

# STATE OF ILLINOIS



## Department of Financial and Professional Regulation Division of Insurance

IN THE MATTER OF  
THE EXAMINATION OF

OXFORD LIFE INSURANCE COMPANY  
2721 NORTH CENTRAL AVENUE  
PHOENIX, ARIZONA 85004

### MARKET CONDUCT EXAMINATION WARRANT

I, the undersigned, Director of Insurance of the State of Illinois, pursuant to Sections 131.21, 132, 401, 402, 403 and 425 of the Illinois Insurance Code (215 ILCS 5/131.21, 5/132, 5/401, 5/402 and 5/425) do hereby appoint David Bradbury, Examiner-In-Charge, Mike Hager, Pat Hahn and associates as the proper persons to examine the insurance business and affairs of Oxford Life Insurance Company of Phoenix, Arizona, and to make a full and true report to me of the examination made by them of Oxford Life Insurance Company with a full statement of the condition and operation of the business and affairs of Oxford Life Insurance Company with any other information as shall in their opinion be requisite to furnish me a statement of the condition and operation of its business and affairs and the manner in which it conducts its business.

The persons so appointed shall also have the power to administer oaths and to examine any person concerning the business, conduct, or affairs of Oxford Life Insurance Company.

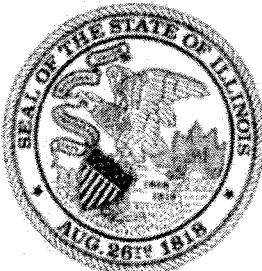
### IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed the Seal of my office.  
Done at the City of Springfield, this 19<sup>th</sup> day of Nov. 2008.

*Michael T. McRaith*

Michael T. McRaith

Director





**Illinois Department of Financial and Professional Regulation**  
**Division of Insurance**

PAT QUINN  
Governor

MICHAEL T. McRAITH  
Director  
Division of Insurance

May 29, 2009

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Mr. Mark Haydukovich, President  
Oxford Life Insurance Company  
2721 North Central Avenue  
Phoenix, Arizona 85004

Re: Market Conduct Examination Report

Dear Mr. Haydukovich:

Pursuant to the Director's authority as provided under Article VIII 1/2, Section 131.21 and 132 and Article XXIV, Sections 401, 402, 403 and 425 of the Illinois Insurance Code, a Market Conduct Examination of your company was conducted by authorized representatives of the Division of Insurance for period of March 2, 2009 through March 27, 2009.

In accordance with Section 132(3) and Section 132(4), your copy of the report is enclosed. Section 132.5 affords a reasonable opportunity of not more than 30 days to make a written submission or rebuttal with respect to any matters contained in the examination report.

As provided by Section 132(4) of the Illinois Insurance Code, you are hereby notified that you may request a Hearing within ten (10) days after receipt of the above Report, with reference to facts and other evidence contained therein, by giving the Director of Insurance written notice of such request together with a statement of your objections.

IF NO WRITTEN SUBMISSION OR REBUTTAL IS RECEIVED WITHIN THE THIRTY (30) DAY PERIOD, THE EXAMINATION WILL BE PROCESSED FOR FILING AS A PUBLIC DOCUMENT.

Very truly yours,

*Scott Richardson*  
Scott Richardson, FLMI, ACS, AIE, AIAA  
Acting Assistant Deputy Director  
Market Conduct Section

SR:bw

Enclosure

This Market Conduct Examination was conducted pursuant to Sections 5/132, 5/401, 5/402, 5/403 and 5/425 of the Illinois Insurance Code (215 ILCS 5/132, 5/401, 5/402, 5/403 and 5/425). It was conducted in accordance with standard procedures of the Market Conduct Examination Section by duly qualified examiners of the Illinois Department of Insurance.

This report is divided into five parts. They are as follows: Summary, Background, Methodology, Findings and Technical Appendices. All files reviewed were reviewed on the basis of the files' contents at the time of the examination. Unless otherwise noted, all overcharges (underwriting) and/or underpayments (claims) were reimbursed during the course of the examination.

No company, corporation, or individual shall use this report or any statement, excerpt, portion, or section thereof for any advertising, marketing or solicitation purpose. Any company, corporation or individual action contrary to the above shall be deemed a violation of Section 149 of the Illinois Insurance Code (215 ILCS 5/149).

The Examiner-in-Charge was responsible for the conduct of this examination. The Examiner-in-Charge did approve of each criticism contained herein and has sworn to the accuracy of this report.

Scott Richardson  
Acting Assistant Deputy Director  
Market Conduct Section

Oxford Life Insurance Company

## MARKET CONDUCT EXAMINATION REPORT

DATE OF EXAMINATION: March 2, 2009 through March 27, 2009

EXAMINATION OF: Oxford Life Insurance Company

LOCATION: 2800 North Central Avenue  
Phoenix, AZ 85004

PERIOD COVERED  
BY EXAMINATION: 01-01-08 through 12-31-08 – Claims  
01-01-07 through 02-27-09 – Complaints

EXAMINERS: Pat Hahn  
Mike Hager  
David Bradbury, Examiner in Charge

## INDEX

	Page
I. SUMMARY	1
II. BACKGROUND	2
III. METHODOLOGY	3-5
IV. FINDINGS	6-9
A. Claims Analysis	
1. Paid Individual Life	
2. Denied Individual Life	
3. Paid Credit Life	
4. Paid Medicare Supplement	
5. Denied Medicare Supplement	
6. Annuity Death Settlements	
B. Underwriting	
1. Declined Life Applications	
2. Replacements	
C. Non-forfeiture Analysis	
1. Life Cash Surrenders	
2. Extended Term Insurance /Reduced Paid Up	
D. Complaints	
1. Division of Insurance Complaints	
2. Consumer Complaints	
E. Policy Forms	
1. Policy Forms	
F. Producers Analysis	
1. Producer Licensing	
V. APPENDICES	10

