

**IN THE DEPARTMENT OF INSURANCE, FINANCIAL  
INSTITUTIONS AND PROFESSIONAL REGISTRATION  
STATE OF MISSOURI**

*In Re:*

**LIBERTY BANKERS LIFE INSURANCE  
COMPANY (NAIC #68543)**

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**Market Conduct Investigation  
No. 281524**

**ORDER OF THE DIRECTOR**

NOW, on this 16<sup>th</sup> day of April, 2019, 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 Liberty Bankers Life Insurance Company (NAIC #68543) (hereinafter "Liberty Bankers"), relating to the market conduct investigation set out in the caption above, does hereby issue the following orders:

This order, issued pursuant to §374.046.15 and 374.280 RSMo 2016 is in the public interest.

**IT IS THEREFORE ORDERED** that Liberty Bankers and the Division having agreed to the Stipulation, the Director does hereby approve and agree to the Stipulation.

**IT IS FURTHER ORDERED** that Liberty Bankers shall not engage in any of the violations of law 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 SO ORDERED.**

**IN WITNESS WHEREOF**, I have hereunto set my hand and affixed the seal of my office in Jefferson City, Missouri, this 16<sup>th</sup> day of April, 2019.

*Chlora Lindley-Myers*

Chlora Lindley-Myers  
Director



**IN THE DEPARTMENT OF INSURANCE, FINANCIAL  
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STATE OF MISSOURI**

*In Re:* )  
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**LIBERTY BANKERS LIFE INSURANCE ) Market Conduct Investigation**  
**COMPANY (NAIC #68543) ) No. 281524**

**STIPULATION OF SETTLEMENT AND VOLUNTARY FORFEITURE**

It is hereby stipulated and agreed by the Division of Insurance Market Regulation (hereinafter "the Division") and Liberty Bankers Life Insurance Company (NAIC #68543) (hereinafter "Liberty Bankers"), as follows:

**WHEREAS**, the Division is a unit of the Missouri Department of Insurance, Financial Institutions and Professional Registration (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 in Missouri;

**WHEREAS**, Liberty Bankers has been granted a certificate of authority to transact the business of insurance in the State of Missouri;

**WHEREAS**, the Division conducted a Market Conduct Investigation of Liberty Bankers;  
and

**WHEREAS**, based on the Market Conduct Investigation of Liberty Bankers, the Division alleges that:

1. Liberty Bankers transacted insurance business in the State of Missouri by assuming life insurance contracts in 2004 when its certificate of authority to write new business was suspended in violation of §375.310.1 and §375.786.1.

2. Liberty Bankers transacted insurance business in the State of Missouri by writing

new business during times when its certificate of authority to write new business was suspended in violation of §375.310.1<sup>1</sup> and §375.786.1.

3. Liberty Bankers delivered or issued for delivery to persons residing in Missouri contracts of annuities which were not filed with and approved by the Director in violation of §376.675.1.

4. Liberty Bankers, in connection with the offer, sale, solicitation or negotiation of insurance, directly or indirectly, made misrepresentations of material fact on Non-Resident Sales Verification Forms incorporated with annuity applications by stating that annuity contracts were approved in the resident state listed as Missouri, when, in fact, such contracts were not approved in Missouri.

**WHEREAS**, the Division and Liberty Bankers 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.** Liberty Bankers agrees to take remedial action bringing it into compliance with the statutes and regulations of Missouri and agrees to maintain such remedial actions at all times, to reasonably assure that the errors noted in the Market Conduct Investigation do not recur. Such remedial actions shall include, but not be limited to, the following:

1. Liberty Bankers agrees that it will not transact insurance business in the State of

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<sup>1</sup> All references, unless otherwise noted, are to Missouri Revised Statutes 2016.

Missouri through new policy writings, reinsurance assumption agreements or in any other manner without a valid certificate of authority issued by the Director that has neither been suspended nor revoked.; except that Liberty Bankers may continue to service existing business in the State of Missouri pending approval of its pending application to lift the suspension of the company's certificate of authority.

2. Liberty Bankers agrees that it will not deliver or issue for delivery to persons residing in Missouri contracts of annuity that have not been filed with and approved by the Director.

3. Liberty Bankers agrees that it will comply with Missouri Statutes § 375.1280 - §375.1295 in connection with Assumption Reinsurance Agreements; except that Liberty Bankers may continue to service existing business in the State of Missouri pending approval of its pending application to lift the suspension of the company's certificate of authority.

4. Liberty Bankers agrees that it will not make misrepresentations of material fact either directly or indirectly in connection with the offer, sale, solicitation or negotiation of insurance in Missouri or to Missouri consumers.

C. **Compliance.** Liberty Bankers agrees to file documentation with the Division within One Hundred Eighty (180) days of the entry of a final order of all remedial action taken to implement compliance with the terms of this stipulation. Such documentation is to be provided pursuant to §374.190.

D. **Voluntary Forfeiture.** Liberty Bankers agrees, voluntarily and knowingly, to surrender and forfeit the sum of \$125,000 (One Hundred Twenty-Five Thousand Dollars), such sum is payable to the Missouri State School Fund in accordance with §374.049.11 and §374.280.2.

E. **Other Penalties.** The Division agrees that it will not seek penalties against Liberty

Bankers, other than those agreed to in this Stipulation, in connection with all issues reviewed in this Market Conduct Investigation #281524, including all other conduct of the company encompassed within the scope of this agreement and addressed in this agreement, and such issues shall be and are fully hereby and finally resolved according to the terms of this agreement without further regulatory or administrative process or any actions, requirements or payments beyond those enumerated herein or which may be required in order to implement or complete actions contemplated within this agreement or by this agreement.

F. **Waivers.** Liberty Bankers, 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 above referenced Market Conduct Investigation, other than legal recourse available to the Company for any violation of the terms and conditions of this stipulation.

G. **Non-Admission.** The company denies any wrong-doing or activity that violates any applicable laws or regulations, but in light of the complicated issues raised and the probability that long-term litigation and/or administrative proceedings would be required to resolve the disputes between the parties hereto, the Company has agreed to resolve all issues relating to the market conduct investigation and regulatory issues through this agreement. The Company does not agree with certain findings in the Investigation and it is the position of the Company that this Stipulation is a compromise of disputed facts and legal allegations and that the signing of this Stipulation and the Company's consent to take the remedial actions required by it, if any, and to pay the voluntary forfeiture set forth in it, if any, does not constitute an admission of wrongdoing or liability on its part and is done to fully and completely to resolve the Investigation. Liberty Bankers is voluntarily entering into this agreement solely for the purpose of reaching a

compromise and settlement to fully and finally resolve all issues raised in the Market Conduct Investigation without the need for a hearing or further administrative action as to the Market Conduct Investigation.

H. **Changes.** No changes to this Stipulation shall be effective unless made in writing and agreed to by representatives of the Division and Liberty Bankers.

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

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

K. **Effect of Stipulation.** This Stipulation shall become effective only upon entry of a Final Order by the Director approving this Stipulation.

L. **Request for an Order.** The signatories below request that the Director issue an Order approving this Stipulation upon the terms and conditions as set out herein and ordering the relief agreed to in the Stipulation, and consent to the issuance of such Order.

DATED: 3/27/2019

  
Angela Nelson  
Director, Division of Insurance  
Market Regulation

DATED: 3/27/2019

  
Stewart Freilich  
Senior Regulatory Affairs Counsel  
Division of Insurance Market Regulation

DATED: March 26, 2018

  
Janet Gustafson, Vice President Compliance  
Liberty Bankers Life Insurance Company