



## DEPARTMENT OF COMMERCE & INSURANCE

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

*In Re:*

ALLIANZ LIFE INSURANCE  
COMPANY OF NORTH AMERICA  
(NAIC # 761-90611)

Market Conduct Investigation No. 372499

### AMENDED ORDER OF THE DIRECTOR

NOW, on this 28<sup>th</sup> day of April, 2025, Director Angela L. Nelson, after consideration and review of the Stipulation of Settlement (hereinafter "Stipulation") entered into by the Division of Insurance Market Regulation (hereinafter "Division") and Allianz Life Insurance Company of North America (NAIC #761-90611) (hereinafter "Allianz"), relating to the market conduct investigation no. 372499, does hereby issue the following orders:

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

**IT IS THEREFORE ORDERED** that the Director does hereby approve the Stipulation as agreed to by Allianz and the Division.

**IT IS FURTHER ORDERED** that Allianz 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, shall maintain those corrective actions at all times, and shall fully comply with all terms of the Stipulation.

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

**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 28<sup>th</sup> day of April, 2025.



  
Angela L. Nelson  
Director

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

***In Re:***

**ALLIANZ LIFE INSURANCE  
COMPANY OF NORTH AMERICA  
(NAIC # 761-90611)**

**Market Conduct Investigation No. 372499**

**STIPULATION OF SETTLEMENT**

It is hereby stipulated and agreed by the Division of Insurance Market Regulation (hereinafter the "Division"), and Allianz Life Insurance Company of North America (hereinafter "Allianz"), 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**, Allianz 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 Allianz, investigation no. 372499; and

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

1. In 68 instances, Allianz failed to advise first-party claimants of acceptance or denial of claims, or to notify claimants that additional time was needed to accept or deny claims, within 15 working days of receipt of all information necessary to establish the nature and extent of a claim,

implicating the provisions of § 375.1007(7), RSMo,<sup>1</sup> and in violation of 20 CSR 100-1.050(1)(A).

2. For one claim associated with one policy, Allianz did not pay benefits in accordance with policy provisions, implicating the provisions of § 375.1007(4).

3. Allianz denied four claims on the grounds of specific policy provisions without reference to such provisions, implicating the provisions of § 375.1007(12), and in violation of 20 CSR 100-1.050(1)(A).

4. In 10 instances, Allianz failed to clearly and accurately represent to claimants and insureds relevant facts or policy provisions relating to coverages at issue, implicating the provisions of § 375.1007(1).

5. In four of 45 sampled concurrent claim files, Allianz failed to maintain a complete claim file for the calendar year in which the claim is closed plus three calendar years, in violation of § 374.205.2(2), and 20 CSR 100-8.040(3)(B).

6. In four of 45 claim files reviewed, Allianz did not fairly settle claims in which liability had become reasonably clear, implicating the provisions of § 375.1007(4).

**WHEREAS**, the Division and Allianz have agreed to resolve the issues raised in the market conduct investigation as follows:

A. **Scope of Agreement.** This Stipulation of Settlement (hereinafter “Stipulation”) embodies the entire agreement and understanding of the Division and Allianz and 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.** Allianz agrees to take remedial action bringing it into

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

compliance with the statutes and regulations of Missouri and agrees to maintain those remedial actions at all times. Such remedial actions shall include the following:

- 1) Allianz agrees to develop and implement written procedures:
  - a) for advising claimants of acceptance or denial of claims, or notifying claimants that additional time is needed to accept or deny claims within 15 working days of receipt of all information necessary to establish the nature and extent of each claim, in accordance with 20 CSR 100-1.050(1)(A);
  - b) for ensuring that claim denials consistently include accurate reference to the specific policy provisions, conditions or exclusions that are the basis of all claims denied, whether fully denied or partially denied, in accordance with 20 CSR 100-1.050(1)(A);
  - c) for ensuring that Explanations of Benefits and claim payments clearly and accurately reflect actual policy benefits; and,
  - d) if such procedures are not already in place, for retention and maintenance of all claim communications. Further:
    - i) All written policies and procedures developed as a result of this investigation shall be furnished to the Department.
    - ii) All written policies and procedures developed as a result of this investigation shall be provided to any and all Third Party Administrators contracted with Allianz and Allianz shall ensure they comply.
- 2) Allianz agrees to conduct an audit of claims from January 1, 2019 through the entry of an Order by the Director of the Department (hereinafter "Director") approving this Stipulation, that were denied due to any insured's stay at a facility that does not meet

the policy definition of “nursing home”, “skilled nursing facility”, “nursing facility”, or “otherwise covered facility.” Further:

- a) The audit results shall be submitted in a format specified by the Division; and,
  - b) Allianz shall reprocess and pay benefits plus interest, in an amount determined pursuant to § 374.191, on any claims identified as improperly denied based on policy language that does not support denial in light of the services actually available at the facility in question. Proof of the reprocessed claims, and payment of benefits plus interest (if applicable) should be furnished to the Department in a format acceptable to the Division.
- 3) Allianz shall reprocess and pay the improperly denied claims identified in this investigation for the three insureds identified by the Department, policy numbers XXXX5640, XXXX4384, and XXXX5281. Payment shall include interest on the amounts improperly denied, in an amount determined pursuant to § 374.191. Proof of such payment shall be furnished to the Division.
  - 4) Allianz shall pay the improperly denied claim identified in this investigation for policy number XXXX7715, together with interest in an amount determined pursuant to § 374.191. Proof of such payment shall be furnished to the Division.
  - 5) For concurrent claim number XX7561 and claim number XXXX0978, Allianz shall pay the amount of \$35.51. Payment shall include interest on the amount improperly denied, in an amount determined pursuant to § 374.191. Proof of such payment shall be furnished to the Division.

C. **Compliance.** Allianz agrees to file documentation pursuant to § 374.190 with the Division, in a format acceptable to the Division, within 60 (sixty) days of the entry of an Order

approving this Stipulation, of any remedial action taken to implement compliance with the terms of this Stipulation.

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

E. **Waivers.** Allianz, 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 issues and allegations addressed in this Stipulation arising out of the above-referenced Market Conduct Investigation No. 372499.

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

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

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

I. **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.

J. **Effect of Stipulation.** This Stipulation shall not become effective until entry of an Order by the Director approving this Stipulation.

K. **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: April 21, 2025



Teresa Kroll  
Chief Market Conduct Examiner  
Division of Insurance Market

Regulation:  
Not signed by:

DATED: 04/10/2025



03468384E0F645D  
Name: Steve Kostow

Title: VP-CECO  
Allianz Life Insurance Company of North America