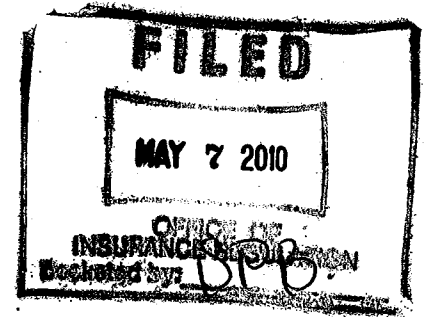




OFFICE OF INSURANCE REGULATION



KEVIN M. McCARTY
COMMISSIONER

IN THE MATTER OF:

CASE NO.: 99142-08

JACKSON NATIONAL LIFE INSURANCE COMPANY

CONSENT ORDER

THIS CAUSE came on for consideration as the result of an agreement between JACKSON NATIONAL LIFE INSURANCE COMPANY (hereinafter referred to as "JACKSON NATIONAL") and the OFFICE OF INSURANCE REGULATION (hereinafter referred to as the "OFFICE"). Following a complete review of the entire record, and upon consideration thereof, and being otherwise fully advised in the premises, the OFFICE hereby finds as follows:

1. The OFFICE has jurisdiction over the subject matter of, and parties to, this proceeding.
2. JACKSON NATIONAL is a foreign life and health insurer authorized to transact insurance business in Florida, and is subject to the jurisdiction and regulation of the OFFICE pursuant to the Florida Insurance Code.
3. The OFFICE has conducted an investigation of JACKSON NATIONAL pursuant to Section 624.318, Florida Statutes. As a result of such investigation, the OFFICE has determined that JACKSON NATIONAL did not issue term life policyholders a conversion policy according to the terms of their contract.

4. The Form 1600A contract language states, in pertinent part,

OWNER MAY CONVERT TO A HIGHER PREMIUM FORM WITHOUT EVIDENCE OF INSURABILITY While this Policy is in force, it may be converted to any whole life or endowment policy without evidence of insurability. Conversion may occur at any time prior to the policy anniversary coinciding with or next following the 80th birthday of the Insured. The new policy will be issued on the same class of risk as this Policy for the amount of insurance then in effect. If the request is for benefits greater than those contained in this Policy, the Company may require the written request of the Owner and payment of the required premium. At least one plan will always be available for conversion of the amount of insurance provided by this Policy.

5. JACKSON NATIONAL failed to follow the terms of the contract by not converting term life policyholders enrolled on policy form L1600A to whole life insurance policies within the same rate class.

6. JACKSON NATIONAL issued converted policies with a preferred rating to match in language terms, but not rate class. JACKSON NATIONAL also converted policies with a preferred rating to a standard rate class.

7. JACKSON NATIONAL made false statements to insureds regarding the conversion of their policies. JACKSON NATIONAL's erroneous conversion of policies resulted in excessive premiums being charged to the policyholders. The conversion also resulted in unfair discrimination against policyholders who were not converted in the same manner as others.

8. The OFFICE has determined that JACKSON NATIONAL has violated the following Florida Statutes:

- a. Section 626.9541(1)(a)1, Florida Statutes – Misrepresentation of the benefits, advantages, conditions, or terms of an insurance policy.

- b. Section 626.9541(1)(a)5, Florida Statutes – Misrepresentation of the true nature of the policy class.

c. Section 626.9541(1)(e), Florida Statutes – Knowingly making false statements to policyholders.

d. Section 626.9541(1)(g), Florida Statutes – Knowingly making or permitting unfair discrimination between individuals of the same actuarially supportable class in the rates charged.

e. Section 626.9541(1)(o), Florida Statutes – Knowingly charging excess charges for insurance.

f. Section 627.474, Florida Statutes – No life insurer or agent shall make any contract of insurance or agreement as to such contract other than as plainly expressed in the policy.

g. Section 627.454, Florida Statutes – Policy shall constitute the entire contract between the parties.

h. Rule 69O-149.023(2), Florida Administrative Code – The policy may not reserve the right to change contractual provisions without the written consent of the policyholder unless the nature and parameters of such changes are clearly expressed in the contract.

9. JACKSON NATIONAL enters into this Consent Order for the purpose of settlement and without any admission that it has violated any provision of Florida law or other applicable law, rule, or regulation.

