

*State of Idaho*

**DEPARTMENT OF INSURANCE**

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**NEWS RELEASE**

**FOR IMMEDIATE RELEASE**

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**INSURANCE DEPARTMENT REACHES SETTLEMENT WITH AFLAC**

BOISE ID (June 4, 2012) – The Idaho Department of Insurance has entered into a regulatory settlement agreement with American Family Life Assurance Company of Columbus (AFLAC) following an extensive market conduct examination which included state insurance departments in Minnesota and Missouri.

Department Director Bill Deal says, "The Department is tasked with the responsibility of monitoring the way insurance companies and producers conduct business in Idaho to ensure that policyholders are treated fairly. The examination was done for the purpose of reviewing the Company's underwriting, sales and marketing, producer licensing, complaint handling, and claims practices."

The examination identified areas of regulatory concern. AFLAC neither admitted nor denied that the issues identified constituted violations of law. No final exam report was issued.

As part of the settlement agreement, AFLAC is required to submit compliance reports to the Department every six months beginning in December 2012, for a total of 36 months. AFLAC also agreed to pay a penalty of \$1,600,000.00 to the three states participating in the examination. Idaho's portion is \$200,000.00.

**About the Department of Insurance**

The Idaho Department of Insurance has been regulating the business of insurance in Idaho since 1901. The mission of the Department is to equitably, effectively and efficiently administer the Idaho Insurance Code and the International Fire Code. For more information, visit [www.doi.idaho.gov](http://www.doi.idaho.gov).

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