## I. SUMMARY

1. The Company was criticized under 215 ILCS 5/224(1)(1) for failure to provide notice to the insured's beneficiary of the availability of interest payment due to delayed claim processing.
2. The Company was criticized under 215 ILCS 5/224(1)(1) for failure to make interest payments due to delayed processing.
3. The Company was criticized under 215 ILCS 5/224(2) for failure to provide the existing insurer with the notice regarding replacement of life insurance within three (3) working days after the date the replacement policy was issued.
4. The Company was criticized under 50 Ill. Adm. Code 919.70(a)(2) for failure to provide the insured with a reasonable written explanation for delay beyond 45 days.
5. The Company was criticized under 50 Ill. Adm. Code 919.50(a)(1) for failure to provide the insured with the Notice of Availability of the Division of Insurance on the claim denial letters.
6. The Company was criticized under 50 Ill. Adm. Code 917.60(b)(1) for failure to obtain the required insurance producer's signature on a Notice Regarding Replacement of Life Insurance or Annuity.
7. The Company was criticized under 50 Ill. Adm. Code 917.70(c) for failure to provide a buyer's guide to the applicant within three (3) working days after receipt of the application for life insurance or annuity.
8. The Company was criticized under 215 ILCS 5/234.1 for failure to disclose the other available options for non-forfeiture in the notice to the policy owner/insured.
9. The Company was criticized under 50 Ill. Adm. Code 1405.40(c)(1) for policy language providing an automatic non-forfeiture benefit instead of the required positive elective basis.
10. The Company was criticized under 50 Ill. Adm. Code 1405.30(c) for application language providing an opt-out only election instead of a specific election of an automatic premium loan provision.

## II. BACKGROUND

Oxford Life Insurance Company ("Company") was founded in 1965 in Arizona and is a member of AMERCO, a publicly traded financial holding network. The Company focuses upon providing life, annuity, and Medicare supplement insurance for the senior market.

In 1997, the Company expanded by acquiring Encore Financial, Inc., a Wisconsin based insurance holding company, which owns the stock of North American Insurance Company (NAI), a company with an outstanding record as a third party administrator of Medicare supplement insurance programs.

In 2000, Oxford Life Insurance Company expanded in the Medicare supplement market with the acquisition of Christian Fidelity Life Insurance Company (Christian Fidelity).

In early 2006, this growth in the senior market continued with Christian Fidelity's acquisition of Dallas General Insurance Company and its block of Medicare supplement insurance in Texas.



### III. METHODOLOGY

The Market Conduct Examination places emphasis on evaluating an insurer's system and procedures used in dealing with insureds and claimants. The following categories are the general areas examined:

1. Producer Licensing and Production Analysis
2. Policy Forms and Advertising Material Analysis
3. Non-Forfeiture Analysis
4. Claims
5. Consumer and Insurance Division Complaints

The review of these categories is accomplished through examination of producer files, Medicare supplement application files, cash surrendered policy files, extended term and reduced paid-up policy files, claim files, Insurance Division complaint files, policy forms and advertising material. Each of these categories is examined for compliance with Division regulations and applicable State laws.

The report concerns itself with improper practices performed with such frequency as to indicate general business practices. Individual criticisms are identified and communicated to the insurer, but not cited in the report if not indicative of a general trend, except to the extent that there were underpayments in claim surveys or undercharges and/or overcharges in underwriting surveys. The following methods were used to obtain the required samples and to assure a methodical selection.

#### Producer Licensing and Production Analysis

Populations for the producer file reviews were determined by whether or not the producers were licensed by the State of Illinois. New business listings were retrieved from Company records selecting newly solicited insurance applications which reflected Illinois addresses for the applicants.

#### Policy Forms and Advertising Material Analysis

The Company was requested to provide specimen copies of all policy forms and samples of all advertising material in use during the survey period.

### Non-Forfeiture Analysis

Listings were requested of all policies cash surrendered, placed on extended term insurance status, or converted to reduced paid-up insurance during the period covered by the examination. These listings were retrieved by a search of Illinois life policies which either lapsed for nonpayment of premium or were requested non-forfeiture option conversions made by the policyholders.

### Claims

Claim surveys were selected using the following criteria:

1. Paid Claims - Payment for a coverage made during the examination period.
2. Denied Claims - Denial of benefits for losses not covered by policy provisions.
3. Individual or Franchise Claims - Determine whether the contracts were issued on an individual or franchise basis.

All claims were reviewed for compliance with policy contracts and endorsements, applicable sections of the Illinois Insurance Code (215 ILCS et seq.) and Illinois Administrative Code (50 Ill. Adm. Code).

All median payment periods were measured from the date necessary proofs of loss were received to the date of payment or denial to the insured or the beneficiary.

The examination period for the claims review was January 1, 2008 through December 31, 2008.

### Consumer and Insurance Division Complaints

The Company was requested to provide all files relating to complaints which had been received via the Division as well as those received directly by the Company from the insureds or his/her representative. A copy of the Company's complaint register was also reviewed.

Median periods were measured from the date of notification of the complaint to the date of response to the Division.

The examination period for Division complaints was January 1, 2007 through February 27, 2009.

