



DEPARTMENT OF COMMERCE & INSURANCE

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

In Re:)
)
AMERICAN NATIONAL LIFE INSURANCE) **Market Conduct Investigation**
COMPANY OF TEXAS (NAIC #71773)) **No. 360527**

ORDER OF THE DIRECTOR

NOW, on this 18th day of October, 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 American National Life Insurance Company of Texas (NAIC #71773) (hereinafter “ANTEX”), relating to the market conduct investigation no. 360527, does hereby issue the following orders:

This order, issued pursuant to §374.046.15¹ and §374.280 is in the public interest.

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

IT IS FURTHER ORDERED that ANTEX 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.

¹ 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 ANTEX shall pay, and the Department of Commerce and Insurance, State of Missouri, shall accept, the Voluntary Forfeiture of \$120,000.00, 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 18th day of October, 2021.



Chlora Lindley-Myers

Chlora Lindley-Myers
Director

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

In Re:)
)
AMERICAN NATIONAL LIFE INSURANCE) **Market Conduct Investigation**
COMPANY OF TEXAS (NAIC #71773)) **No. 360527**

STIPULATION OF SETTLEMENT AND VOLUNTARY FORFEITURE

It is hereby stipulated and agreed by the Division of Insurance Market Regulation (hereinafter “the Division”) and American National Life Insurance Company of Texas (NAIC #71773) (hereinafter “ANTEX”), 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, ANTEX 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 ANTEX, investigation #360527; and

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

1. ANTEX failed to file its stop-loss insurance forms with the Department implicating the provisions of §376.405 and §376.777.7(1).¹
2. ANTEX mischaracterized its stop-loss insurance product as reinsurance

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

misrepresenting the nature of the insurance sold in violation of §375.936(4), §375.936(6)(a) and §375.934.

3. ANTEX collected stop-loss premium each year between 2015 and 2020, but misreported the amounts collected as reinsurance, and paid no Missouri premium tax in violation of §148.340, §148.390, §375.881(6), and §375.881(12).

WHEREAS, the Division and ANTEX 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.** ANTEX 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 ensure that the errors noted in the market conduct investigation and in this Stipulation do not recur. Such remedial actions shall consist of the following:

1. ANTEX agrees to file stop-loss policies currently marketed or issued in Missouri. Said filings shall be submitted through the System for Electronic Rate and Form Filing (“SERFF”) within 60 days from the date of the Order approving this Stipulation. The SERFF filing will include a statement indicating that “as a result of a Missouri market conduct investigation, the attached stop-loss policies are being filed with the Department.”

2. ANTEX agrees that it will continue to file any changes, revisions, amendments, or new stop loss policies it issues in Missouri in accordance with Missouri law.

3. ANTEX agrees to remove the term “reinsurance” and its grammatical variants, and instead substitute “stop-loss insurance” in its Missouri policies offered, issued, continued, or renewed in Missouri. ANTEX further agrees that for all enforce policies, it will upon renewal, to reissue to Missouri employers any policy form, which state the product is reinsurance.

4. ANTEX agrees to amend its Missouri premium tax returns for the years 2017 to 2020 to correctly reflect stop-loss premiums collected in Missouri. Said amendments shall be made within 60 days from the date of the Order approving this Stipulation. ANTEX further agrees to remit premium tax due on such stop-loss insurance including the payment of interest pursuant to §148.375 and §32.065.

5. ANTEX agrees to file future premium tax returns in a manner that correctly reflect stop-loss premiums in Missouri.

6. ANTEX agrees to file amended annual Missouri Supplement Data Reports for 2017 to 2020 to correctly reflect stop-loss business in Missouri. Said amendments shall be made within 60 days from the date of the Order approving this Stipulation.

7. ANTEX agrees to file future annual Missouri Supplemental Data Reports in a manner that correctly reflects stop-loss business in Missouri.

8. ANTEX agrees that from the date of the Order approving this Stipulation; it will timely remit premium tax due on stop-loss premiums collected in Missouri.

C. **Compliance.** ANTEX 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 pursuant to Paragraph B to implement compliance with the terms of this Stipulation. Such documentation is provided pursuant to §374.190.

D. **Ongoing Investigation.** ANTEX agrees to pay any reasonable investigation fees expended by the Division in conducting its review of the documentation provided by ANTEX pursuant to Paragraph C of this Stipulation.

E. **Voluntary Forfeiture.** ANTEX agrees, voluntarily and knowingly, to surrender and forfeit the sum of \$120,000 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 ANTEX, 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.** ANTEX, 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.

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

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 ANTEX 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 and delivery of this Stipulation by facsimile or by an electronically transmitted signature shall be fully and legally effective and binding.

L. **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.

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: 10/7/2021

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

DATED: 10-7-2021

Walter J. Hagan AVP
[Name and Title]
American National Life Insurance Company
of Texas