

Minneapolis / St. Paul Business Journal - June 5, 2006
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Monday, June 5, 2006

State fines two out-of-state insurance companies

Minneapolis / St. Paul Business Journal

Regulators from the **Minnesota Department of Commerce** have fined insurance companies based in Indiana and California a combined \$3.4 million to settle charges that they sold unsuitable investments to Minnesota consumers.

The state fined Carmel, Ind.-based **Conseco Inc.** \$2.5 million, and Newport Beach, Calif.-based **Pacific Life Insurance Co.** \$975,000.

The companies also were charged with using unfair and deceptive advertisements by some agents in the state.

The state reviewed possible misconduct at Pacific Life Insurance dating back to January 1985. While the company neither admitted nor denied wrongdoing, a spokeswoman said it has "enhanced our compliance procedures and oversight of the sale of our products," according to media reports.

Conseco might have to pay an additional \$7 million in restitution, mostly to certain annuity policyholders in Minnesota, for mistakes in calculating policy benefits. The company's two largest units also are denied the right to appoint agents in Minnesota for four years, limiting its ability to do business here.

Conseco's is the largest monetary penalty paid by an insurance company in Minnesota.

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