SELECTION OF SAMPLE

<u>Survey</u>	<u>Population</u>	<u>Reviewed</u>	<u>% Reviewed</u>
CLAIMS ANALYSIS			
Paid Individual Life	16	16	100
Denied Individual Life	13	13	100
Paid Credit Life	2	2	100
Paid Medicare Supplement	603	55	9
Denied Medicare Supplement	25	25	100
Annuity Death Settlements	3	3	100
UNDERWRITING			
Declined Life Applications	29	29	100
Replacements	48	48	100
NON-FORFEITURE ANALYSIS			
Life Cash Surrenders	23	23	100
Extended Term Ins/Reduced Paid-Up	1	1	100
COMPLAINTS			
Division of Insurance Complaints	4	4	100
Consumer Complaints	2	2	100
POLICY FORMS & ADVERTISING			
Policy Forms	16	16	100
PRODUCERS ANALYSIS			
Producers	57 Producers 650 Policies	57 Producers 650 Policies	

#### IV. FINDINGS

##### A. Claims Analysis

###### 1. Paid Individual Life

A review of 16 paid life claims produced three (3) criticisms. One (1) general criticism was written under 215 ILCS 5/224(1)(l) for failure to provide notice to the insured's beneficiary of the availability of interest payment due to delayed claim processing for all the claim files reviewed. A general criticism was written under 50 Ill. Adm. Code 919.70(a)(2) for failure to provide the insured with a reasonable written explanation for delay beyond 45 days. The purpose of this Section of the Administrative Code is to inform claimants with delayed claims that the Illinois Division of Insurance is available to assist consumers. Letters were sent periodically but none contained the required Notice of Availability of the Division of Insurance. None qualified as delay letters because this required notice was absent. One (1) individual criticism was written under 215 ILCS 5/224(1)(l) for an interest underpayment in the amount of \$12.89.

The median for payment was nine (9) days.

###### 2. Denied Individual Life

A review of 13 denied individual life claims produced three (3) general criticisms. A general criticism was written under 50 Ill. Adm. Code 919.50(a)(1) for failure to include Notice of Availability of the Division of Insurance on the denial letters for all of the claim files reviewed. A second general criticism was written under 50 Ill. Adm. Code 919.70(a)(2) for failure to provide the insured with a reasonable written explanation for delay beyond 45 days for all of the claim files reviewed. The purpose of this Section of the Administrative Code is to inform claimants with delayed claims that the Illinois Division of Insurance is available to assist consumers. Letters were sent periodically but none contained the required Notice of Availability of the Division of Insurance. None of the letters qualified as delay letters because this required notice was absent. A third general criticism was written under 215 ILCS 5/224(1)(l) for failure to provide notice to the insured's beneficiary of the availability of interest payment due to delayed claim processing for all of files reviewed.

The median for denial was 25 days.

3. Paid Credit Life

A review of two (2) paid credit life claims produced no criticisms.

The median for payment could not be established.

4. Paid Medicare Supplement

A review of 55 paid Medicare supplement claim files produced no criticisms.

The median for payment was one (1) day.

5. Denied Medicare Supplement

A review of 25 denied Medicare supplement claim files produced one (1) criticism. A general criticism was written under 50 Ill. Adm. Code 919.50(a)(1) for failure to provide the insured with notice of availability of the Division of Insurance on the denial letters.

The median for denial was one (1) day.

6. Annuity Death Settlements

A review of three (3) annuity death settlements claim files produced no criticisms.

The median for payment could not be established.

B. Underwriting

1. Declined Life Applications

A review of 29 declined life applications produced no criticisms.

The median for the declined applications was eight (8) days.

## 2. Replacements

A review of 48 replacement claim files produced three (3) general criticisms. One (1) general criticism was written under 50 Ill. Adm. Code 917.60(b)(1) for failure to obtain the required insurance producer's signature on a Notice Regarding Replacement of Life Insurance or Annuity. A second general criticism was written under 50 Ill. Adm. Code 917.70(c) for failure to provide the buyers guide to the applicant within three (3) working days after receipt of the application for life insurance or annuities. A third general criticism was written under 215 ILCS 5/224(2) for failure to send the replacement notices within three (3) working days of the policy issue.

## C. Non-Forfeiture Analysis

### 1. Life Cash Surrenders

A review of 23 life cash surrendered files produced no criticisms.

The median for processing the surrenders was five (5) days.

### 2. Extended Term Insurance/Reduced Paid-Up (ETI/RPU)

A review of one (1) ETI/RPU file produced one (1) criticism. A general criticism was written under 215 ILCS 5/234.1 for failure to disclose all available options for non-forfeiture to the policy owner. No letter was sent to the policy owner.

The median for enactment could not be established.

## D. Complaints

### 1. Division of Insurance Complaints

A review of four (4) Division of Insurance Complaint files produced no criticisms.

The median for response to the Division of Insurance could not be established.

### 2. Consumer Complaints

A review of two (2) consumer complaint files produced no criticisms.

The median for response to the consumer could not be established.

## E. Policy Forms and Advertising

### 1. Policy Forms

A review of the 16 policy and application forms in use resulted in two (2) individual criticisms. Two (2) policy forms were criticized under 50 Ill. Adm. Code 1405.40(c)(1) for providing an automatic non-forfeiture benefit instead of the required positive elective basis. One (1) application form was criticized under 50 Ill. Adm. Code 1405.30(c) for providing an opt-out only election instead of a specific election of an automatic premium loan provision.

## F. Producer Analysis

### 1. Producer Licensing

A review of 57 producer licenses and 650 associated first year commissions produced no criticisms.

## V. APPENDICES



# STATE OF ILLINOIS



## Department of Financial and Professional Regulation Division of Insurance

STATE OF ILLINOIS }  
COUNTY OF SANGAMON } ss

David Bradbury, being first duly sworn upon his oath, deposes and says:

That he is an examiner employed by the Division of Insurance of the State of Illinois;

That an examination was made of the affairs of Oxford Life Insurance Company of Phoenix, Arizona, a foreign stock company, organized and authorized under the laws of the State of Arizona, pursuant to authority vested in the Warrant issued by the Director of Insurance of the State of Illinois;

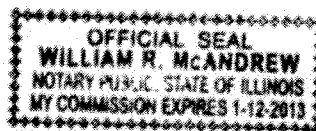
That he was the Examiner-in-Charge of said examination and the attached report of examination is a true and complete report of the activities of the above named company, concerning the claim practices and procedures, rating, underwriting and marketing practices as of March 2, 2009 as determined by the examiners.

