

No. **4016**

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

Date: JUN 16 2015

**Subject Considered:**

**STERLING LIFE INSURANCE COMPANY**  
3405 Piedmont Road NE Suite 450  
Atlanta, GA 30305

**CONSENT ORDER**  
TDI ENFORCEMENT FILE NO. 8684

**General remarks and official action taken:**

The commissioner of insurance considers whether disciplinary action should be taken against Sterling Life Insurance Company.

**WAIVER**

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

**FINDINGS OF FACT**

1. On January 7, 1958, TDI issued Sterling life license no. 79670.
2. Sterling filed its 2013 and 2014 annual network adequacy reports on May 12, 2015.
3. On March 19, 2015, the Texas Health Insurance Pool (Pool) informed TDI that Sterling had never submitted prompt payment reports or penalty payments to the Pool.
4. In April 2015, after failing to file its prompt payment claim reports with TDI for several years, Sterling filed prompt payment claim reports indicating that it paid more than two percent of its clean claims late in eleven quarters:

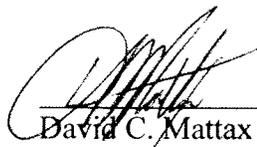
Year	Quarter	Percentage of clean claims paid late
2012	1	6%
2012	2	8.03%
2012	3	7.96%

Year	Quarter	Percentage of clean claims paid late
2012	4	8.97%
2013	1	3.3%
2013	2	7.68%
2013	3	5.21%
2013	4	11.08%
2014	1	2.88%
2014	2	2.58%
2014	4	5.17%

### 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, and 1301.101 – 1301.139; TEX. GOV'T CODE §§ 2001.051–2001.178; and 28 TEX. ADMIN. CODE §§ 3.3709 and 21.2801-21.2816.
2. The commissioner has authority to informally dispose of this matter under TEX. GOV'T CODE § 2001.056, TEX. INS. CODE §§ 82.055 and 36.104, and 28 TEX. ADMIN. CODE § 1.47.
3. Sterling violated 28 TEX. ADMIN. CODE § 3.3709 because it failed to file its 2013 and 2014 network adequacy reports with TDI on or before April 1.
4. Sterling violated TEX. INS. CODE §§ 1301.101 – 1301.139 and 28 TEX. ADMIN. CODE §§ 21.2801-21.2816 by failing to pay clean claims in a timely manner.

The commissioner orders Sterling Life Insurance Company to pay an administrative penalty of \$30,000 within 30 days of 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 40111, MC 9999, P.O. Box 149104, Austin, Texas, 78714-9104.



David C. Mattax  
Commissioner of Insurance

Approved as to Form and Content:



Jeannie Ricketts, Staff Attorney  
Enforcement Section, Compliance Division  
Texas Department of Insurance

4016

COMMISSIONER'S ORDER  
Sterling Life Insurance Company  
TDI Enforcement File No. 8684  
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AFFIDAVIT

STATE OF FLORIDA           §  
  §  
COUNTY OF HILLSBOROUGH §

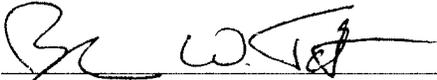
Before me, the undersigned authority, personally appeared the affiant, who being by me duly sworn, deposed as follows:

“My name is Blair Todt. I am of sound mind, capable of making this statement, and have personal knowledge of these facts which are true and correct.

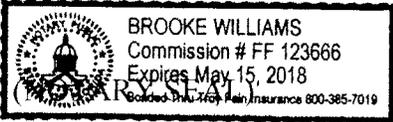
I hold the office of Sr. Vice President & Secretary, and am the authorized representative of Sterling Life Insurance Company. I am duly authorized by said organization to execute this statement.

Sterling 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.

Sterling Life Insurance Company is voluntarily entering into this consent order. Sterling Life Insurance Company consents to the issuance and service of this consent order.”

  
\_\_\_\_\_  
Affiant

SWORN TO AND SUBSCRIBED before me on May 29, 2015.



  
\_\_\_\_\_  
Signature of Notary Public  
Brooke Williams, Notary Public