

AM
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BEFORE THE INSURANCE COMMISSIONER
OF THE STATE OF UTAH

COMPLAINANT: UTAH INSURANCE DEPARTMENT	STIPULATION AND ORDER Docket No. : 2011-209 LF Enf. Case No. 2949
RESPONDENT: AMERICAN EQUITY INVESTMENT LIFE INSURANCE COMPANY 6000 Westown Parkway West Des Moines, IA 50266 Utah Company Id. No. 1964	

STIPULATION

1. Respondent, American Equity Investment Life Insurance Company, is an insurer domiciled in Iowa and is authorized to do business in the State of Utah, Utah Company Identification No. 1964 and NAIC ID 92738.
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.

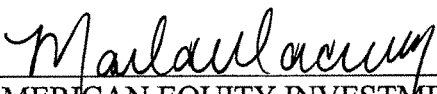
3. Respondent is aware of its right to a hearing at which it may be represented by counsel, present evidence and cross-examine witnesses. Respondent has irrevocably waived its right to such hearing and to any appeal related thereto.

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

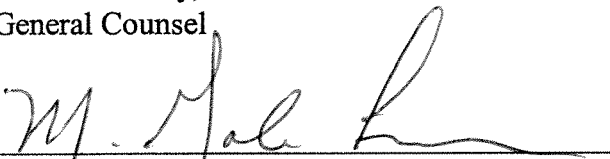
5. Respondent is acting herein free from any duress or coercion of any kind or nature, having been advised fully as to its rights set forth herein.

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 September, 2011.



AMERICAN EQUITY INVESTMENT Life
INSURANCE COPANY
Marla G. Lacey, Vice President and Assoc.
General Counsel



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:

FINDINGS OF FACT

1. On June 29, 2010, while resolving a consumer complaint, a Department Life Insurance Consumer Service Analyst discovered that the form issued by Respondent for its Retirement Gold Contract was not compliant with the Utah Standard Nonforfeiture Law for annuities. An investigation followed.

2. On October 27, 2010, the Respondent provided the Department with a list of all policy owners age 56 and older in Utah who were sold the Retirement Gold product during the period of March 17, 2009, through January 5, 2010.

3. On November 9, 2010, Respondent filed a Bonus Vesting Percentage Adjustment Endorsement with the Department to bring the contract into compliance with Utah's Standard Nonforfeiture Law.

4. On December 1, 2010, Respondent sent a cover letter and the endorsement to approximately 238 policy owners in order to bring existing contracts into compliance with the Utah Standard Nonforfeiture Law for annuities.

5. On July 20, 2011, the Department and Respondent agreed to an administrative forfeiture by Respondent in the amount of \$5,000.

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

CONCLUSIONS OF LAW

Applicable Statutes & Rules:

1. Utah Code Ann. § 31A-22-409(10)(a)(ii)(B) states:

(10) (a) For the purpose of determining the benefits calculated under Subsections (8) and (9), the maturity date shall be considered to be:

(i) in the case of an annuity contract issued on or before May 5, 2002, under which an election may be made to have an annuity payment commence at an optional maturity date, the latest date for which an election is permitted by the contract, except that it may not be considered to be later than the later of:

(A) the anniversary of the contract next following the day on which the annuitant becomes 70 years of age; or

(B) the tenth anniversary of the contract; or

(ii) in the case of an annuity contract issued on or after May 6, 2002, the latest date permitted by the contract, except that it may not be considered to be later than the later of:

(A) the anniversary of the contract next following the day on which the annuitant becomes 70 years of age; or

(B) the tenth anniversary of the contract.

(b) In the case of an annuity contract issued on or after May 6, 2002:

(i) for a contract that provides cash surrender benefits, the cash surrender value on or past the maturity date shall be equal to the amount used to determine the annuity benefit payments; and

(ii) a surrender charge may not be imposed on or past maturity.

2. During the period of March 17, 2009 through January 5, 2010 Respondent was in violation of the above statute when it marketed and delivered insurance contracts that did not comply with the above provision.

3. An administrative forfeiture in the total amount of \$5,000.00 is appropriate under the circumstances of this matter.

Based upon the foregoing Stipulation, Findings and Conclusions, the Presiding Officer enters the following Order.

ORDER

IT IS HEREBY ORDERED:

Respondent, American Equity Investment Life Insurance Company, is assessed an administrative forfeiture in the amount of \$5,000. The forfeiture shall be paid to the Department within thirty (30) days of entry of this Order.

DATED this 29th day of September, 2011.

NEAL T. GOOCH
Insurance Commissioner



MARK E. KLEINFELD
Administrative Law Judge
Utah Insurance Department
State Office Building, Room 3110
Salt Lake City, UT 84114
Telephone: 801.538.3800

NOTIFICATION

You are hereby notified that a failure to obey an Order of the Commissioner may subject you to further penalties, including forfeitures of up to \$5,000 per violation and the suspension or revocation of your license, and the filing of an action in district court, which may impose forfeitures of up to \$10,000 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.

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:

American Equity Investment Life Insurance Company
Marla G. Lacey
6000 Weston Parkway
West Des Moines, IA 50266

DATED this 29th day September, 2011



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

UTAH
Invoice - Original

Printed Date: September 29, 2011
Invoice Date: September 29, 2011
Balance Due: \$5,000.00
Due Date: October 29, 2011
Invoice ID: 530500
NAIC ID: 92738
Payor ID: 1964

HARLEY WHITFIELD JR
AMERICAN EQUITY INVESTMENT LIFE INSURANCE COMPANY
6000 WESTOWN PARKWAY
WEST DES MOINES IA 50266

Item Description	Amount
9/29/2011 Monetary Penalty Company E-Case 2949 Docket # 2011-209 HL	\$5,000.00
Original Amount Due	<hr/> \$5,000.00
Payments Received	
	<hr/> Balance Due

UTAH
Invoice - Original

Invoice Date: September 29, 2011
Balance Due: \$5,000.00
Due Date: October 29, 2011
Invoice ID: 530500
Payor ID: 1964
Payor Name: AMERICAN EQUITY
INVESTMENT LIFE
INSURANCE
COMPANY

Make checks payable to: Utah Insurance Department

Send payment to:

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