  
Examiner-In-Charge

David Bradbury

Subscribed and sworn to before me  
this 29<sup>th</sup> day of May,  
A. D. 2009.

  
Notary Public



This Market Conduct Examination was conducted pursuant to Sections 131.21, 132, 402 and 425 of the Illinois Insurance Code (215 ILCS 5/131.21, 5/132, 5/402 and 5/425). It was conducted in accordance with standard procedures of the Market Conduct Examination Section by duly qualified examiners of the Illinois Division of Insurance.

This report is divided into five parts. They are as follows: Summary, Background, Methodology, Findings and Technical Appendices. All files reviewed were reviewed on the basis of the files' contents at the time of the examination. Unless otherwise noted, all overcharges (underwriting) and/or underpayments (claims) were reimbursed during the course of the examination.

No company, corporation, or individual shall use this report or any statement, excerpt, portion, or section thereof for any advertising, marketing or solicitation purpose. Any company, corporation or individual action contrary to the above shall be deemed a violation of Section 149 of the Illinois Insurance Code (215 ILCS 5/149).

The Examiner-in-Charge was responsible for the conduct of this examination. The Examiner-in-Charge did approve of each criticism contained herein and has sworn to the accuracy of this report.

Scott Richardson, FLMI, ACS, AIE, AIAA  
Acting Assistant Deputy Director  
Market Conduct Examination Section

August 10, 2011

**VIA CERTIFIED MAIL**

Attn: James J. Morris  
Assistant Deputy Director  
Market Conduct and Analysis  
Illinois Division of Insurance  
320 W. Washington  
Springfield, IL 62767-0001

**RE: Oxford Life Insurance Company  
Illinois Market Conduct Examination- Stipulation & Consent Order**

Dear Mr. Morris:

We are in receipt of your request for additional documentation with respect to the numbered paragraphs 4 and 7 confirming that Oxford Life Insurance Company has taken appropriate action to remedy all matters raised by the Stipulation and Consent Order. Attachment #1. The information provided is outlined below:

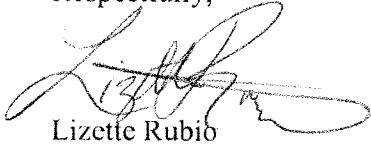
- ◆ **Stipulation and Consent Order # 4.** An example of an actual notice that has been sent to an existing insurer which demonstrates compliance with Illinois Insurance Code 224(2) is enclosed in this letter. Attachment #2
- ◆ **Stipulation and Consent Order # 7.** During the Application Scrubbing the New Business Processor has access to a matrix of the replacement forms (form number RTOC) required by the various states. This matrix lists the various states and designates the forms that are required when an Illinois policy is being replaced (form numbers RN108A and RN108B). The New Business Processor will cross-reference the matrix to ensure that the correct replacement forms have been submitted as well as having all required information completed on the form. Attachment #3

Additionally, please find enclosed two signed copies of the revised Stipulation and Consent Order. Attachment #4

Please find enclosed a check in the amount of eleven thousand dollars (\$11,000) payable to the Director of Insurance, State of Illinois. Attachment #5

If you are in need of any additional information or have any questions on the documents submitted please contact me directly.

Respectfully,

A handwritten signature in black ink, appearing to read 'Lizette Rubio', written over a horizontal line.

Lizette Rubio  
Compliance Associate



Enclosures

# **Attachment # 1**



# Illinois Department of Insurance

PAT QUINN  
Governor

RECEIVED  
OXFORD LIFE INS  
11 JUL 19 AM 11:00

MICHAEL T. McRAITH  
Director

July 14, 2011

Jan M. Riedell  
Director of Compliance  
Oxford Life Insurance Company  
2721 North Central Avenue  
Phoenix AZ 85004

Re: **Market Conduct Examination – Stipulation and Consent Order for Oxford Life Insurance Company**

Dear Ms. Riedell,

This is in response to your 7/12/10 letter on this subject. I had sent you an email with an informal response to your letter on 4/29/11 and indicated that a more formal response would be forthcoming. This letter is that more formal response.

In your letter, you respectfully urged this Department to consider revising the Stipulation and Consent Order to remove the phrase "institute procedures." We have considered your request. Attached is a revised Stipulation and Consent Order which does not contain the phrase "institute procedures". We also made some revisions to the recitals to give more background on the Stipulation and Consent Order. It is possible that you may conclude that the language in the prior version of the Stipulation and Consent Order is preferable to the revised language. If so, returning two signed copies of that version of the Stipulation and Consent Order would be acceptable.

Your letter states that "We ... have taken appropriate action to remedy all matters raised by the Report." I have the following comments on the actions that your letter indicates have been taken:

1. **Stipulation and Consent Order # 1.** The revised letter used to transmit initial claim forms, Attachment 1, does appear to address satisfactorily the requirements of Illinois Insurance Code Section 224(1). However, there appears to be an additional word in the underlined section of the last line of the penultimate paragraph:

"... within fifteen (15) days from the date of receipt of the required information listed above by our the company."

Please submit corrected language or an explanation of why the underlined language is correct.

