



PAT QUINN
Governor

ANDREW BORON
Director

NEWS

Illinois Department of Insurance

FOR IMMEDIATE RELEASE:
November 21, 2013

CONTACT:
Kimberly Parker
(312) 814-1577
Kimberly.Parker@illinois.gov

State Announces a Multi-Million Dollar Settlement with Aviva

Settlement represents the fourth where Illinois Dept of Insurance was the Lead

CHICAGO – November 21, 2013. Illinois Department of Insurance (DOI) Director Andrew Boron today announced an agreement with Aviva Life & Annuity Company and Aviva Life & Annuity Company of New York (collectively "Aviva") as part of a multi-million dollar settlement with several states regarding its use of the Social Security Administration's Death Master File (DMF). Under the settlement, Aviva will pay \$4 million dollars to states that are a party to the settlement.

This settlement with Aviva stems from multi-state market conduct examinations of the forty largest life insurers regarding the timely payment of proceeds to beneficiaries of life insurance policies and annuities. The principal lead state in this investigation was Illinois, with support from insurance regulators from Florida, California, New Hampshire, Iowa, North Dakota, and Pennsylvania.

"With this settlement, there have been ten resolutions with insurers that have agreed to implement consumer-friendly practices to timely pay benefits rightfully owed to beneficiaries," said DOI Director Boron.

After the settlement with Aviva was negotiated, Athene Holding Ltd. ("Athene") announced it had completed the acquisition of Aviva. In connection with the acquisition, Athene sold Aviva's life insurance business to Presidential Life Insurance Company – USA ("PLIC-USA"), a wholly owned subsidiary of Commonwealth Annuity and Life Insurance Co. and part of the Global Atlantic Financial Group. Promptly after Commonwealth's acquisition of the common stock of PLIC-USA from Athene, PLIC-USA and First Allmerica Financial Life Insurance Company ("FAFLIC") will together (the "Global Atlantic Insurers") reinsure all of the life insurance business of Aviva in a bulk reinsurance transaction.

Under the agreement, Athene and the Global Atlantic Insurers will implement business reforms with respect to the purchased Aviva entities and the reinsured life business to promote a timely and efficient search for the beneficiaries of both its in-force life insurance policies and annuities using the DMF. These companies will regularly match all of its insureds and annuitants against the DMF to help promptly identify when an insured has died, to locate and make payment to beneficiaries.

Market conduct examinations of seven of the ten largest insurers in the United States have been resolved. These life insurers, and the other smaller insurers who have settled, represent more than 50% of the market and the resolutions demonstrate that there is a sea change in the industry to properly and fairly use the DMF.

A copy of the Aviva settlement agreement and Global Atlantic Ancillary Agreement are both available on the DOI website at <http://insurance.illinois.gov/Home/ImpLinks.asp>. Consumers who have any questions regarding this settlement, or who have any questions or concerns about their insurance, should contact the Department's Consumer Division at <http://insurance.illinois.gov> or call 866-445-5364.

###