



**DEPARTMENT OF INSURANCE, FINANCIAL
INSTITUTIONS AND PROFESSIONAL REGISTRATION**

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

TO: Office of the President
Western Reserve Life Assurance Co. of Ohio
4333 Edgewood Rd. NE
Cedar Rapids, IA 52499

RE: Missouri Market Conduct Examination 0608-31-LAH
Western Reserve Life Assurance Co. of Ohio (NAIC #91413)

**STIPULATION OF SETTLEMENT
AND VOLUNTARY FORFEITURE**

It is hereby stipulated and agreed by Douglas M. Ommen, Director of the Missouri Department of Insurance, Financial Institutions and Professional Registration, hereinafter referred to as "Director," and Western Reserve Life Assurance Co. of Ohio, (hereafter referred to as "Western Reserve"), as follows:

WHEREAS, Douglas M. Ommen is the Director of the Missouri Department of Insurance, Financial Institutions and Professional Registration (hereafter referred to as "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 in Missouri; and

WHEREAS, Western Reserve has been granted a certificate of authority to transact the business of insurance in the State of Missouri; and

WHEREAS, the Department conducted a Market Conduct Examination of Western Reserve and prepared report number 0507-16-LAH; and

WHEREAS, the report of the Market Conduct Examination has revealed that:

1. In six (6) of 2,057 advertisements, Western Reserve's advertising was found to be misleading, unfairly deprecating of other insurers, and not sufficiently complete and clear as to the terms and conditions of the policy, thereby violating 20 CSR 400-5.100(3)(A) and (4)(O).

2. In one (1) of 2,057 advertisements, Western Reserve failed to include the words "life insurance," was not accompanied by other language that clearly identified the product as life insurance, and failed to prominently identify the product as a variable life insurance policy, in violation of 20 CSR 400-5.100(4)(D) and (E).

3. In two (2) instances, Western Reserve had supplemental illustrations to the general illustrations in which the supplemental illustrations alone had failures in the information provided which could be ambiguous and omitted or failed to fully explain the materials, thereby violating 20 CSR 400-5.100(4)(A) and (B).

4. In two (2) instances, Western Reserve failed to issue policies or refund premiums within 60 days of home office receipt of applications, thereby violating §375.421, RSMo.

5. In some instances, Western Reserve failed to send written communication to existing insurers advising them of proposed replacements within five working days of the Company's receipt of nine replacement applications, as required by 20 CSR 400-5.400.

6. In some instances, Western Reserve inaccurately calculated the amount of interest due on an accepted claim, and therefore failed to pay the appropriate amount of the claim within 30 days of its receipt, thereby violating 20 CSR 100-1.050(1)(H).

WHEREAS, Western Reserve hereby agrees to take remedial action bringing Western Reserve into compliance with the statutes and regulations of the State of Missouri and agrees to maintain those corrective actions at all times to assure that the errors noted in the above-referenced market conduct examination report do not recur;

WHEREAS, Western Reserve, after being advised by legal counsel, and for the purposes of settlement without renouncing the formal response to the examination report filed by Western Reserve in this matter, does hereby voluntarily and knowingly waive any and all rights for procedural requirements, including notice and an opportunity for a hearing, which may have otherwise applied to the above referenced Market Conduct Examination; and

WHEREAS, Western Reserve hereby agrees to the imposition of the ORDER of the Director set forth below and as a result of Market Conduct Examination #0608-31-LAH further agrees, voluntarily and knowingly to surrender and forfeit the sum of \$8,319.00.

NOW, THEREFORE, in lieu of the institution by the Director of any action for the

SUSPENSION or REVOCATION of the Certificate(s) of Authority of Western Reserve to transact the business of insurance in the State of Missouri or the imposition of other sanctions, Western Reserve does hereby voluntarily and knowingly waive all rights to any hearing, does consent to the ORDER of the Director and does surrender and forfeit the sum of \$8,319.00, such sum payable to the Missouri State School Fund, in accordance with §374.280, RSMo.

DATED: April 7, 2008



Vice
President - Compliance
Western Reserve Life Assurance Co. of Ohio