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BEFORE THE INSURANCE COMMISSIONER
OF THE STATE OF UTAH

COMPLAINANT:

UTAH INSURANCE DEPARTMENT

RESPONDENT:

AMERICO FINANCIAL LIFE & ANNUITY
INSURANCE CO.
300 West 11th Street, 1st Floor
Kansas City, MO 64105
NAIC ID No. 61999

STIPULATION AND ORDER

Docket No. 2010-081 HL

Enf. Case No. 2636

STIPULATION

1. Respondent, Americo Financial Life & Annuity Insurance Co. is an authorized insurer domiciled in the State of Texas and authorized to do business in the State of Utah, NAIC Identification No. 61999.

2. Respondent stipulates with the Complainant, Utah Insurance Department, as follows:

- a. If a hearing were held, witnesses called by the Complainant could offer and introduce evidence that would support the Findings of Fact herein;

- b. Respondent admits the Findings of Fact and Conclusions made therefrom;
- c. Respondent stipulates to the summary entry of the Order herein which shall be in lieu of other administrative proceedings by Complainant in this matter; and
- d. Respondent and Complainant have negotiated the terms of the Order entered herein and Respondent agrees to its entry and further agrees to be bound by all its terms.


3. Respondent is aware of its right to a hearing at which it may be represented by counsel, present evidence and cross-examine witnesses. Respondent has irrevocably waived its right to such hearing and to any appeal related thereto.

4. Respondent admits the jurisdiction of the State of Utah Insurance Commissioner as to all matters herein.

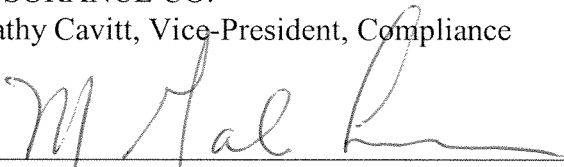
5. Respondent is acting herein free from any duress or coercion of any kind or nature, having been advised fully as to its rights set forth herein.

6. Respondent acknowledges that the issuance of this Order by the Commissioner is solely for purpose of disposition of the matter entitled herein.

DATED this 27th day of May, 2010.



AMERICO FINANCIAL LIFE & ANNUITY
INSURANCE CO.
Cathy Cavitt, Vice-President, Compliance



UTAH INSURANCE DEPARTMENT
M. Gale Lemmon
Assistant Attorney General

Based upon the foregoing Stipulation and information in the file, the Presiding Officer makes the following Findings of Fact:

2004 CC **FINDINGS OF FACT**

1. On August 25, ~~2007~~²⁰⁰⁴ a Utah resident, Ms. Verla Taylor, purchased a death benefit policy from Respondent Americo Financial Life & Annuity Insurance Co.
2. On or about November 16, 2009, Department staff member Sheila Curtis received a referral from the Life Division which Utah resident Ms. Verla Taylor had initiated. Ms. Taylor complained that she had realized the premiums she would pay over time would exceed the death benefit provided by her policy, and that she was not aware of this when she signed the policy.
3. Utah Admin. Rule R590-79-6 requires a disclosure on a life policy that over time premiums may exceed the death benefit whenever that possibility exists.
4. Respondent was contacted and the above rule was explained.
5. Respondent stated it would contact Ms. Taylor and refund her premiums if she so chose, which they subsequently did.
6. On or about December 21, 2009, investigator Curtis requested a list of all policies Respondent had issued in Utah without the disclosure required by R590-79-6.
7. On January 7, 2010, a letter was received from Respondent stating it had written 129 policies in Utah. Respondent included copies of the policies written, and a statement of processes being put into place to ensure future compliance with the Rule.

Based upon the foregoing Stipulation and Findings of Fact, the Presiding Officer enters the following Conclusions of Law:

CONCLUSIONS OF LAW

1. Utah Administrative Code R590-79-6 states in part:

E. For a life insurance policy or certificate with a death benefit not exceeding \$15,000, the insurer shall provide disclosure of the following:
(1) limited death benefits whenever a policy limits death benefits during a period following the inception of coverage;
(2) the possibility that premiums paid over several years may exceed the death benefit whenever that possibility exists.
The disclosure shall be provided to the applicant no later than delivery of the policy or certificate.

4. Respondent violated Rule 590-79-6 by failing to include the disclosure on Ms. Taylor's policy and others similar policies written before January 7, 2010.

3. An administrative forfeiture in the stipulated amount of \$7,000.00 is appropriate under the circumstances.

Based upon the foregoing Stipulation, Findings of Fact and Conclusions of Law, the Presiding Officer herewith enters the following Order:

ORDER

IT IS HEREBY ORDERED:

Respondent Americo Financial Life & Annuity Insurance Co. is assessed an administrative forfeiture in the amount of \$7,000.00 to be paid to the Utah Insurance Department within 30 days of issuance of this Order.

NOTIFICATION

Respondent is hereby notified that failure to abide by the terms of this Order may subject you to further penalties, including additional forfeitures of up to \$5,000.00 per violation and the suspension or revocation of your license, and the filing of an action to enforce this Order in the

District Court, which may impose penalties of up to \$10,000.00 per day for continued violation.

You are further notified that other jurisdictions in which you may be licensed may require that you report this action to them.

DATED this 15th day of June, 2010.

NEAL T. GOOCH
Acting Insurance Commissioner



MARK E. KLEINFELD

Administrative Law Judge
Utah Insurance Department
State Office Building, Room 3110
Salt Lake City, Utah 84114
Telephone: (801) 538-3800

**UTAH
Invoice**

Printed Date: June 15, 2010

Invoice Date: June 15, 2010
Balance Due: \$7,000.00
Due Date: July 20, 2010
Invoice ID: 462879

AMERICO FINANCIAL LIFE ANNUITY INSURANCE COMPANY
300 W 11TH ST
PO BOX 410288
KANSAS CITY MO 64141-0288

Item Description	Amount
Monetary Penalty Company	\$7,000.00
Original Amount Due	<u>\$7,000.00</u>

Payments Received

Balance Due

*A - Case 2036
Docket 2010-081 HL*

**UTAH
Invoice**

Printed Date: June 15, 2010

Invoice Date: June 15, 2010
Balance Due: \$7,000.00
Due Date: July 20, 2010
Invoice ID: 462879

Make checks payable to: Utah Insurance Department

Send payment to:

Utah Insurance Department
3110 State Office Building
Salt Lake City, UT 84114-6901

Detach and Return with Payment

CERTIFICATE OF MAILING

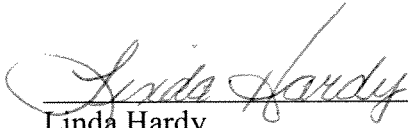
I do hereby certify that on this date I mailed, by regular mail, postage prepaid a true and correct copy of the attached:

STIPULATION & ORDER

To the following:

Americo Financial Life & Annuity Ins. Co.
Attn: Cathy Cavitt
300 West 11th Street, 1st floor
Kansas City, MO 64105

DATED this 15th day June, 2010



Linda Hardy
Utah Department of Insurance
State Office Building, Room 3110
Salt Lake City, UT 84114-6901