

No. 2018- 5750

**OFFICIAL ORDER  
of the  
TEXAS COMMISSIONER OF INSURANCE**

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Date: DEC 12 2018

**Subject Considered:**

JEFFERSON NATIONAL LIFE INSURANCE COMPANY  
10350 Ormsby Park Place Suite 600  
Louisville, Kentucky 40223

**CONSENT ORDER**  
TDI ENFORCEMENT FILE NO. 16158

**General remarks and official action taken:**

The subject of this order is whether disciplinary action should be taken against Jefferson National Life Insurance Company (JNLIC).

**WAIVER**

JNLIC acknowledges that the Texas Insurance Code and other applicable laws provide certain rights. JNLIC waives all of these rights and any other applicable procedural rights in consideration of the entry of this consent order.

**FINDINGS OF FACT**

1. The Texas Department of Insurance (TDI) issued JNLIC life, accident, and health insurance license number 35200, effective March 1, 1937.

**Market Conduct Examination**

2. TDI conducted a market conduct examination for the period beginning January 1, 2015, and ending December 31, 2015. JNLIC accepted the examination report on April 30, 2018.
3. Annuity disclosures provide standards for the disclosure of minimum information about annuity contracts and to assist purchasers of annuities to understand certain basic features of the annuity contracts. JNLIC failed to provide a buyer's guide for any of the annuity contracts issued during the examination period.
4. JNLIC is required to establish and maintain a supervision system and to provide an annual report to senior management to determine the effectiveness of the supervision system, the

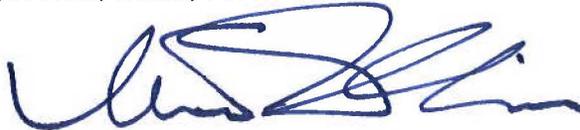
exceptions found, and any corrective action taken or recommended. JNLIC failed to maintain an annual report for 2015.

5. In report comments provided to TDI, JNLIC represented that a buyer's guide has been implemented as of January 2017 and is being provided to all new contract holders and that annual reports were completed for 2016 and in progress for 2017.

**CONCLUSIONS OF LAW**

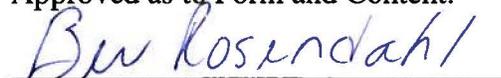
1. The commissioner has jurisdiction over this matter pursuant to TEX. INS. CODE §§ 31.002; 82.051-82.055, 84.021-84.022, 401.055, 843.254-843.259; 28 TEX. ADMIN. CODE § 19.1704; and TEX. GOV'T CODE §§ 2001.051-2001.178.
2. The commissioner has authority to informally dispose of this matter as set forth under TEX. GOV'T CODE § 2001.056, TEX. INS. CODE §§ 36.104 and 82.055; and 28 TEX. ADMIN. CODE § 1.47.
3. JNLIC has knowingly and voluntarily waived all procedural rights to which it may have been entitled regarding the entry of this order, including, but not limited to, issuance and service of notice of intention to institute disciplinary action, notice of hearing, a public hearing, a proposal for decision, rehearing by the commissioner, and judicial review.
4. JNLIC violated 28 TEX. ADMIN. CODE § 3.9708 because it failed to provide a buyer's guide for any of the annuity contracts issued during the examination period.
5. JNLIC violated TEX. INS. CODE § 1115.052(b)(6) because it did not have an annual report for 2015 as required.

It is ordered that Jefferson National Life Insurance Company pay an administrative penalty of \$15,000 within 30 days from the date of this order. The administrative penalty must be paid by company check, cashier's check, or money order made payable to the "State of Texas." Mail the administrative penalty to the Texas Department of Insurance, Attn: Enforcement Section, Division 60851, MC 9999, P.O. Box 149104, Austin, Texas, 78714-9104.



Kent C. Sullivan  
Commissioner of Insurance

Approved as to Form and Content:



Bev Rosendahl  
Staff Attorney, Enforcement Section  
Texas Department of Insurance

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COMMISSIONER'S ORDER  
Jefferson National Life Insurance Company  
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**AFFIDAVIT**

STATE OF Ohio §

COUNTY OF Franklin §

Before me, the undersigned authority, personally appeared the affiant, who being by me duly sworn, deposed as follows:

"My name is Craig A. Hawley. I am of sound mind, capable of making this statement, and have personal knowledge of these facts which are true and correct.

I hold the office of President, and am the authorized representative of Jefferson National Life Insurance Company and I am duly authorized by said organization to execute this statement.

Jefferson National Life Insurance Company waives rights provided by the Texas Insurance Code and other applicable laws and acknowledges the jurisdiction of the Texas commissioner of insurance.

Jefferson National Life Insurance Company is voluntarily entering into this consent order. Jefferson National Life Insurance Company consents to the issuance and service of this consent order."

Craig A. Hawley  
Affiant

SWORN TO AND SUBSCRIBED before me on November 7, 2018.

(NOTARY SEAL)

David P. Reynolds  
Signature of Notary Public

David P. Reynolds



DAVID P. REYNOLDS  
Notary Public, State of Ohio  
My Commission Expires 11-15-2021