

**DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION**

P.O. Box 690, Jefferson City, Mo. 65102-0690

In re: )  
 ) Examination No. 0610-38-LAH  
American Fidelity Assurance Company (NAIC #60410) )

**CURATIVE ORDER OF THE DIRECTOR**

NOW, on this 13<sup>th</sup> day of July, 2007, Director Douglas M. Ommen, after consideration and review of the market conduct examination report of American Fidelity Assurance Company (NAIC #60410), report number 0610-38-LAH, prepared and submitted by the Division of Insurance Market Regulation pursuant to §374.205.3(3)(a), RSMo, does hereby adopt such report as filed. After consideration and review of such report, relevant workpapers, and any written submissions or rebuttals, the findings and conclusions of such report are deemed to be the Director’s findings and conclusions accompanying this order pursuant to §374.205.3(4), RSMo.

This order, issued pursuant to §374.205.3, RSMo and §374.046.15. RSMo Cum. Supp. 2006, is in the public interest.

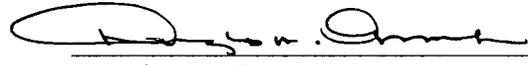
IT IS THEREFORE ORDERED that the Companies shall CURE the violations of law, regulations or prior orders revealed in such report and shall take remedial action to bring the Companies into compliance with the statutes and regulations of the State of Missouri and to maintain those corrective actions at all times, including, but not limited to, taking the following actions:

1. The Company shall take the appropriate and prompt action on all claims received and properly deny all claims with sufficient and adequate notice to its claimants of the reasons for such denial, as required by §375.1007, RSMo, 20 CSR 100-1.030, and 20 CSR 100-1.050.
2. The Company shall ensure that its books, records, documents, and other business records are in an order such that the insurer’s claims, rating, underwriting, and marketing practices can be readily ascertained by the Department during an examination, as required by 20 CSR 300-2.200.

It is further ORDERED that a Missouri market conduct examination of the Company is not necessary until three years from the date of this Order, unless the Director has cause to believe the Company has failed to comply with the terms of this Order or has otherwise violated Missouri laws or regulations.

So Adopted, Found, Concluded and Ordered.

July 13, 2007  
Date

  
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Douglas M. Ommen  
Director