10. The OFFICE and JACKSON NATIONAL expressly waive a hearing in this matter, as well as the making of findings of fact and conclusions of law by the OFFICE and all further and/or other proceedings to which the parties may be entitled, either by law or by rules of the OFFICE. JACKSON NATIONAL hereby knowingly and voluntarily waives all rights to challenge or to contest this Order, in any forum now available to it, including the right to any administrative proceeding, circuit or federal court action, or any appeal.

11. JACKSON NATIONAL agrees that failure to adhere to one or more of the terms and conditions of this Order shall constitute a violation of a lawful order of the OFFICE, and shall subject JACKSON NATIONAL to such administrative action as the OFFICE may deem appropriate.

12. JACKSON NATIONAL agrees that upon the execution of this Consent Order, it shall be subject to the following terms and conditions:

a. JACKSON NATIONAL shall pay a penalty of Fifty Thousand and No/100 Dollars (\$50,000.00) and administrative costs of Three Thousand and No/100 Dollars (\$3,000.00) on or before the thirtieth (30th) day after which this Consent Order is executed.

b. JACKSON NATIONAL shall, within thirty (30) days of execution of this Consent Order, convert all policyholders incorrectly converted to a standard class risk whole life insurance policy to a preferred class risk whole life insurance policy and refund or credit the difference in premium to all conversion policyholders affected.

c. JACKSON NATIONAL shall, within sixty (60) days of execution of this Consent Order, provide a report certified by an officer of the Company to be true and correct, confirming that JACKSON NATIONAL has rered all policies incorrectly converted to a standard class risk whole insurance policy to the preferred class risk whole insurance policy and has paid each affected conversion policyholder, a refund or credit of the difference of premium. This report will include: the policyholder name, policy number, address, effective date, converted class, amount of premium difference refunded or credited, and the date paid.

d. JACKSON NATIONAL is hereby placed on notice of the requirements of the

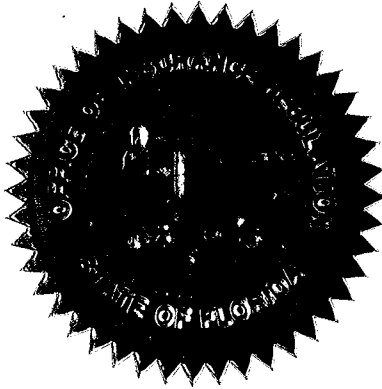
above referenced sections of law and agrees that any future violations of these sections or the statutes named therein by JACKSON NATIONAL may be deemed willful, subjecting JACKSON NATIONAL to the appropriate penalties associated therewith.

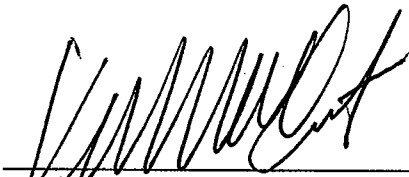
13. Except as noted above, each party to this action shall bear its own costs and attorney's fees.

14. THEREFORE, the agreement between JACKSON NATIONAL and the OFFICE, the terms and conditions of which are set forth above, is approved.

FURTHER, all terms and conditions above are hereby ORDERED.

DONE AND ORDERED this 7TH day of MAY, 2010.





Kevin M. McCarty
Commissioner
Office of Insurance Regulation

By execution hereof JACKSON NATIONAL LIFE INSURANCE COMPANY consents to entry of this Consent Order, agrees without reservation to all of the above terms and conditions, and shall be bound by all provisions herein. The undersigned represents, pursuant to Section 624.310, Florida Statutes, that he/she has the authority to bind JACKSON NATIONAL LIFE INSURANCE COMPANY to the terms and conditions of this Consent Order.

JACKSON NATIONAL LIFE INSURANCE COMPANY

By: Julia A. Goatley
Julia A. Goatley
Print or Type Name

Title: Vice President - Legal

Date: 4/9/10

Corporate Seal

STATE OF Michigan

COUNTY OF Ingham

The foregoing instrument was acknowledged before me this 9th day of April 20 10,

by Julia A. Goatley as officer
(Name of person) (type of authority.... e.g. officer, trustee attorney in fact)

for Jackson National Life
(company name)

Jodi K. Comstock
(Signature of the Notary)
Jodi K. Comstock
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known X or Produced Identification _____
Type of Identification Produced _____

[NOTARIAL SEAL]

My Commission Expires:

JODI COMSTOCK
NOTARY PUBLIC - STATE OF MICHIGAN
COUNTY OF CLINTON
My Commission Expires Aug. 8, 2012
Acting in the County of Ingham

COPIES FURNISHED TO:

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