2. **Stipulation and Consent Order # 2.** Attachment 2 does appear to calculate interest as required by Illinois Insurance Code Section 224(1) and therefore constitutes satisfactory Proof of Compliance.
3. **Stipulation and Consent Order # 3.** Attachment 3 appears to indicate compliance with Stipulation and Consent Order # 3 and therefore constitutes satisfactory Proof of Compliance.
4. **Stipulation and Consent Order # 4.** Your letter directs our attention to Replacement Processing and Notification page 7 (of 7) in Attachment 6. On page 7, paragraph 11 is highlighted. The language in paragraph 11 describes a process and reaches a conclusion. "This letter will furnish the other company with proper notification of the possibility of replacement of their form." We have no objection to this statement. However, please provide an example of an actual notice that has been sent to an existing insurer which demonstrates compliance with Illinois Insurance Code 224(2).
5. **Stipulation and Consent Order # 5.** Attachment 4 appears to be a satisfactory Proof of Compliance with Stipulation and Consent Order # 5 and therefore constitutes satisfactory Proof of Compliance.
6. **Stipulation and Consent Order # 6.** Attachment 5 is satisfactory Proof of Compliance with Stipulation and Consent Order # 6.
7. **Stipulation and Consent Order # 7.** Your letter directs our attention to Replacement Policy and Notification page 2 (of 7). There is highlighted language on the top of this page with three asterisks before and after the language. The language reads:

\*\*\*During the Application Scrubbing, the NB [new business?] Processor will ensure that the correct replacement forms has [sic] been submitted as well as having all required information completed on the form.\*\*\*

This language is not objectionable but states a conclusion. Please direct our attention to the language in instructions to the NB Processor which indicate what are "the correct replacement forms" and "all required information" when an Illinois policy is being replaced.

8. **Stipulation and Consent Order # 8.** Your letter directs our attention to highlighted language on page 8 of 8 in Oxford Life's Policies and Procedures. This is contained in Attachment 6 to your letter. This is satisfactory Proof of Compliance with Stipulation and Consent Order # 8.

In summary, please submit additional documentation with respect to numbered paragraphs 4 and 7 confirming that Oxford Life has "taken appropriate action to remedy all matters raised by the Report."

In addition, please execute and return **two** copies of either the original or revised Stipulation and Consent Order.

Please contact me if you have any questions.

Yours Truly,



James J. Morris  
Assistant Deputy Director  
Market Conduct and Analysis  
Illinois Department of Insurance  
320 West Washington Street  
Springfield IL 62767  
312-833-5582 mobile  
217-557-8463 fax  
[james.j.morris@illinois.gov](mailto:james.j.morris@illinois.gov)



# **Attachment # 2**

# REPLACEMENT FORMS

STATE	FORM NUMBER	STATE	FORM NUMBER
AL - ALABAMA	RN100 use when no agent involved in a solicitation RN100C RN120	MA - MASSACHUSETTS	RN110
AK - ALASKA	RN100 use when no agent involved in a solicitation RN100C RN120	MI - MICHIGAN	RN202 RN202A - Both forms are required
AZ - ARIZONA	RN100	MN - MINNESOTA	RN111
AR - ARKANSAS	RN100 RN103 RN103A - all forms required	MS - MISSISSIPPI	RN100
CA - CALIFORNIA	RN123 use when no agent involved in a solicitation RN100C RN120	MO - MISSOURI	RN112 RN112A - both forms are required
CO - COLORADO	RN100 use when no agent involved in a solicitation RN100C RN120	MT - MONTANA	RN100
CT - CONNECTICUT	RN120	NE - NEBRASKA	RN100 use when no agent involved in a solicitation RN100C RN101
DE - DELAWARE	RN104	NV - NEVADA	RN203 NARCC1 RN100
DC - DIST. COLUMBIA	RN120	NH - NEW HAMPSHIRE	use when no agent involved in a solicitation RN100C RN120
FL - FLORIDA	RN105, RN105B, RN105C Company completes Comparison and mail to applicant RN105A	NJ - NEW JERSEY	RN100 use when no agent involved in a solicitation RN100C RN120
GA - GEORGIA	RN106	NM - NEW MEXICO	RN100 use when no agent involved in a solicitation RN100C RN120
HI - HAWAII	RN121	<del>NY - NEW YORK (NOT LICENSED)</del>	<del>RN100</del>
ID - IDAHO	RN107	NC - NORTH CAROLINA	use when no agent involved in a solicitation RN100C RN101
IL - ILLINOIS	RN108A RN108B - both forms are required	ND - NORTH DAKOTA	RN120
IN - INDIANA	RN109	OH - OHIO	RN100 use when no agent involved in a solicitation RN100C RN101
IA - IOWA	RN100 use when no agent involved in a solicitation RN100C RN101	OK - OKLAHOMA	RN113 RN113A - both forms are required
KS - KANSAS	RN102A - use when policies are written by different companies RN102B - use when policies are written by same companies RN102C - Information only	OR - OREGON	RN100 use when no agent involved in a solicitation RN100C RN101
KY - KENTUCKY	RN100 use when no agent involved in a solicitation RN100C RN120	PA - PENNSYLVANIA	RN114 RN114A Both forms are required
LA - LOUISIANA	RN100 use when no agent involved in a solicitation RN100C RN120	RI - RHODE ISLAND	RN100 use when no agent involved in a solicitation RN100C RN120
ME - MAINE	RN100	SC - SO. CAROLINA	RN101
MD - MARYLAND	RN100 use when no agent involved in a solicitation RN100C RN120	SD - SO. DAKOTA	RN115
		TN - TENNESSEE	RN116
		TX - TEXAS	RN100 use when no agent involved in a solicitation RN100C RN120

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**OXFORD LIFE INSURANCE COMPANY**

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2721 North Central Avenue  
Phoenix, Arizona 85004  
(602) 263-6666 or (800) 308-2318

**NOTICE REGARDING REPLACEMENT OF LIFE INSURANCE OR ANNUITY  
REPLACING YOUR LIFE INSURANCE OR ANNUITY?**

Are you thinking about buying a new life insurance policy or an annuity and discontinuing or changing an existing one? If you are, your decision could be a good one - or a mistake. You will not know for sure unless you make a careful comparison of your existing benefits and the proposed benefits.

Make sure you understand the facts. You should ask the insurance producer or company that sold you your existing policy to give you information about it.

Hear both sides before you decide. This way you can be sure you are making a decision that is in your best interest

We are required by law to notify your existing company that you may be replacing their policy.

