobile and other vehicle dealerships.

Respondent writes single premium group credit life and credit disability insurance to cover the outstanding balance of auto or other vehicle loans; and

WHEREAS, the Respondent notified the Department, in compliance with the Class Action Fairness Act, that Respondent had entered into a Federal Court approved settlement agreement of a class action lawsuit, where the parties contested their respective rights and obligations, that arose out of allegations that Respondent failed to return unearned premiums to credit life and credit disability certificate holders located in certain states, including Vermont; and

WHEREAS, the Department has conducted an investigation of Respondent's activities regarding the failure to timely return unearned premiums to Vermont consumers; and

WHEREAS, the Vermont Insurance Trade Practices Act, 8 V.S.A. § 4724 (12), provides that it is an unfair or deceptive act or practice in the business of insurance to fail to act as a fiduciary in regard to premiums and return premiums or other sums of money received by it in its capacity as insurer by failure to pay or transmit in a timely manner those sums of money to the persons to whom it was owed; and

WHEREAS, Respondent has been made aware that the Department may proceed with an administrative action against it, alleging a violation of 8 V.S.A. § 4723; and

WHEREAS, Respondent disagrees with and does not admit to the allegations and conclusions of the Department, but wishes to resolve this matter administratively, being aware of the expense, consumption of time and uncertainty inherent in litigation, by entering into a stipulation and consent order with the Department on the terms and conditions hereinafter set forth in lieu of proceeding with a hearing.

NOW THEREFORE, in consideration of the mutual covenants contained herein, the Department and Respondent stipulate and agree as follows:

1. Respondent shall pay an administrative penalty of Five Thousand Dollars (\$5,000.00) payable within ten (10) days of the date of the execution of this Consent Order.
2. The Company shall pay the Department's reasonable costs and expenses associated with this order and the investigation pursuant to 8 V.S.A. § 18 in the amount of Seven Hundred Thirty-Three Dollars (\$733.00). Payment shall be made no later than 10 days after the execution of this Consent Order.
3. Respondent hereby waives its statutory right to notice and a hearing before the Commissioner of the Department, or her designated appointee.
4. Respondent acknowledges and agrees that this stipulation is entered into freely and voluntarily and that except as set forth herein, no promise was made to induce the Respondent to enter into it. Respondent acknowledges that it has consulted with its attorney in this matter and it has reviewed this Stipulation and Consent Order and it understands all terms and obligations contained herein.
5. Respondent consents to the entry of this Order and agrees to be fully bound by its terms and conditions. Respondent acknowledges that noncompliance with any of the terms of this Order shall constitute a violation of a lawful order of the Commissioner and shall be a separate violation of the laws of the State of Vermont and shall subject Respondent to administrative action or sanctions as the Commissioner deems appropriate. Respondent further acknowledges that

the Commissioner retains jurisdiction over this matter for the purpose of enforcing this order.

6. The undersigned representative of Respondent affirms that he or she has taken all necessary steps to obtain the authority to bind Respondent to the obligations stated herein and has the authority to bind Respondent to the obligations stated herein.

STATE OF Town
COUNTY OF Linn

[Signature]
Monumental Life Insurance
Company

Sworn to and subscribed before this
The 16th day of July, 2010.

[Signature]
NOTARY PUBLIC

My Commission Expires: 3-19-2013

Accepted by: [Signature]

Kenneth McGuckin
Acting Deputy Commissioner,
Insurance Division,
Vermont Department
of Banking, Insurance, Securities and Health Care Administration

Date: July 23, 2010

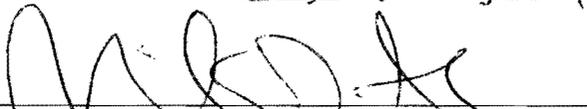
ORDER

IT IS HEREBY ORDERED:

A. Respondent, Monumental Life Insurance Company, shall comply with all agreements, stipulations, and undertakings as recited above.

B. Nothing contained in this Order shall restrain or limit the Department in responding and addressing any complaint about Respondent filed with the Department or shall preclude the Department from pursuing any other violation of Vermont law.

Dated at Montpelier, Vermont this 25th day of July 2010.



MICHAEL S. BERTRAND, Commissioner
Vermont Department of Banking, Insurance, Securities
and Health Care Administration