

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

<i>In Re:</i>)	
)	
ROYALTY CAPITAL LIFE INSURANCE)	Market Conduct Investigation
COMPANY (NAIC #61573))	No. 355893

ORDER OF THE DIRECTOR

NOW, on this 29th day of December, 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 Royalty Capital Life Insurance Company (NAIC #61573) (hereinafter “Royalty”), relating to the market conduct investigation no. 355893, does hereby issue the following orders:

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

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

IT IS FURTHER ORDERED that Royalty 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 29th day of December, 2020.



Chlora Lindley-Myers
Chlora Lindley-Myers
Director

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

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STATE OF MISSOURI**

In Re:)
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 ROYALTY CAPITAL LIFE INSURANCE) **Market Conduct Investigation**
 COMPANY (NAIC #61573)) **No. 355893**

STIPULATION OF SETTLEMENT

It is hereby stipulated and agreed by the Division of Insurance Market Regulation (hereinafter, the “Division”), and Royalty Capital Life Insurance Company (NAIC #61573) (hereinafter “Royalty”), 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, Royalty 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 Royalty, investigation #355893; and

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

1. Royalty failed to furnish, at least annually, each whole life policyholder a statement or notice which provides sufficient information to permit identification of the policy or contract in violation of §376.678.1¹.

2. Royalty failed to retain a copy of six specimen policy forms for inforce whole life insurance policies in violation of §374.205.2(2) and 20 CSR 100-8.040(3)(A).

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

WHEREAS, the Division and Royalty 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.** Royalty 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, but are not limited to, the following:

1. Royalty agrees that annual policyholder notices will be mailed to all policyholders each year going forward in compliance with §376.678.1. Royalty further agrees to modify and/or implement a procedure that all whole life insurance policyholders, with whole life insurance contracts issued in Missouri, receive a statement or notice that complies with §376.678.1.

2. Royalty agrees to maintain its policy files, whether administered by itself or other entities, in compliance with §374.205.2(2) and 20 CSR 100-8.040(3)(A).

3. Royalty agrees to pay all life insurance claims arising under the six Missouri contracts², for which it does not have a copy of the specimen contract.

4. Royalty agrees to ensure that Security National Life Insurance Company, or other third party administrators acting on its behalf, administer its policies in accordance with Missouri law and with the terms of this Stipulation.

² Six policy forms **1100, **1400, **0500, *51100, **0900, and **0200

C. **Compliance.** Royalty agrees to file documentation with the Division, in a format acceptable to the Division, within 30 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. **Fees.** Royalty agrees to pay any reasonable fees expended by the Division in conducting its review of the documentation provided by the Company pursuant to Paragraphs B and C of this Stipulation.

E. **Penalties.** The Division agrees that it will not seek penalties against Royalty in connection with market conduct investigation no. 355893.

F. **Waivers.** Royalty, 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 no. 355893.

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

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

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

J. **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.

K. **Effect of Stipulation.** This Stipulation shall not become effective until entry of a Final Order by the Director of the Department (hereinafter the "Director") approving this Stipulation.

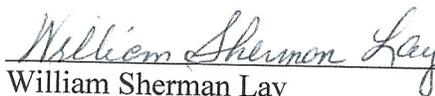
L. **Request for an Order.** The signatories below request that the Director issue an Order approving this Stipulation and ordering the relief agreed to in the Stipulation, and consent to the issuance of such Order.

DATED: 12-29-2020



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

DATED: 12/23/2020



William Sherman Lay
Secretary and Treasurer
Royalty Capital Life Insurance Company