



**DEPARTMENT OF COMMERCE & INSURANCE**

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

*In Re:* )  
 )  
TRANSAMERICA LIFE INSURANCE ) **Market Conduct Investigation No. 331245**  
COMPANY (NAIC #86231) )

**ORDER OF THE DIRECTOR**

NOW, on this 25<sup>th</sup> day of AUGUST, 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 Transamerica Life Insurance Company (NAIC #86231) (hereinafter "Transamerica"), relating to the market conduct investigation no. 331245, does hereby issue the following orders:

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

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

**IT IS FURTHER ORDERED** that Transamerica 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.

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<sup>1</sup> 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 Transamerica shall pay, and the Department of Commerce and Insurance, State of Missouri, shall accept, the Voluntary Forfeiture of \$500.00, 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 25<sup>th</sup> day of AUGUST, 2021.



*Chlora Lindley-Myers*

Chlora Lindley-Myers  
Director

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

*In Re:* )  
 )  
TRANSAMERICA LIFE INSURANCE ) **Market Conduct Investigation**  
COMPANY (NAIC #86231) ) **No. 331245**

**STIPULATION OF SETTLEMENT AND VOLUNTARY FOREEITURE**

It is hereby stipulated and agreed by the Division of Insurance Market Regulation (hereinafter “the Division”) and Transamerica Life Insurance Company (NAIC #86231) (hereinafter “Transamerica”), 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**, Transamerica 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 Transamerica, investigation #331245; and

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

1. Transamerica issued life insurance certificates to Missouri residents that did not limit the suicide exclusion to one year in violation of §376.620<sup>1</sup>.

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

2. Transamerica permitted its agent Agentra to put the name of a certain producer on all of its insurance applications even though he was not the producer involved in the sale, and to put Texas as the state where the application was signed, when the applications were signed in Missouri, in violation of §375.936 (7) and §375.934.

3. Transamerica did not obtain and maintain applications in the policy file, or the applications did not identify the name of the producer involved in the transaction in violation of 20 CSR 100-8.040 (3) (A).

**WHEREAS**, the Division and Transamerica 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.** Transamerica 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 and in this Stipulation do not occur in the future. Such remedial actions shall consist of the following:

1. Transamerica agrees to issue on a retroactive basis to all certificate holders of the following in force contracts that provide coverage to Missouri residents:

- TransSelect (group voluntary term life), Missouri amendment CEVLT2MO
- TransElite (group universal life), Missouri amendment CELUL3MO

the Missouri amendments filed by Transamerica with the Department that correct the suicide exclusion.

2. Transamerica agrees that it will review any claims involving the suicide of Missouri residents made between January 1, 2018 and December 31, 2020 that were processed based on the certificates that improperly limited the suicide exclusion to one year. If the review identifies any instances where suicide claims were handled in a manner that differs from the Missouri amendments outlined in Section B. 1. above, the claim will be reprocessed to conform to the Missouri amendments. Interest, calculated pursuant to 20 CSR 100-1.050 (1) (H) shall be included with the reprocessed payment. A letter shall be included with the payments stating that “as a result of a Missouri market conduct investigation, the claim was found to be payable.”

3. Transamerica agrees that it will not directly, or through its agents, include the name of an insurance producer on an insurance application if that producer was not involved in the sale, and will not identify a state as the location where an application was signed unless the application was actually signed in that state.

4. Transamerica agrees that it will maintain policy records in accordance with 20-CSR 100-8.040 (3) (A) by maintaining applications for the duration of the current policy term plus two calendar years, and by ensuring that such applications clearly identify the producer involved in the transaction.

C. **Compliance.** Transamerica agrees to file documentation with the Division, in a format acceptable to the Division, within 60 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 or to document the payment of restitution required by this Stipulation. Such documentation is provided pursuant to §374.190.

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

E. **Voluntary Forfeiture.** Transamerica agrees, voluntarily and knowingly, to surrender and forfeit the sum of \$500 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 Transamerica, 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.** Transamerica, 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 Transamerica.

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 Transamerica 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 “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: 08/19/2021



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

8/18/2021 | 3:27 CDT  
DATED: \_\_\_\_\_



DocuSigned by:  
John Stanley  
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John Stanley  
Vice President  
Transamerica Life Insurance Company