

**DEPARTMENT OF INSURANCE, FINANCIAL
INSTITUTIONS AND PROFESSIONAL REGISTRATION**

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

TO: Office of the President
American Pioneer Life Insurance Co.
P.O. Box 958465
Lake Mary, FL 32795-8465

RE: Missouri Market Conduct Examination 0605-27-LAH
American Pioneer Life Insurance Co. (NAIC #60763)

**STIPULATION OF SETTLEMENT
AND VOLUNTARY FORFEITURE**

It is hereby stipulated and agreed by Douglas M. Ommen, Director of the Missouri Department of Insurance, Financial Institutions and Professional Registration, hereinafter referred to as "Director," and American Pioneer Life Insurance Co., (hereafter referred to as "American Pioneer"), as follows:

WHEREAS, Douglas M. Ommen is the Director of the Missouri Department of Insurance, Financial Institutions and Professional Registration (hereafter referred to as "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; and

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

WHEREAS, the Department conducted a Market Conduct Examination of American Pioneer and prepared report number 0605-27-LAH; and

WHEREAS, the report of the Market Conduct Examination has revealed that:

1. In some instances, American Pioneer did not create its producer database in a manner that allowed the Department to substantiate that the information was added within the previous 30 days as required by §375.022, RSMo, and 20 CSR 700-1.130.

2. In some instances, American Pioneer failed to add all affiliated producers and business entities who were licensed to solicit business in Missouri to its Producer Appointment Register as required by §§375.012(4), 375.014, 375.015.4 and .5, and 375.022.1, RSMo, and 20 CSR 700-110 and 20 CSR 700-1.130.

3. In some instances, American Pioneer did not include in its advertisements the required disclosure of restrictions and limitations affecting the provisions of some of its Medicare supplement policies, thereby violating 20 CSR 2.700(2)(H) and (5)(B)1.

4. In some instances, American Pioneer omitted material information in some of its advertisements relating to corresponding exclusions, limitations, surrender charges, and the extent of benefits payable or losses covered, thereby violating 20 CSR 400-5.100(4)(B) and 20 CSR 400-5.700(5)(A)1 and (8)(A) and (C).

5. In some instances, American Pioneer's illustration used in a point of sale advertisement fore a deferred annuity failed to set forth, with equal prominence, the guaranteed interest rate of the annuity, as required by 20 CSR 400-5.100.4(P)1.

6. In some instances, American Pioneer did not clearly identify the source of the statistics used in some of its advertisements, as required by 20 CSR 400-5.100(4)(L) and 40 CSR 5.700(8)(C).

7. In some instances, American Pioneer used a commercial rating system endorsement without adequately explaining and defining the scope, basis, and extent of the recommendation, thereby violating 20 CSSR 400-5.100(7) and 20 CSR 400-5.700(8)(A).

8. In some instances, American Pioneer included language in four of its policy forms that violated the grievance and notice requirements of §375.936(3), RSMo, and 20 CSR 400-3.650.

9. In some instances, American Pioneer used an application form and a telephone interview questionnaire that improperly included a question about the applicants prior declinations of coverage, in violation of §375.936(11)(f), RSMo and DIFP Bulletin 94-04.

10. In some instances, American Pioneer also used policy forms that included language that does not comply with the Missouri-specific suicide exclusion set forth in §376.620, RSMo, 20 CSR 400-1.010(1)(H) and 20 CSR 400-1.050.

11. In some instances, American Pioneer used an application form that failed to ask questions of the applicant to determine the suitability of its long-term care coverage, thereby violating 20 CSR 400-4.100(22)(B) and (C).

12. In some instances, American Pioner used outlines of coverage that failed to include its contact information, as required by 20 CSR 4.100(27)(E).

13. In some instances, American Pioneer used a policy form not previously filed with the Department, in violation of 20 CSR 400-8.100(2)(B)4.

14. In some instances, American Pioneer supplied underwriting guides to its producers that had the effect of allowing them to act as an underwriter, thereby denying applicants the appropriate underwriting process, in violation of §375.936, RSMo.

15. In some instances, American Pioneer failed to send a written communication to the previous insurer within five working days of its receipt of some of its Life Replacement applications, as required by 20 CSR 400-5.400(7)(B)2.

16. In some instances, American Pioneer failed to send out a letter to some of its claimants informing them that their claims remained open for more than 45 days after its initial receipt of the claim and every 45 days thereafter, as required by 20 CSR 100-1.050(1)(C).

17. In some instances, American Pioneer failed to pay some of its claims within 15 working days after it received all necessary forms to complete its investigation, thereby violating 20 CSR 100-1.050(1)(A).

18. In some instances, American Pioneer failed to acknowledge the receipt of certain claims within 10 working days of receipt, as required by §376.383.2, RSMo.

19. In some instances, American Pioneer failed to issue an acknowledgment of receipt within one day of receiving certain electronic claims, as required by §376.384.1(4), RSMo.

20. In some instances, American Pioneer failed to pay the correct amount of interest on a claim that was settled more than 30 days after the receipt of all necessary proofs of loss, as required by 20 CSR 100-1.050(1)(H).

21. In some instances, American Pioneer failed to record some of its customer complaints on its separate consumer complaint register, as required by §375.936(3), RSMo.

22. In some instances, American Pioneer failed to timely and completely respond to the examiners' requests for information and criticisms, thereby violating §374.205, RSMo.

WHEREAS, American Pioneer hereby agrees to take remedial action bringing it into compliance with the statutes and regulations of Missouri and agrees to maintain those corrective actions at all times, including, but not limited to, taking any necessary corrective action to assure that the errors noted in the above-referenced market conduct examination report do not recur.

WHEREAS, American Pioneer neither admits nor denies the findings or violations set forth above and enumerated in the examination report; and

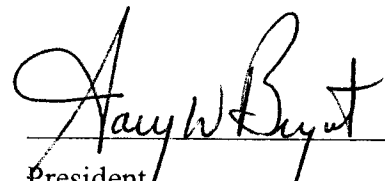
WHEREAS, American Pioneer is of the position that this Stipulation of Settlement and Voluntary Forfeiture is a compromise of disputed factual and legal allegations, and that payment of a forfeiture is merely to resolve the disputes and avoid litigation; and

WHEREAS, American Pioneer, 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, which may have otherwise applied to the above referenced Market Conduct Examination; and

WHEREAS, American Pioneer hereby agrees to the imposition of the ORDER of the Director and as a result of Market Conduct Examination #0605-27-LAH further agrees, voluntarily and knowingly to surrender and forfeit the sum of \$33,900.

NOW, THEREFORE, in lieu of the institution by the Director of any action for the SUSPENSION or REVOCATION of the Certificate(s) of Authority of American Pioneer to transact the business of insurance in the State of Missouri or the imposition of other sanctions, American Pioneer does hereby voluntarily and knowingly waive all rights to any hearing, does consent to the ORDER of the Director and does surrender and forfeit the sum of \$33,900, such sum payable to the Missouri State School Fund, in accordance with §374.280, RSMo.

DATED: 9/11/07



President
American Pioneer Life Insurance Company