

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

**IN THE MATTER OF
THE REPORT OF EXAMINATION
AMERICAN INTEGRITY LIFE
INSURANCE COMPANY**

A.I.D. NO. 2017- 087

ADOPTION ORDER

Now on this day the matter of the Report of Examination ("Report") as of December 31, 2016, of American Integrity Life Insurance Company ("Company"), NAIC No. 88820, of Hot Springs, Arkansas, is taken under consideration by Allen Kerr, Insurance Commissioner for the State of Arkansas ("Commissioner"), as presented by Associate Counsel, Amanda Capps Rose, and the Finance Division 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 Company is an Arkansas-domiciled insurer authorized to write life and disability insurance in Arkansas.
2. Pursuant to Ark. Code Ann. §§ 23-61-201, *et seq.*, 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, 2016.
3. Said examination was commenced by the Department on May 1, 2017, and completed on September 15, 2017.
4. The verified Report of Examination was filed with the Department on November 9, 2017. It was then mailed to the Company via certified mail on November 9, 2017. The Company received the Report on November 13, 2017, according to the tracking service available through the United States Postal Service.

5. The Company's records do not reflect any periodic review of its investment policy.

6. The Company did not have an antifraud plan in place as required by Department Rule 66 and Ark. Code Ann. § 23-66-510 during the period of examination, but has subsequently filed a plan with the Department.

7. The Company incorrectly reported its reinsurance ceded reserves in its Annual Statement in accordance with Schedule S, Part 2, Column 7 of the NAIC annual Statement Instructions. The Company has been instructed with regard to future filings and compliance with Ark. Code Ann. § 23-63-216.

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.

3. The Company's failure to create and maintain documentation of regular review of its investment policy is a violation of Ark. Code Ann. § 23-63-804.

4. The Company's incorrect reporting of its reinsurance ceded reserves was not in accordance with Schedule S, Part 2, Column 7 of the NAIC Annual Statement Instructions, which is a violation of Ark. Code Ann. § 23-63-216.

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 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;

3. 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;

4. 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;

5. That the Company will adopt procedures for the regular review of its investment policy in accordance with Ark. Code Ann. § 23-63-804; and

6. That the Company shall report its reinsurance ceded reserves on its financial filings in accordance with Schedule S, Part 2, Column 7 of the NAIC Annual Statement Instructions.

IT IS SO ORDERED this 13th day of December, 2017.


ALLEN KERR
INSURANCE COMMISSIONER
STATE OF ARKANSAS