Company	Contract Number	Insured

\_\_\_\_\_  
Replacing Agent Signature

\_\_\_\_\_  
Contract Owner Signature

\_\_\_\_\_  
Date Signed

\_\_\_\_\_  
Address

---

**OXFORD LIFE INSURANCE COMPANY**

---

2721 North Central Avenue  
Phoenix, Arizona 85004  
(602) 263-6666 or (800) 308-2318

**NOTICE REGARDING PROPOSED  
REPLACEMENT OF LIFE INSURANCE OR ANNUITY**

Name and Address of Existing Insurer:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

To Whom It May Concern:

You are herewith given notice that we are in receipt of application(s) for life insurance or annuity(ies) for an individual presently insured with your company.

**Identification**

Name of Insured \_\_\_\_\_  
Address \_\_\_\_\_  
Contract Number \_\_\_\_\_  
Contract Number \_\_\_\_\_  
Contract Number \_\_\_\_\_  
Contract Number \_\_\_\_\_

This notice is given pursuant to 50 Illinois Administrative Code 917.70(c)

I also acknowledge that I have received the Life Insurance Buyer's Guide

\_\_\_\_\_  
Proposed Insured's Signature Date

\_\_\_\_\_  
Insurance Producer's Signature Date

# **Attachment # 3**



2721 N. CENTRAL AVENUE • PHOENIX, AZ 85004-1172 • PHONE (866)641-9999 • FAX (602)263-6645 • [www.oxfordlife.com](http://www.oxfordlife.com)

January 21, 2011

Monumental Life Insurance Company  
4333 Edgewood Road N.E.  
Cedar Rapids IA 52499

Policyholder Name: [REDACTED]  
Your Policy Number: [REDACTED]  
Date of Birth: [REDACTED]  
Our Policy Number: [REDACTED]

To Whom It May Concern:

This individual has applied for insurance or an annuity with Oxford Life Insurance Company. The application indicated the applied for insurance or annuity, if issued is intended to replace existing insurance or annuities with your company.

This information is furnished to provide you with notice of the proposed replacement in accordance with state regulation regarding replacement of insurance and annuities.

If you have any questions please do not hesitate to contract us at 1-866-641-9999.

Sincerely,

Policyholder Service Department  
Oxford Life Insurance Company

Enc

OXFORD LIFE INSURANCE COMPANY

2721 North Central Avenue  
Phoenix, Arizona 85004  
(602) 263-6666 or (800) 308-2318

NOTICE REGARDING REPLACEMENT OF LIFE INSURANCE OR ANNUITY  
REPLACING YOUR LIFE INSURANCE OR ANNUITY?

Are you thinking about buying a new life insurance policy or an annuity and discontinuing or changing an existing one? If you are, your decision could be a good one - or a mistake. You will not know for sure unless you make a careful comparison of your existing benefits and the proposed benefits.

Make sure you understand the facts. You should ask the insurance producer or company that sold you your existing policy to give you information about it.

Hear both sides before you decide. This way you can be sure you are making a decision that is in your best interest.

We are required by law to notify your existing company that you may be replacing their policy.

Company	Contract Number	Insured
Monumental Life	[REDACTED]	[REDACTED]

This notice is given pursuant to 50 Illinois Administrative Code 917.70(c)

I also acknowledge that I have received the Life Insurance Buyer's Guide

[REDACTED]  
Proposed Insured's Signature

*[Signature]*  
Insurance Producer's Signature

1/13/11  
Date Signed

1/13/11  
Date Signed

[REDACTED]  
Address

[REDACTED]  
Address

OXFORD LIFE INSURANCE COMPANY

2721 North Central Avenue  
Phoenix, Arizona 85004  
(602) 263-6666 or (800) 308-2318

NOTICE REGARDING PROPOSED  
REPLACEMENT OF LIFE INSURANCE OR ANNUITY

Name and Address of Existing Insurer:

*Monumental Life*  
*4333 Edgewood Road NE*  
*Cedar Rapids, IA, 52499*

To Whom It May Concern:

You are herewith given notice that we are in receipt of application(s) for life insurance or annuity(ies) for an individual presently insured with your company.

Identification

Name of Insured \_\_\_\_\_  
Address \_\_\_\_\_  
Contract Number \_\_\_\_\_  
Contract Number \_\_\_\_\_  
Contract Number \_\_\_\_\_  
Contract Number \_\_\_\_\_

This notice is given pursuant to 50 Illinois Administrative Code 917.70(c)

I also acknowledge that I have received the Life Insurance Buyer's Guide

\_\_\_\_\_  
Proposed Insured's Signature  
*[Signature]*  
Insurance Producer's Signature  
\_\_\_\_\_  
Date *1/13/11*  
Date *1/13/11*





LIFE INSURANCE COMPANY

Home Office:
2721 North Central Avenue
Phoenix, Arizona 85004-1172
(866) 641-9999

STATEMENT OF POLICY COST AND BENEFIT INFORMATION

POLICY NUMBER: [REDACTED] PLAN: Assurance Whole Life
FACE AMOUNT: \$10,000 OWNER: [REDACTED]
INSURED: [REDACTED] AGENT: [REDACTED]
ISSUE AGE: 59 ADDRESS: Midwest Ins Group of IL Inc
SEX: Male 10765 West 163rd Place
RATING CLASS: Standard DATE: 2/04/2011

Inquiries regarding this policy should be directed to your agent or to our Home Office.

PROJECTED POLICY VALUES

Table with 5 columns: AGE, POLICY YEAR, PREMIUM, END OF YEAR CASH VALUES, BEGINNING OF YEAR DEATH BENEFIT\*. Rows show values from age 60 to 121.

\* If the Insured commits suicide within two years from the Policy Date, while sane or insane, the Death Benefit will be limited to the premiums paid less any indebtedness.

Table with 3 columns: BASIC POLICY, END OF YEAR, SURRENDER COST INDEX, NET PAYMENT INDEX. Rows for years 10 and 20.

