

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
AT RICHMOND, NOVEMBER 13, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION

CLERK'S OFFICE
REGULATORY CONTROL CENTER
2020 NOV 13 A 8:39

201130009

v.

CASE NO. INS-2020-00197

LIFE INSURANCE COMPANY
OF THE SOUTHWEST,
Defendant

SETTLEMENT ORDER

Based on a market analysis inquiry conducted by the Bureau of Insurance ("Bureau"), it is alleged that Life Insurance Company of the Southwest ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in certain instances violated § 38.2-610 A 1 of the Code of Virginia ("Code") by failing to provide written notice of an adverse underwriting decision; § 38.2-610 A 2 of the Code by failing to provide applicants with a summary of rights regarding adverse underwriting decisions; § 38.2-1822 A of the Code by failing to comply with licensed agent requirements; and 14 VAC 5-41-80 B of the Commission's Rules Governing Advertisement of Life Insurance and Annuities, 14 VAC 5-41-10, *et seq.* of the Virginia Administrative Code by using the phrase "inexpensive," "low cost" or any similar term in an advertisement without demonstrating that it is fact to the satisfaction of the Commission.

The Commission is authorized by §§ 38.2-218, 38.2-219, 38.2-1040 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting nor denying any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has agreed to comply with the corrective action plan set forth in the Bureau's letter dated June 16, 2020; has tendered to the Treasurer of Virginia the sum of Six Thousand Six Hundred Dollars (\$6,600); and has waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

- (1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.
- (2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

A COPY of this order shall be sent by the Clerk of the Commission by electronic mail to: Travis Kupiec, National Life Group, Life Insurance Company of the Southwest, at TKupiec@nationallife.com, One National Life Drive, Montpelier, Vermont 05604; and a copy shall be delivered to the Commission's Office of General Counsel and the Bureau of Insurance in care of Deputy Commissioner Julie Blauvelt.