

IN THE DEPARTMENT OF COMMERCE AND INSURANCE
STATE OF MISSOURI

In Re:)
)
PROTECTIVE LIFE INSURANCE) Market Conduct Investigation
COMPANY (NAIC #68136)) No. 347682

ORDER OF THE DIRECTOR

NOW, on this 05th day of May, 2020, Director, Chlora Lindley-Myers, after consideration and review of the Stipulation of Settlement (hereinafter "Stipulation") entered into by the Division of Insurance Market Regulation (hereinafter "Division"), and Protective Life Insurance Company (NAIC #68136) (hereinafter "Protective"), relating to the market conduct investigation set out in the caption above, does hereby issue the following orders:

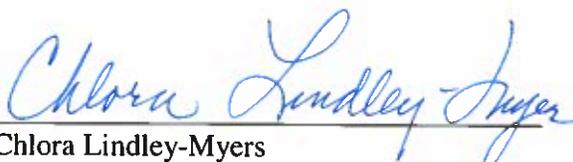
This order, issued pursuant to §374.046.15¹ and §374.280 is in the public interest.

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

IT IS FURTHER ORDERED that Protective 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.

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 05th day of May, 2020.


Chlora Lindley-Myers
Director



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

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

In Re:)
)
PROTECTIVE LIFE INSURANCE) **Market Conduct Investigation**
COMPANY (NAIC #68136)) **No. 347682**

STIPULATION OF SETTLEMENT

It is hereby stipulated and agreed by the Division of Insurance Market Regulation (hereinafter, the “Division”), and Protective Life Insurance Company (NAIC #68136) (hereinafter “Protective”), 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; and

WHEREAS, Protective 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 investigation of Protective, investigation #347682; and

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

1. Protective’s forms VUL-09 MO 9-01 and UL-15-MO 11-06 contain a suicide provision that does not require Protective to demonstrate to a court or jury that an insured contemplated suicide at the time of application in violation of §376.620 RSMo 2000.
2. Protective’s form VUL-09 MO 9-01 contains a two year limited liability provision in violation of §376.620 RSMo Cum. Supp. 2017.

WHEREAS, the Division and Protective 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 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.** Protective agrees to take remedial action bringing it into compliance with the statutes and regulations of Missouri and agrees to maintain those remedial actions at all times, to reasonably ensure that the errors noted in the market conduct investigation do not recur. Such remedial actions shall include the following:

1. Protective agrees to file an amendatory rider or endorsement for policy forms VUL-09-MO 9-01 and UL-15-MO 11-06 with the Director of the Department (hereinafter "Director") that complies with §376.620 RSMo Cum. Supp. 2017, including the statutory provision limiting exclusions or restrictions on liability for death from suicide to no more than one year from the date of issue of the policy. The filings shall be submitted through the System for Electronic Rate and Form Filing ("SERFF") and include the statement that "as a result of a Missouri market conduct investigation, the attached amendatory rider or endorsement is being filed with the Director."

2. Protective agrees that it will issue the amendatory rider or endorsement that complies with §376.620 RSMo Cum. Supp. 2017 to Missouri policyholders actively insured under policy forms VUL-09-MO 9-01 and UL-15-MO 11-06 with a policy effective date on or after August 28, 2017 within 60 days of the date of the Order approving this Stipulation.

C. **Compliance.** Protective 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 RSMo 2016.

D. **Non-Admission.** Nothing in this Stipulation shall be construed as an admission by Protective, 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.** Protective, 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 #347682.

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

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 Protective 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 a Final 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: 5-4-2020



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

DATED: 4-29-2020



Jennifer R. Cox
AVP, Regulatory Exam Management
Protective Life Insurance Company