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

In Re: 

TRANSAMERICA LIFE INSURANCE COMPANY (NAIC #86231) f/k/a Life Investors Insurance Company of America 

Market Conduct Examination No. 1106-19-TGT

ORDER OF THE DIRECTOR

NOW, on this 11th day of June, 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 Transamerica Life Insurance Company (NAIC #36231) (hereinafter “TLIC”), relating to the market conduct examination set out in the caption above, does hereby issue the following orders:

This order, issued pursuant to §374.205.2(5), §374.280, and §374.046.15 RSMo 2016, 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, shall maintain those corrective actions at all times, and shall fully comply with all terms of the Stipulation.

IT IS FURTHER ORDERED that TLIC shall pay, and the Department of Insurance, Financial Institutions and Professional Registration, State of Missouri, shall accept, the Voluntary Forfeiture of $6,000.00 payable to the Missouri State School Fund in connection with examination no. 1106-19-TGT.

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 11th day of June, 2019.

Chlora Lindley-Myers
Director

[Seal]
IN THE DEPARTMENT OF INSURANCE, FINANCIAL
INSTITUTIONS AND PROFESSIONAL REGISTRATION
STATE OF MISSOURI

In Re: ) )
TRANSAMERICA LIFE INSURANCE ) Market Conduct Examination
COMPANY (NAIC #86231) ) No. 1106-19-TGT
f/k/a Life Investors Insurance Company of )
America )

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 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 of Missouri; and

WHEREAS, TLIC has been granted a certificate of authority to transact the business of insurance in the State of Missouri; and

WHEREAS, the Division conducted a Market Conduct Examination of Life Investors Insurance Company of America f/k/a TLIC; and

WHEREAS, based on the Market Conduct Examination of TLIC, the Division alleges that:

1. TLIC used unapproved premium rates in violation of §385.045.11 and §385.070.1(6).

1 All references, unless otherwise noted, are to Missouri Revised Statutes 2016, as amended.
2. In 20 instances, TLIC improperly rescinded credit life and disability certificates and refunded premium in violation of §375.445.1(2), §375.936(13), and 20 CSR 600.2-510(1)(A).

3. In 13 instances, TLIC failed to issue premium refund checks to consumers/borrowers in violation of §375.445.1(2), §375.936(13), §375.1005, §375.1007(3), and §385.050.

4. In two instances, TLIC failed to make any credit disability premium refund when the credit life claim paid the loan in full prior to the date of the scheduled maturity in violation of §385.035.

5. In 310 instances, TLIC issued credit coverage solicited and sold by an unlicensed insurance producer in violation of §385.055.

6. TLIC failed to identify two complaints on the company’s complaint log in violation of §375.936(3) and 20 CSR 100-8.040(3)(D).

WHEREAS, the Division and TLIC have agreed to resolve the issues raised in the Market Conduct Examination 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 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 Examination do not recur. Such remedial actions shall include, but not be limited to, the following:
1. TLIC represents that they have voluntarily exited the credit insurance market in the State of Missouri. TLIC agrees if it has not already done so, to withdraw all policy form and rate filings for credit insurance filed with the Department within 30 days of the date of the order signed by the Director approving this Stipulation.

2. If TLIC re-enters the credit insurance market in the State of Missouri, TLIC agrees to take the following remedial actions:
   a. TLIC will make new rate and form filings with the Department prior to offering, selling, or underwriting any credit insurance product;
   b. TLIC will not write credit insurance in connection with a loan or other credit transaction of more than 10 years in duration;
   c. TLIC will issue credit coverage only through producers licensed by the Director;
   d. TLIC will maintain documentation to evidence that either premium refund checks were sent to the insured debtor or that premium refunds were credited by another source to the insured debtor's account; and
   e. TLIC agrees to administer their contracts in good faith and in accordance with the provisions of the contracts.

C. Compliance. TLIC agrees to file documentation with the Division within 60 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 provided pursuant to §374.205.

D. Examination Fees. TLIC agrees to pay any reasonable examination fees expended by the Division in conducting its review of the documentation provided by TLIC pursuant to Paragraph C of this Stipulation.
E. **Voluntary Forfeiture.** TLIC agrees, voluntarily and knowingly, to surrender and forfeit the sum of $6,000, with such sum payable to the Missouri State School Fund in accordance with §374.049.11 and §374.280.2.

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 Examination.

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 above referenced Market Conduct Examination.

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. **Effect of Stipulation.** This Stipulation shall become effective only upon entry of a Final 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 ordering the relief agreed to in the Stipulation, and consent to the issuance of such Order.
Angela Nelson  
Director, Division of Insurance  
Market Regulation

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

Blake Bostwick  
President  
Transamerica Life Insurance Company