

DEPARTMENT OF COMMERCE & INSURANCE

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

In Re:)
)
AMERICAN GENERAL LIFE INSURANCE) Market Conduct Investigation No. 382968
COMPANY (NAIC #60488))

ORDER OF THE DIRECTOR

NOW, on this 10th day of May, 2022, Director, Chlora Lindley-Myers, after consideration and review of the Stipulation of Settlement and Voluntary Forfeiture (hereinafter “Stipulation”) entered into by the Division of Insurance Market Regulation (hereinafter “Division”), and American General Life Insurance Company (NAIC #60488) (hereinafter “American General”), relating to the market conduct investigation no. 382968, does hereby issue the following orders:

This order, issued pursuant to §374.046.15¹ and §374.280 is in the public interest.

IT IS THEREFORE ORDERED that American General and the Division having agreed to the Stipulation, the Director does hereby approve and agree to the Stipulation.

IT IS FURTHER ORDERED that American General shall not engage in any of the violations of statutes and regulations set forth in the Stipulation, shall implement procedures to place it in full compliance with the requirements in the Stipulation and the statutes and regulations of the State of Missouri, and to maintain those corrective actions at all times, and shall fully comply with all terms of the Stipulation.

¹ All references, unless otherwise noted, are to Revised Statutes of Missouri 2016.

IT IS FURTHER ORDERED that American General shall pay, and the Department of Commerce and Insurance, State of Missouri, shall accept, the Voluntary Forfeiture of \$2,000.00, payable to the Missouri State School Fund.

IT IS SO ORDERED.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of my office in Jefferson City, Missouri, this 10th day of MAY, 2022.



Chlora Lindley-Myers
Chlora Lindley-Myers, Director
Missouri Department of Commerce and Insurance

**IN THE DEPARTMENT OF COMMERCE AND INSURANCE
STATE OF MISSOURI**

In Re:)
)
AMERICAN GENERAL LIFE INSURANCE) **Market Conduct Investigation No. 382968**
COMPANY (NAIC #60488))

STIPULATION OF SETTLEMENT AND VOLUNTARY FORFEITURE

It is hereby stipulated and agreed by the Division of Insurance Market Regulation (hereinafter the “Division”), and American General Life Insurance Company (NAIC #60488) (hereinafter “American General”), as follows:

WHEREAS, the Division is a unit of the Missouri Department of Commerce and Insurance (hereinafter the “Department”), an agency of the State of Missouri, created and established for administering and enforcing all laws in relation to insurance companies doing business in the State of Missouri;

WHEREAS, the Department issued American General a certificate of authority to transact the business of insurance in the State of Missouri;

WHEREAS, the Division conducted a market conduct investigation of American General, investigation no. 382968; and

WHEREAS, based on the market conduct investigation of American General, the Division alleges that:

1. American General failed to retain copies of the certificate applications, group policy(ies), group policy form number, employer name(s), and record of termination date(s) of the group(s) for inforce Specified Disease certificates in violation of §374.205.2(2)¹ and 20 CSR 100-8.040(3)(A).

¹ All references, unless otherwise noted, are to Missouri Revised Statutes 2016.

2. American General misrepresented by omission the benefits, advantages, conditions and terms of the group policy and Specified Disease certificate when American General did not notify certificateholders of the termination of coverage after the group master policy was cancelled/terminated in violation of §§375.936(6)(a) and 375.934(1).

WHEREAS, the Division and American General have agreed to resolve the issues raised in the market conduct investigation as follows:

A. **Scope of Agreement.** This Stipulation of Settlement and Voluntary Forfeiture (hereinafter “Stipulation”) embodies the entire agreement and understanding of the signatories with respect to the subject matter contained herein. The signatories hereby declare and represent that no promise, inducement or agreement not herein expressed has been made, and acknowledge that the terms and conditions of this agreement are contractual and not a mere recital.

B. **Remedial Action.** American General agrees to take remedial action bringing it into compliance with the statutes and regulations of Missouri and agrees to maintain those remedial actions at all times, to reasonably ensure that the errors noted in the market conduct investigation and in this Stipulation do not recur. Such remedial actions shall consist of the following:

1. American General agrees to file an amendment through the System for Electronic Rate and Form Filing (“SERFF”) for certificate form number 41993 stating American General will not cancel the certificates for any reason unless such reason is explicitly set out in the certificate and that no provision citing information in the underlying group policy will be used to make a coverage determination unless such provision is mirrored in the certificate of coverage. American General agrees to file the amendment through SERFF within 30 days from the date of the Order approving this Stipulation. American General agrees to include with the SERFF filing a statement indicating that “as a result of a Missouri market conduct investigation, the attached amendment is being filed

with the Department.” Upon approval of the amendment by the Department, American General further agrees to issue a copy of the amendment to all in force certificateholders of certificate form number 41993 within 30 days of the date the Department approves the amendment.

2. American General agrees to provide the 10 inforce certificateholders the option to continue to pay premiums and keep their Specified Disease coverage in force or terminate their coverage and be issued a refund back to the date American General took over the coverage, on December 31, 2012, less any benefits received.

3. American General agrees to maintain its insurance business records in accordance with §374.205.2(2) and 20 CSR 100-8.040.

C. **Compliance.** American General agrees to file documentation with the Division pursuant to §374.190, in a format acceptable to the Division, within 90 days of the entry of an Order of any remedial action taken to implement compliance with the terms of this Stipulation or to document the payment of restitution required by this Stipulation.

D. **Voluntary Forfeiture.** American General agrees, voluntarily and knowingly, to surrender and forfeit the sum of \$2,000, such sum payable to the Missouri State School Fund, in accordance with §§374.049.11 and 374.280.2.

E. **Non-Admission.** Nothing in this Stipulation shall be construed as an admission by American General, this Stipulation being part of a compromise settlement to resolve disputed factual and legal allegations arising out of the above referenced market conduct investigation.

F. **Waivers.** American General, after being advised by legal counsel, does hereby voluntarily and knowingly waive any and all rights for procedural requirements, including notice and an opportunity for a hearing, and review or appeal by any trial or appellate court, which may have otherwise applied to the market conduct investigation no. 382968.

G. **Amendments.** No amendments to this Stipulation shall be effective unless made in writing and agreed to by representatives of the Division and American General.

H. **Governing Law.** This Stipulation shall be governed by and construed in accordance with the laws of the State of Missouri.

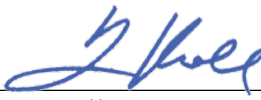
I. **Authority.** The signatories below represent, acknowledge and warrant that they are authorized to sign this Stipulation on behalf of the Division and American General, respectively.

J. **Counterparts.** This Stipulation may be executed in multiple counterparts, each of which shall be deemed an original and all of which taken together shall constitute a single document. Execution by facsimile or by electronically transmitted signature shall be fully and legally effective and binding.

K. **Effective Date.** This Stipulation shall not become effective until entry of an Order by the Director of the Department (hereinafter the “Director”) approving this Stipulation.


L. **Request for an Order.** The signatories below request that the Director issue an Order approving this Stipulation and order the relief agreed to in the Stipulation, and consent to the issuance of such Order.

DATED: April 25, 2022



Teresa Kroll
Chief Market Conduct Examiner
Division of Insurance Market Regulation

DATED: 4/22/22



Riaz Abdul, COO
[NAME and TITLE]
American General Life Insurance Company