



DEPARTMENT OF COMMERCE & INSURANCE

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

In Re:)
)
JACKSON NATIONAL LIFE INSURANCE) Market Conduct Investigation No. 360451
COMPANY (NAIC #65056))

ORDER OF THE DIRECTOR

NOW, on this th 27 day of June, 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 Jackson National Life Insurance Company (NAIC #65056) (hereinafter “Jackson”), relating to the market conduct investigation no. 360451, 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 Jackson and the Division having agreed to the Stipulation, the Director does hereby approve and agree to the Stipulation.

IT IS FURTHER ORDERED that Jackson 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.

IT IS FURTHER ORDERED that Jackson shall pay, and the Department of Commerce and Insurance, State of Missouri, shall accept, the Voluntary Forfeiture of \$1,500.00, payable to

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

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 27th day of June, 2022.



Chlora Lindley-Myers
Chlora Lindley-Myers
Director

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

In Re:)
)
JACKSON NATIONAL LIFE INSURANCE) **Market Conduct Investigation No. 360451**
COMPANY (NAIC #65056))

STIPULATION OF SETTLEMENT AND VOLUNTARY FORFEITURE

It is hereby stipulated and agreed by the Division of Insurance Market Regulation (hereinafter the “Division”), and Jackson National Life Insurance Company (NAIC #65056) (hereinafter “Jackson”), 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 Jackson a certificate of authority to transact the business of insurance in the State of Missouri;

WHEREAS, the Division conducted a market conduct investigation of Jackson, investigation no. 360451; and

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

1. None of the 66 annuity claim forms¹ Jackson distributed to Missouri claimants on or after January 1, 2017, present the Proceeds at Interest settlement option as provided for in the annuity contracts in violation of §§375.1007(1)² and 375.1005(2) and 20 CSR 100-1.020(1)(A).

¹ The 66 claim forms represent the total number of claim forms Jackson reportedly distributed to Missouri claimants on or after January 1, 2017.

² All references, unless otherwise noted, are to Missouri Revised Statutes 2016.

2. Through four supplemental contracts³, Jackson disseminated misinformation to Missouri residents about the maturity and/or surrender of life insurance and annuity contracts by indicating that the underlying policy or annuity was surrendered or matured according to its terms, when the policy or annuity was not surrendered and/or did not mature according to its terms in violation of §§375.936(4) and 375.934(2).

3. In five supplemental contracts⁴, Jackson failed to provide the summary document for supplemental contracts required under the Missouri Life and Health Insurance Guaranty Association Act (hereinafter “MLHIGA”), §§376.715-376.758, in violation of §376.756.

WHEREAS, the Division and Jackson have agreed to resolve the issues raised in the above-referenced 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.** Jackson 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. Jackson agrees to revise its annuity claim forms to include all settlement options applicable to Missouri claimants that are afforded under the contract. The revision shall include a

³ Pursuant to Jackson, it only issued six supplemental contracts since January 1, 2017 in connection with Missouri life insurance or annuity contracts. All six contracts were reviewed during the investigation.

⁴ Pursuant to Jackson, it only issued five supplemental contracts since January 1, 2017 in connection with Missouri non-group life insurance or annuity contracts. All five contracts were reviewed during the investigation.

Proceeds at Interest settlement option whereby the proceeds can remain on deposit for the lifetime of the payee, subject to the terms of the underlying annuity contract. The revision should also include that interest will be credited at the interest rate set out in the Proceeds at Interest provision of the underlying annuity contract.

2. Jackson agrees to establish and implement procedures to promptly disseminate the revised annuity claim forms to Missouri claimants.

3. Jackson agrees to conduct a review of all annuity claims received on or after January 1, 2019 from Missouri residents who elected to keep their claims proceeds on deposit with Jackson that were not presented with a Proceeds at Interest settlement option that allows the proceeds to remain on deposit as provided in the underlying annuity contract. Jackson shall offer all such persons the option to retroactively elect the Proceeds at Interest option as provided in the underlying annuity contract, and if elected, Jackson will credit the proceeds at the interest rate(s) set out in the Proceeds at Interest provision of the underlying annuity contract.

4. Jackson agrees to revise its supplemental contracts to remove any language that states the underlying insurance policy or annuity contract was surrendered or matured according to its terms unless the underlying policy or contract was in fact surrendered or matured according to its terms.

5. Jackson agrees to establish and implement procedures to disseminate MLHIGA summary documents with supplementary contracts delivered in the State of Missouri in accordance with §376.756.

C. **Compliance.** Jackson 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.** Jackson agrees, voluntarily and knowingly, to surrender and forfeit the sum of \$1,500, 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 Jackson, 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.** Jackson, after being advised by legal counsel, does hereby voluntarily and knowingly waive any and all rights to 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. 360451.

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

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 Jackson, 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: June 23, 2022 *T. Kroll*
Teresa Kroll
Chief Market Conduct Examiner
Division of Insurance Market Regulation

DATED: May 31, 2022 *Heidi L. Kaiser*
Heidi L. Kaiser
Chief Compliance Officer
Jackson National Life Insurance Company