



**DEPARTMENT OF COMMERCE & INSURANCE**

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

*In Re:* )  
 )  
TRANSAMERICA LIFE INSURANCE ) **Market Conduct Investigation No. 330043**  
COMPANY (NAIC #86231) )

**ORDER OF THE DIRECTOR**

NOW, on this 04<sup>th</sup> day of May, 2021, 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 Transamerica Life Insurance Company (NAIC #86231) (hereinafter “TLIC”), relating to the market conduct investigation no. 330043, does hereby issue the following orders:

This order, issued pursuant to §374.046.15<sup>1</sup> and §374.280 is in the public interest.

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

**IT IS FURTHER ORDERED** that TLIC 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.

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<sup>1</sup> All references, unless otherwise noted, are to Revised Statutes of Missouri 2016, as amended, or to the Code of State Regulations, 2020, as amended.

**IT IS FURTHER ORDERED** that TLIC shall pay, and the Department of Commerce and Insurance, State of Missouri, shall accept, the Voluntary Forfeiture of \$11,000.00, 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 04<sup>th</sup> day of May, 2021.



*Chlora Lindley-Myers*

Chlora Lindley-Myers  
Director

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

*In Re:* )  
 )  
TRANSAMERICA LIFE INSURANCE ) **Market Conduct Investigation No. 330043**  
COMPANY (NAIC #86231) )

**STIPULATION OF SETTLEMENT AND VOLUNTARY FORFEITURE**

It is hereby stipulated and agreed by the Division of Insurance Market Regulation (hereinafter, the “Division”), and Transamerica Life Insurance Company (NAIC #86231) (hereinafter “TLIC”), 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**, TLIC 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 TLIC, investigation no. 330043; and

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

1. TLIC misrepresented by omission the benefits, advantages, conditions and terms of TACAdvantage group term life insurance policies and certificates when TLIC did not notify certificateholders of the termination of coverage after TLIC discontinued its TACAdvantage product and when the group policyholder cancelled its master policy in violation of §375.936 (6) (a)<sup>1</sup> and §375.934.

2. TLIC made agreements to life insurance contracts other than as plainly expressed in

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

the policies in violation of §375.500.

3. TLIC provided factually incorrect information to the Department in violation of §374.210.1 (2).

**WHEREAS**, the Division and TLIC 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.** TLIC agrees to take remedial action to ensure full compliance with the statutes and regulations of Missouri and agrees to maintain those remedial actions at all times. Such remedial actions shall include, but are not limited to, the following:

1. TLIC agrees to file an amendment through the System for Electronic Rate and Form Filing (“SERFF”) for all group term life insurance products which have in force Missouri policies or certificates, or are currently offered in Missouri, and which allow direct payment arrangements, whereby:

- a. TLIC will give each direct pay certificateholder notice when his or her coverage ends for any reason, including when the group master policy ends.
- b. TLIC will give each direct pay certificateholder whose coverage ends for any reason notice of the right to convert the coverage to an individual policy without evidence of insurability.

The SERFF filing will include a statement with the filing that the filing is being made as a result of a

Missouri Market Conduct Investigation.

2. TLIC agrees to establish and implement policies and procedures to provide timely notification to direct pay certificateholders of the termination of coverage and the certificateholder's eligibility to elect the conversion option.

3. TLIC agrees that it will provide complete and accurate information to the Department in response to future inquiries, investigations or examinations.

4. TLIC agrees to review its group term life insurance business issued to Missouri groups and providing coverage under Missouri certificates in force at any time on or after January 1, 2014, to identify all direct pay certificateholders whose coverage remained in force after the master policy ended or after their employment ended where 1) the master policy did not contain a portability option; 2) the master policy did not contain a continuation of coverage provision; or 3) the certificateholder was not provided with notice of eligibility for the conversion option when the group master policy ended. TLIC agrees to send a written notice to all such direct pay certificateholders advising them of the date when their group certificates should have terminated, and offering the following remediation:

a. The option to retroactively cancel their group coverage and receive a premium refund as of the date when they were no longer eligible for the coverage. Interest, calculated pursuant to §374.191 shall be included with the premium refund. If the retroactive cancellation will affect a previously paid or ongoing Terminal Illness Accelerated Death Benefit claim, Accelerated Death Benefit for Critical Care Condition claim, or other claim paid to the certificateholder, the notice shall advise the certificateholder of this fact and provide the dollar amount of the claim payment(s) that will be deducted from any premium refund, when applicable.

b. The option to convert their group coverage to an individual life insurance policy

without evidence of insurability, pursuant to the terms of their respective certificates and §376.699. The rates for the individual coverage shall be based on the insureds' ages as of the date when they first became eligible for the conversion option, and the rates that were published on the date when they became eligible to elect the conversion option.

C. **Compliance.** TLIC agrees to file documentation with the Division, in a format acceptable to the Division, within 90 days of the entry of a final order of any remedial action taken to implement compliance with the terms of this Stipulation, including, but not limited to, documentation of notices provided to certificateholders, responses to those notices, and documentation of premium refunds issued.

D. **Voluntary Forfeiture.** TLIC agrees, voluntarily and knowingly, to surrender the sum of \$11,000 as a forfeiture, such sum 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 TLIC, other than those agreed to in this Stipulation, in connection with the above referenced market conduct investigation.

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

G. **Waivers.** TLIC, 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. 330043.

H. **Changes.** No changes to this Stipulation shall be effective unless made in writing and

agreed to by representatives of the Division and TLIC.

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 TLIC respectively.

K. **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.

L. **Effect of Stipulation.** This Stipulation shall not become effective until entry of a Final Order by the Director of the Department (hereinafter the "Director") approving this Stipulation.

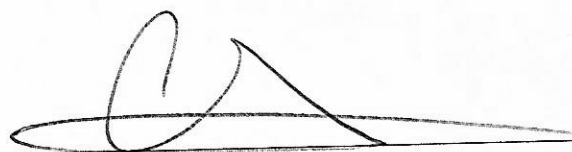
M. **Request for an Order.** The signatories below request that the Director issue an Order approving this Stipulation and ordering the relief agreed to in the Stipulation, and consent to the issuance of such Order.

DATED: 4-16-2021



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Stewart Freilich  
Chief Market Conduct Examiner and Senior Counsel  
Division of Insurance Market Regulation

DATED: 4/15/21



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Ching Wang  
Senior Director, Workplace Solutions  
Transamerica Life Insurance Company