

**STATE OF VERMONT
DEPARTMENT OF FINANCIAL REGULATION**

IN RE:)	
TRANSAMERICA PREMIER LIFE)	
INSURANCE COMPANY (n/k/a)	DOCKET NO. 21-013-I
TRANSAMERICA LIFE INSURANCE)	
COMPANY))	
NAIC #86231)	
)	

STIPULATION AND CONSENT ORDER

WHEREAS, the Vermont Department of Financial Regulation (the “Department”) asserts that Transamerica Premier Life Insurance Company (n/k/a Transamerica Life Insurance Company) (“Respondent”) has violated the insurance laws as set forth below; and

WHEREAS, Respondent and the Department wish to resolve these violations without further administrative proceedings or litigation;

NOW, THEREFORE, Respondent and the Department stipulate and agree to the terms and conditions in this Stipulation and Consent Order.

STATEMENT OF FACTS

1. Respondent is a foreign life insurance company with its principal place of business at 4333 Edgewood Road NE, Cedar Rapids, IA 52499.
2. Respondent’s NAIC number is 86231.
3. Effective October 1, 2020, Transamerica Premier Life Insurance Company merged into Transamerica Life Insurance Company.
4. At all times relevant to this matter, Respondent held a license issued by the Insurance Division of the Department (the “Insurance Division”) pursuant to 8 V.S.A. § 3361 authorizing Respondent to operate as an insurer in the State of Vermont.

5. On November 26, 2019, Respondent submitted a life insurance policy form to the Insurance Division for its review and approval.
6. In connection with the Insurance Division's review of the form submitted by Respondent, the Insurance Division communicated with Respondent on December 4, 2019, requesting that Respondent certify that it had complied with the interest requirements of 8 V.S.A. § 3665(c)(2) and Insurance Division Bulletin 159 for all death claims paid in Vermont.
7. In a December 9, 2019 communication to the Insurance Division, Respondent certified that it had been paying and is continuing to pay all death claims in Vermont in accordance with 8 V.S.A. § 3665(c)(2) and Insurance Division Bulletin 159.
8. On December 6, 2019, the Insurance Division requested that Respondent provide it with data to enable the Insurance Division to complete an audit for all individual and group life insurance claims from January 1, 2014 through December 31, 2018 that met the following criteria:
 - a. Claims from individual and group life policies that were delivered or issued for delivery in Vermont, regardless of whether the beneficiary resides in Vermont at the time of the death of the owner or certificate holder;
 - b. Claims from individual and from group life insurance policies when the beneficiary resided in Vermont at the time of death of the owner or certificate holder, regardless of where the group or individual policy was issued; or
 - c. Claims from group policies that were issued outside of Vermont, but the certificate was delivered or issued for delivery to a Vermont resident who was also a resident of Vermont at the time of his or her death.
9. After the Respondent's production of data to the Insurance Division, the Insurance Division

identified a total of 84 instances of death claims made between January 1, 2014 and December 31, 2018 for which Respondent had underpaid the interest due to a beneficiary (constituting 20.3% of the audited claims).

10. Beginning with an initial check mailed on May 1, 2020, Respondent provided a total of \$10,920.15 in restitution to underpaid beneficiaries of death claims identified in the Insurance Division's audit.
11. Respondent has cooperated with and promptly responded to the Insurance Division's requests, has acknowledged that it engaged in statutory violations, has provided restitution to underpaid beneficiaries as identified in Paragraph 9, and has implemented internal corrective actions to prevent future violations of 8 V.S.A. § 3665b¹ and Insurance Division Bulletin 159.

DESCRIPTION OF VIOLATIONS

12. The Commissioner of Financial Regulation (the "Commissioner") is responsible for administering and enforcing the insurance laws of the State of Vermont and is authorized to investigate insurance companies to determine compliance with Vermont law and issue orders imposing remedial actions and civil administrative penalties, pursuant to 8 V.S.A. §§ 10-15, 3661, and 4726.
13. Pursuant to 8 V.S.A. § 3661, the Commissioner may impose a civil administrative penalty for each violation of Title 8, an administrative rule of the Department, or an order of the commissioner relating to insurance, of up to \$1,000 per violation or \$10,000 per willful violation.

¹ Effective July 1, 2020, 8 V.S.A. § 3665 was replaced by 8 V.S.A. § 3665b. All of the violations discussed herein predate the statutory change.

14. Pursuant to 8 V.S.A. § 4726, the Commissioner may impose a civil administrative penalty for each violation of §§ 4721-4727 of up to \$1,000 per violation or \$10,000 per willful violation.
15. Pursuant to 8 V.S.A. § 3665(c)(2), “all payments of claims under policies of life insurance shall include interest accrued from the date of death of the insured” at a rate of 6% or the rate paid on proceeds left on deposit, whichever is greater.
16. Insurance Division Bulletin 159: Interest on Insurance Death Benefits, dated November 30, 2010, notifies insurers that interest payments are required to be paid pursuant to 8 V.S.A. § 3665(c)(2) in the following situations:
 - (1) When the individual or group policy was delivered or issued for delivery in Vermont, regardless of whether the beneficiary resides in Vermont at the time of death of the owner or certificate holder;
 - (2) When the beneficiary resides in Vermont at the time of the death of the owner or certificate holder, regardless of where the group or individual policy was issued; and
 - (3) When the group policy was issued outside of Vermont, but the certificate was delivered or issued for delivery to a Vermont resident who is also a resident of this state at the time of his or her death.
17. It is a violation of 8 V.S.A. § 4723 and 8 V.S.A. § 4724(19) to fail to comply with any rules, regulations, or forms filed with the Commissioner.
18. By failing to pay 6% interest on 84 life insurance claims received by Respondent between January 1, 2014 and December 31, 2018, Respondent violated 8 V.S.A. § 3665(c)(2) and § 4723.