The indices are useful for the comparison of the relative costs of two or more similar policies. Such index does not necessarily define true cost but is presented as a means of comparison.

The life insurance interest adjusted surrender cost index is the average annual premium minus the average annual yearly cash value increase for the period, all adjusted for interest.

The effective policy loan percentage interest rate is 7.4%, payable in advance.

This is a non-participating policy. No dividends are payable under this policy.

01-001

**OXFORD LIFE INSURANCE COMPANY**  
2721 NORTH CENTRAL AVENUE  
PHOENIX, AZ 85004-1172  
(866) 641-9999  
www.oxfordlife.com

**POLICY TRANSMITTAL  
AND DELIVERY  
REQUIREMENTS  
NOTICE**

Writing Agent:	[REDACTED]	OA8617
Date:	1/21/11	/
Owner(s):	[REDACTED]	
Policy/Contract No.:	[REDACTED]	/
Annuitant/Insured:	[REDACTED]	

RECEIVED  
OXFORD LIFE INS  
11 FEB - 11  
AM 10:04

**DELIVERY INSTRUCTIONS:**

Delivery Receipt

C.O.D.

Statement of Health and Insurability

Refund Check Enclosed: \$ \_\_\_\_\_

Policy Amendment(s) to be signed: \_\_\_\_\_

Authorization Agreement for Automatic Deposits to be signed (ACH)

Voided Check to be returned

Other \_\_\_\_\_

NOTE: Delivery period is 30 days. Please return contract if unable to deliver this policy within this time.

**DELIVERY RECEIPT**

I have discussed my financial needs and goals with my agent and am satisfied that this product is appropriate for me. I have also received a Buyer's Guide to assist me in making my decision. I understand the features, benefits, terms and conditions of this policy, and the agent has answered all of my questions.

I understand that I have 30 days to review this policy. During those 30 days, if I have any questions, I will contact my agent for additional information. If I am still not satisfied that this product meets my needs, I may return it to the agent or the Company and receive a full refund of my premium.

I acknowledge that I have read this delivery receipt, and have received my policy.

Date 1-31-11

[REDACTED SIGNATURE]  
Owner

[REDACTED SIGNATURE]  
Agent

Joint Owner

# **Attachment # 4**



# Illinois Department of Insurance

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PAT QUINN  
Governor

ANDREW R. STOLFI  
Acting Director

December 8, 2011

Lizette Rubio  
Compliance Associate  
Oxford Life Insurance Company  
2721 North Central Avenue  
Phoenix, Arizona 85004

Re: ***Oxford Life Insurance Company  
Illinois Market Conduct Examination  
Stipulation and Consent Order***

Dear Ms. Rubio,

I have reviewed your letter of August 10, 2011. Attached to your letter were a "Notice Regarding Replacement of Life Insurance" and a "Policy Transmittal and Delivery Requirements" form. These are satisfactory proof of compliance with Order # 4 in the Stipulation & Consent Order. The Replacement Forms Matrix, (form # RTOC), and forms RN108A and Rn108B are satisfactory proof of compliance with Order # 7 in the Stipulation & Consent Order.

Also attached to your August 10, 2011 letter were two copies of a Stipulation and Consent Order which had been executed on behalf of Oxford Life Insurance Company. The signature line for execution by this Department had been prepared for execution by Jack Messmore who was Acting Director of Insurance at that time. Mr. Messmore retired before executing the Stipulation & Consent Order.

Andrew Stolfi is now Acting Director of Insurance. Attached are two copies of the Stipulation and Consent Order on which Mr. Messmore's name has been replaced by Mr. Stolfi's. Except for the correction of a typographical error (separating the seventh and eighth recitals), no other changes have been made to the Stipulation and Consent Order. Could you have both copies executed on behalf of Oxford Life Insurance and return them to me. I will request that Mr. Stolfi execute both copies on behalf of this Department. I will then return one copy to you for your files.

I apologize for any inconvenience resulting from this request. I can confirm that Oxford Life Insurance Company has already satisfied the requirements on Orders # 12 and 13 and that no further action is required by Oxford Life in connection with Orders # 12 and 13.

Please contact me if you have any questions.

Yours Truly,



James J. Morris  
Assistant Deputy Director  
Market Conduct and Analysis  
Illinois Department of Insurance  
320 West Washington Street  
Springfield IL 62767  
312-833-5582 mobile  
217-557-8494 fax  
james.j.morris@illinois.gov



STATE OF ILLINOIS  
DEPARTMENT OF INSURANCE



IN THE MATTER OF:

OXFORD LIFE INSURANCE COMPANY  
2721 NORTH CENTRAL AVENUE  
PHOENIX, ARIZONA 85004

STIPULATION AND CONSENT ORDER

WHEREAS, the Director (Director) of the Illinois Department of Insurance (Department) is a duly authorized and appointed official of the State of Illinois, having authority and responsibility for the enforcement of the insurance laws of this State; and

WHEREAS, Oxford Life Insurance Company (Company) (NAIC # 76112) is authorized under the insurance laws of this State and by the Director as a foreign stock company, to engage in the business of soliciting, selling and issuing insurance policies; and

WHEREAS, a Market Conduct Examination of the Company was conducted by duly qualified examiners of the Department pursuant to Sections 131.21, 132, 401, 402 and 425 of the Illinois Insurance Code (215 ILCS 5/131.21, 5/132, 5/401, 5/402 and 5/425); and

WHEREAS, the Department examiners have filed an examination report as an official document of the Department as a result of the Market Conduct Examination; and

