

**BEFORE THE INSURANCE COMMISSIONER  
FOR THE STATE OF ARKANSAS**

**IN THE MATTER OF  
THE REPORT OF EXAMINATION OF  
FIDELITY STANDARD LIFE  
INSURANCE COMPANY**

A.I.D. NO. 2012- 786

**ADOPTION ORDER**

Now on this day the matter of the Report of Examination (“Report” or “Report of Examination”) as of December 31, 2011, of Fidelity Standard Life Insurance Company (“Company”), of Brinkley, Arkansas, NAIC No. 84018, is taken under consideration by Jay Bradford, Insurance Commissioner for the State of Arkansas (“Commissioner”), as presented by the Finance Division and Amanda Capps Rose, Associate Counsel, of the Arkansas Insurance Department (“Department”). From the facts, matters and other things before him, the Commissioner finds as follows:

**FINDINGS OF FACT**

1. The Commissioner has jurisdiction over the Company and the subject matter involved herein pursuant to Ark. Code Ann. §§ 23-61-103 and 23-61-201, *et seq.*
2. The Company is an Arkansas-domiciled legal reserve stock insurer authorized to transact life and disability (health and accident) insurance in the State of Arkansas.
3. Pursuant to Ark. Code Ann. §§ 23-61-201, *et seq.*, and other applicable law, the Commissioner authorized and directed the Department to conduct a regular examination of the affairs, transactions, accounts, records and assets of the Company as of December 31, 2011.

4. Said examination was commenced by the Department on March 13, 2012 and completed on September 27, 2012.

5. The verified Report of Examination was filed with the Department on November 21, 2012 and sent to the Company via certified mail on November 21, 2012. The Report was received by the Company on November 26, 2012, according to the certified mail return receipt returned to the Department.

6. The Company does not have fidelity coverage in place for its employees, officers and directors.

7. In the samples used in the market conduct portion of the examination, there was no record of the date a claim was made.

8. The Company exceeded the five percent (5%) investment limit as set forth in Ark. Code Ann. § 23-63-805(1)(A)(i)(a), resulting in an adjustment that reduced reported surplus.

#### **CONCLUSIONS OF LAW**

Based upon the above and foregoing Findings of Fact, the Commissioner makes the following Conclusions of Law:

1. The Commissioner and the Department have jurisdiction over the parties and the subject matter contained herein.

2. This Adoption Order has been properly entered in accordance with the Arkansas Insurance Code and Department Rules.

**THEREFORE**, pursuant to the provisions of Ark. Code Ann. § 23-61-205 and other provisions of the Arkansas Insurance Code, the Commissioner hereby orders:

1. That the Examination Report, as filed with the Department, is hereby adopted;

2. That, with regard to the items in Findings of Fact above, it is recommended that the Company obtain at least twenty-five thousand dollars (\$25,000), the minimum suggested by the NAIC;

3. That it is further recommended that the Company begin a procedure that records the date upon which any claim is made for purposes of documenting compliance with Department Rule 43;

4. The Company is ordered to comply with the investment limits as provided in Ark. Code Ann. § 23-63-805;

5. That the Department shall forward a copy of this Adoption Order and the adopted Examination Report, as filed, to the Company via certified mail. The mailing to the Company shall include specimen affidavit forms for the Company's Board of Directors to use in acknowledgement of receipt of the adopted Report of Examination and this Adoption Order;

6. That within twenty (20) days of receipt of this Adoption Order and the adopted Examination Report, the Company shall file with the Department affidavits executed by each one of its directors, stating under oath or affirmation that each has received a copy of this Adoption Order and the adopted Examination Report; and

7. That the adopted Examination Report shall be open for public inspection upon the expiration of thirty (30) days from the Company's receipt of this Adoption Order.

IT IS SO ORDERED this 20<sup>th</sup> day of December, 2012.



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**JAY BRADFORD**  
**INSURANCE COMMISSIONER**  
**STATE OF ARKANSAS**