CONSENT ORDER

19. Within 30 calendar days of the entry of this Stipulation and Consent Order by the Commissioner, Respondent shall pay an administrative penalty of \$84,000. Payment shall be made via wire or check made payable to the “Department of Financial Regulation” and mailed to:

Attn: Tom Taylor
Department of Financial Regulation
Insurance Division
89 Main Street
Montpelier, VT 05620-3101

20. Respondent has implemented or shall implement the following corrective actions:
- a. Respondent has provided a total of \$10,920.15 in restitution to underpaid beneficiaries of death claims identified in the Insurance Division’s audit.
 - b. On or before the entry of this Stipulation and Consent Order by the Commissioner, Respondent shall update the interest rate parameters in Respondent’s claims interest calculation tools to reflect the requirements of and ensure compliance with 8 V.S.A. § 3665b and Bulletin 159.
 - c. Within 30 calendar days of the entry of this Stipulation and Consent Order by the Commissioner, Respondent shall institute a control feature within its claims interest calculation tool that will capture the details of any changes or updates to the interest rate parameters used in the tool, including the name of the individual performing the change or update and the date of the change or update.
 - d. Within 30 calendar days of the entry of this Stipulation and Consent Order by the Commissioner, Respondent shall institute an ongoing testing protocol of its interest rate calculation tools to promptly detect errors on interest payments.


- e. Within 30 calendar days of the entry of this Stipulation and Consent Order by the Commissioner, Respondent shall provide certification to the Insurance Division that it has implemented the corrective actions identified in Paragraph 19(a)-(d).
 - f. On or before May 15, 2021, and on a quarterly basis thereafter, Respondent shall complete a self-audit, and shall submit to the Insurance Division within 45 days of the close of each quarter, using a template provided by the Insurance Division, the data gathered from the self-audit, of all death claims received and death benefits paid, including interest, for life insurance policies issued in Vermont or benefiting Vermont residents during the prior quarter's months (beginning with the months January through March 2021 for the May 15, 2021 reporting period).
21. Respondent's audit and report obligation under Paragraph 19(f) shall terminate following: (a) one year of timely reporting and no violations of 8 V.S.A. § 3665b; or (b) upon agreement of the Insurance Division, whichever is later.
22. Respondent acknowledges and admits the jurisdiction of the Commissioner over the subject matter of this Stipulation and Consent Order.
23. With respect to the facts and violations identified herein, Respondent waives its right to a hearing before the Commissioner or the Commissioner's designee and waives its right to all other administrative or judicial review otherwise available under Vermont law, including the rules of the Vermont Department of Financial Regulation and the provisions of 3 V.S.A., Chapter 25.
24. This Stipulation and Consent Order is entered into solely for the purpose of resolving the violations identified herein, and it is not intended for any other purpose.

25. Respondent understands all terms and conditions in this Stipulation and Consent Order, consents to the entry of this Stipulation and Consent Order, and acknowledges that its consent is given freely and voluntarily and that, except as set forth herein, no promise was made to induce Respondent's consent.
26. Noncompliance with any of the terms and conditions in this Stipulation and Consent Order shall be a violation of a lawful order of the Commissioner and a violation of the laws of the State of Vermont and may result in additional administrative action and the imposition of injunctive relief, sanctions, and additional penalties pursuant to applicable provisions of Title 8, including provisions imposing enhanced penalties for willful violations.
27. Nothing herein shall be construed as limiting the Commissioner's ability to investigate Respondent for violations not resolved herein or to respond to and address any consumer complaints made with regard to Respondent.
28. Nothing herein shall be construed as having relieved, modified, or in any manner affected Respondent's ongoing obligation to comply with all federal, state, or local statutes, rules, and regulations applicable to Respondent.
29. Nothing herein shall be construed as limiting any private right of action a person may have.
30. This Stipulation and Consent Order shall be governed by and construed under the laws of the State of Vermont.

SIGNATURES

The terms and conditions set forth in this Stipulation and Consent Order are hereby stipulated and agreed to. I certify under the pains and penalties of perjury that I have taken all necessary steps to obtain the authority to bind Respondent to this Stipulation and Consent Order and that I have been duly authorized to enter into this Stipulation and Consent Order on behalf of Respondent.


TRANSAMERICA LIFE INSURANCE COMPANY

DocuSigned by:
By: 
D0D51BB772E74FE...
Blake S. Bostwick
President

Date: April 8, 2021

The terms and conditions set forth in this Stipulation and Consent Order are hereby stipulated, agreed to, and ordered.

DEPARTMENT OF FINANCIAL REGULATION

By: 
Michael S. Pieciak
Commissioner of Financial Regulation
Vermont Department of Financial Regulation

Date: April 9th, 2021