

STATE OF NEW JERSEY
DEPARTMENT OF BANKING AND INSURANCE

IN THE MATTER OF:)
)
Proceedings by the Commissioner of) CONSENT ORDER
Banking and Insurance, State of New)
Jersey, to fine Fidelity Security Life)
Insurance Company)

TO: Fidelity Security Life Insurance Company
3130 Broadway
Kansas City, MO 64111-2451

THIS MATTER, having been opened by the Commissioner of Banking and Insurance (“Commissioner”), State of New Jersey, upon information that Fidelity Security Life Insurance Company (“Fidelity”), 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, Fidelity is an insurance company incorporated in Missouri and admitted to transact the business of insurance in New Jersey since January 19, 1989, pursuant to N.J.S.A. 17B:23-1 et seq., and

WHEREAS, N.J.S.A. 17B:30-4 provides that no person shall make, publish, disseminate, circulate, or place before the public, or cause, directly or indirectly, to be made, published, disseminated, circulated or placed before the public, in a newspaper, magazine or other publication, or in the form of a notice, circular, pamphlet, letter or poster, or over any radio or television station, or in any other way, an advertisement, announcement or statement containing

any assertion, representation or statement with respect to the business of insurance and annuities or with respect to any person in the conduct of his insurance and annuity business, which is untrue, deceptive or misleading; and

WHEREAS, N.J.S.A. 17B:30-6 provides that no person shall make any misleading representations or incomplete or fraudulent comparison of any insurance policies or annuity contracts or insurers for the purpose of inducing, or tending to induce, any person to lapse, forfeit, surrender, terminate, retain, or convert any insurance policy or annuity contract, or to take out a policy of insurance or annuity contract in another insurer; and

WHEREAS, a brochure for a Fidelity product inaccurately compared the costs and benefits of a low deductible health benefits plan with the costs and benefits of a high deductible health benefits plan when purchased with the Fidelity product; and

WHEREAS, the brochure was used between 2003 and 2016, appeared on the Internet from June 15, 2009 to February 2016, and at least 431 New Jersey residents received the brochure and purchased the coverage; and

WHEREAS, Fidelity has ceased using the brochure and has implemented policies and procedures to insure that its advertising materials are accurate and truthful; and

NOW, THEREFORE, IT IS on this 1ST day of JULY 2016;

ORDERED AND AGREED that, Fidelity shall pay a penalty of ninety five thousand dollars (\$95,000), upon its execution of this Consent Order. The payment shall be made through a certified check, attorney trust account check, money order or electronic funds transfer made payable to "State of New Jersey – General Treasury" and shall be sent to Gale Simon, Assistant Commissioner, Department of Banking and Insurance, 20 West State Street, P. O. Box 329, Trenton, NJ 08625-0329; and

IT IS FURTHER ORDERED AND AGREED that the provisions of this Consent Order represent a final agency decision and constitute a full and final resolution of the matters addressed herein.



Peter L. Hart
Director of Insurance

Consented to as to Form, Content and Entry:



Mark S. Madden
Fidelity Security Life Insurance Company