WHEREAS, said examination report indicated that the Company was not in compliance with certain provisions of the Illinois Insurance Code (215 ILCS 5/1 *et seq.*) and Insurance Department Regulations (50 Ill. Adm. Code 101 *et seq.*) specifically 215 ILCS 5/224(1) and (2), Title 50 Ill. Adm. Code 919.70, Title 50 Ill. Adm. Code 919.50(a)(1), Title 50 Ill. Adm. Code 917.60(b)(1), 215 ILCS 5/234.1, Title 50 Ill. Adm. Code 1405.40(c)(1) and Title 50 Ill. Adm. Code 1405.30(c); and

WHEREAS the Company does not admit that it was not in compliance with any provisions of the Illinois Insurance Code or Insurance Department Regulations, and has, since receiving a copy of the examination report, provided documentation indicating that its current procedures, which may not have been the procedures in effect at the time of the examination, comply with the cited provisions of the Insurance Code and Insurance Department Regulations, and

WHEREAS, nothing herein contained, nor any action taken by the Company in connection with this Stipulation and Consent Order, shall constitute, or be construed as, an admission of fault, liability or wrongdoing of any kind whatsoever by the Company.

WHEREAS, the Company is aware of and understands its various rights in connection with the examination and report, including the right to counsel, notice, hearing and appeal under Sections 132, 401, 402, 407 and 407.2 of the Illinois Insurance Code and 50 Ill. Adm. Code 2402; and

WHEREAS, the Company understands and agrees that by entering into this Stipulation and Consent Order, it waives any and all rights to notice and hearing; and

WHEREAS, the Company and the Director, for the purpose of resolving all matters raised by the report and in order to avoid any further administrative action, hereby enter into this Stipulation and Consent Order.

NOW, THEREFORE, IT IS agreed by and between the Company and the Director as follows:

1. That the Market Conduct Examination indicated various areas in which the Company was not in compliance with provisions of the Illinois Insurance Code and/or Department Regulations; and
2. That the Director and the Company consent to this order requiring the Company to take certain actions to come into compliance with provisions of the Illinois Insurance Code and/or Department Regulations.

THEREFORE, IT IS HEREBY ORDERED by the undersigned Director that the Company shall:

1. Maintain procedures whereby the Company notifies the insured's beneficiary of the availability of interest due to delayed claim processing on life claims in accordance with 215 ILCS 5/224(1)(1).
2. Maintain procedures whereby the Company makes payment of interest to the insured's beneficiary due to delayed claim processing on life claims in accordance with 215 ILCS 5/224(1)(1).
3. The Company should make payment of the additional interest due in accordance with 215 ILCS 5/224(1)(1) for the following criticism.

MH 04 00

\$12.89

4. Maintain procedures whereby the Company sends the required notice of replacement of life insurance notice to the existing insurer within three (3) working days in accordance with 215 ILCS 5/224(2).
5. Maintain procedures to provide the insured with a reasonable explanation for delay beyond 45 days in accordance with 50 Ill. Adm. Code 919.70 that includes the Notice of Availability of the Department of Insurance.



6. Maintain procedures to provide the insured with the Notice of Availability of the Department of Insurance on claim denial letters in accordance with 50 Ill. Adm. Code 919.50(a)(1).
7. Maintain procedures to obtain the required insurance producers signature on Notices Regarding Replacement of Life Insurance or Annuity in accordance with 50 Ill. Adm. Code 917.60(b)(1).
8. Maintain procedures to assure that any applicant for life insurance is furnished by the Company with a copy of the Buyer's Guide pursuant to and in accordance with 50 Ill. Adm. Code 930.50 and 50 Ill. Adm. Code 917.70.
9. Maintain procedures whereby the Company provides the other available options for non-forfeiture in the notice to the policy owner in accordance with 215 ILCS 5/234.1.
10. Maintain procedures to discontinue providing an automatic non-forfeiture benefit instead of a positive elective basis option for automatic premium loans in accordance with 50 Ill. Adm. Code 1405.40(c)(1).
11. Maintain procedures to discontinue providing an opt-out only election instead of a specific election of an automatic premium loan provision for automatic premium loans in accordance with 50 Ill. Adm. Code 1405.30(c).
12. Submit to the Director of Insurance, State of Illinois, Proof of Compliance with the above 11 Orders within 30 days of the execution of these Orders.
13. Pay to the Director of Insurance, State of Illinois, a civil forfeiture in the amount of \$11,000 to be paid within 30 days of the execution of these Orders.

NOTHING contained herein shall prohibit the Director from taking any and all appropriate regulatory action as set forth in the Illinois Insurance Code, including but not limited to levying additional forfeitures, should the Company violate any of the provisions of this Stipulation and Consent order or any provisions of the Illinois Insurance Code or Department Regulations.

On behalf of Oxford Life Insurance Company:

*Jan Riedell*  
Signature  
Jan M Riedell  
Name  
Secretary  
Title

Subscribed and sworn to before me this  
8th day of December 2011.

*D Patrick O'Hara*  
Notary Public



DEPARTMENT OF INSURANCE of the  
State of Illinois;

DATE 12/23/2011

*Andrew R Stolfi*  
Andrew R Stolfi  
Acting Director



# Illinois Department of Insurance

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PAT QUINN  
Governor

ROBERT E. WAGNER  
Acting Director

January 11, 2012

Lizette Rubio  
Compliance Associate  
Oxford Life Insurance Company  
2721 North Central Avenue  
Phoenix, Arizona 85004

Re: ***Oxford Life Insurance Company  
Illinois Market Conduct Examination  
Stipulation and Consent Order***

Dear Ms. Rubio,

Attached for your records is an original Stipulation and Consent Order which has been executed on behalf of both your Company and this Department.

This Department will be closing its file on this examination. Please contact me if you have any questions.

Yours Truly,

James J. Morris  
Assistant Deputy Director  
Market Conduct and Analysis  
Illinois Department of Insurance  
320 West Washington Street  
Springfield IL 62767  
312-833-5582 mobile  
217-557-8494 fax  
[james.j.morris@illinois.gov](mailto:james.j.morris@illinois.gov)