

**STATE OF NEW HAMPSHIRE
INSURANCE DEPARTMENT**

In Re: Allianz Life Insurance Company of North America

Docket No: Ins 09-012-EP

CONSENT ORDER AND SETTLEMENT AGREEMENT

This Settlement Agreement and Order (“Agreement”) is made this 4th day of JUNE 2009 between the New Hampshire Insurance Department (“NHID”) and Allianz Life Insurance Company of North America (“Respondent”).

1. On February 23, 2009, the Department issued an Order to Show Cause and Notice of Hearing against the Respondent. In sum, the Order to Show Cause alleged that the Respondent had violated Ins. 401.04(h) by failing to timely deliver a copy of the disputed annuity contract (“the contract”) to the consumer, Pamela Abbott (“the Consumer”), thereby denying the Consumer of the opportunity to “free look” the contract.

2. The hearing on the allegations alleged in the Order to Show Cause was scheduled for hearing on May 21, 2009.

3. However, pursuant to RSA 541-A:31, V, the NHID and the Respondent engaged in settlement negotiations for the purpose of resolving the dispute informally. On May 20, 2009, the NHID and the Respondent were able to achieve a negotiated settlement.

WHEREFORE, for the purpose of resolving the above-referenced matter and in lieu of further administrative proceedings, the Department and Respondent have reached an agreement as follows:

A. The foregoing recitals are hereby adopted, incorporated and made a part of this Consent Order and Settlement Agreement.

B. The Respondent agrees that the consumer shall be given a twenty-day “free look” period with respect to the contract. During the “free look” period, the consumer may review the contract and determine if she wishes to remain bound by the contract or if she wishes to rescind it. The twenty-day “free look” period shall commence on the effective date of this Consent Order.

C. In the event the Consumer chooses to rescind the annuity contract before the twenty-day “free look” period expires, the Respondent shall refund to the Consumer the original premium of \$100,000, minus \$15,000, which represents the amount of the funds withdrawn by the Consumer. Accordingly, in the event the Consumer rescinds the contract, the Respondent agrees to pay the Consumer the sum total of \$85,000. In consideration of the payment of \$85,000, the Respondent may require the Consumer to execute a general liability release, the terms of which shall be determined by the parties to release.

D. The Respondent knowingly waives its right to a hearing in this matter. Furthermore, this Consent Order and Settlement Agreement shall be final and non-appealable.

E. By entering into this Consent Order and Settlement Agreement, the NHID and the Respondent intend to resolve all issues relating to the matters raised in the Order to Show cause Show Cause Order, and this Consent Order and Settlement Agreement shall be deemed a full and final resolution of all allegations set forth in the Order to Show Cause..

F. By entering into this Consent Order and Settlement Agreement, the Respondent is not admitting any of the allegations set forth in the Show Cause Order. The Respondent is entering this Consent Order and Settlement Agreement for the sole purpose of purchasing its peace and avoiding any further administrative proceedings in connection with the allegations set forth in the Order to Show Cause.

IT IS SO ORDERED.

NEW HAMPSHIRE INSURANCE DEPARTMENT

Date: 6-4-2009 

Roger A. Sevigny, Commissioner

ALLIANZ LIFE INSURANCE COMPANY OF NORTH AMERICA

Date: 6-1-2009 

Scott Bowman, VP Litigation and Regulatory