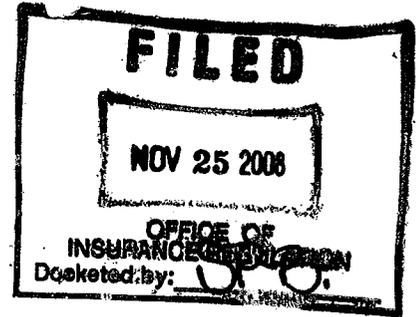




OFFICE OF INSURANCE REGULATION

KEVIN M. McCARTY
COMMISSIONER



IN THE MATTER OF:

CASE NO: 93119-07-CO

AMERICAN GENERAL LIFE
INSURANCE COMPANY

CONSENT ORDER

THIS CAUSE came on for consideration upon the agreement between AMERICAN GENERAL LIFE INSURANCE COMPANY (hereinafter referred to as "AMERICAN GENERAL") and the OFFICE OF INSURANCE REGULATION (hereinafter referred to as the "OFFICE"). Following a complete review of the entire record, and upon consideration thereof, and being otherwise fully advised in the premises, the COMMISSIONER OF THE OFFICE OF INSURANCE REGULATION hereby finds as follows:

1. The OFFICE has jurisdiction over the subject matter of, and parties to, this proceeding.
2. AMERICAN GENERAL is a foreign insurer authorized to transact insurance business in Florida and is subject to the jurisdiction and regulation of the OFFICE pursuant to the Florida Insurance Code.
3. In 2005, the OFFICE received a complaint from a consumer concerning AMERICAN GENERAL and their denial of the consumer's application for additional life insurance based on the consumer's future travel plans.

4. In 2006, the Florida Legislature, passed the Freedom to Travel Act which was codified in Section 626.9541(1)(dd), Florida Statutes.

5. Section 626.9541(1)(dd), Florida Statutes provides in part that unless actuarially supported and demonstrated to the OFFICE, an insurer may not refuse life insurance to; refuse to continue the life insurance of; or limit the amount, extent, or kind of life insurance coverage available to an individual based solely on the individual's future lawful travel plans.

6. The OFFICE conducted a Target Market Conduct Examination of AMERICAN GENERAL pursuant to Section 624.3161, Florida Statutes, in January and February 2007.

7. The OFFICE conducted a Follow up Target Market Conduct Examination of AMERICAN GENERAL which began November 5, 2007 and ended January 11, 2008.

8. As a result of the complaint and examinations, the OFFICE' filed an Administrative Complaint against AMERICAN GENERAL on March 19, 2008.

9. AMERICAN GENERAL timely filed a petition challenging the OFFICE's Administrative Complaint.

10. AMERICAN GENERAL has taken the following steps to address areas of concern regarding its business practice regarding a Floridian's freedom to travel:

(a) In 2007, AMERICAN GENERAL removed questions regarding foreign travel from its Florida application for life insurance.

(b) AMERICAN GENERAL, in 2008, created an underwriting unit that handles applications only from Florida and Georgia.

(c) AMERICAN GENERAL required that each underwriter acknowledge that he or she understands and will comply with the company's guidelines to not consider foreign travel in the evaluation of Florida applications.

11. AMERICAN GENERAL does not admit that any alleged violation of the Florida Freedom to Travel Act was willful or the result of company policy.

12. In order to avoid costly and protracted litigation, the OFFICE and AMERICAN GENERAL agree that upon the execution of this Consent Order, AMERICAN GENERAL shall be subject to the following terms and conditions:

(a) AMERICAN GENERAL shall pay a penalty of Two Hundred Fifty Thousand Dollars (\$250,000) and administrative costs of Ten Thousand Dollars (\$10,000) on or before the 30th day after this Consent Order is executed.

(b) AMERICAN GENERAL shall comply with the following corrective actions:

(i) AMERICAN GENERAL shall provide notice to known Florida consumers negatively affected by AMERICAN GENERAL's foreign travel underwriting violations in relationship to the Florida Freedom to Travel Act and offer to reconsider the consumer's application for coverage and where appropriate to provide the consumer with the coverage originally requested. The notice and offer of coverage do not need to be made: (a) if the applicant's underwriting file contains information unrelated to travel that would have resulted in a denial of coverage, an alternative rate, or an alternative level of coverage, and, as appropriately applicable the coverage was denied, or the alternative rate or level of coverage was offered, or (b) through earlier remediation efforts AMERICAN GENERAL had previously offered the coverage originally requested;

(ii) AMERICAN GENERAL shall immediately implement internal written standards of conduct related to compliance with the Freedom to Travel provisions of the Unfair Trade Practices Act, Section 626.9541, Florida Statutes;

(iii) AMERICAN GENERAL shall implement annual training regarding the Freedom to Travel provisions of the Unfair Trade Practices Act, Section 626.9541, Florida Statutes, for relevant management and staff members of the underwriting department processing Florida applications;

(iv) AMERICAN GENERAL shall for the years 2008, 2009, and 2010, provide a certification to the OFFICE, signed by an officer of the company, that the required training has taken place;

(v) AMERICAN GENERAL shall establish, if one is not currently in existence, a compliance office that shall provide a quarterly report to the OFFICE of all transactions with Florida consumers, along with certification signed by a company officer that AMERICAN GENERAL is in compliance with the Freedom to Travel provisions of the Unfair Trade Practices Act, Section 626.9541, Florida Statutes;

(vi) AMERICAN GENERAL shall, if necessary, immediately modify its underwriting guidelines in order to be in compliance with the Freedom to Travel provisions of the Unfair Trade Practices Act, Section 626.9541, Florida Statutes;

(vii) AMERICAN GENERAL shall incorporate into its underwriting guidelines, if it has not already done so, a written procedure for enforcing compliance by management and staff processing Florida applications of the modified underwriting guidelines. This written procedure shall provide consequences for management and staff who fail to comply with the guidelines.

(viii) AMERICAN GENERAL shall be subject to an examination by the OFFICE, the scope of which shall include but not be limited to the above-mentioned requirements. AMERICAN GENERAL shall fully cooperate with the examination, including

making available to the OFFICE any officers and employees that the OFFICE may wish to interview.

(c) AMERICAN GENERAL shall, within 30 days of the execution of this Consent Order, provide to the OFFICE certification signed by an officer of the Company that all of the above-mentioned corrective actions have been completed.

(d) AMERICAN GENERAL is hereby placed on notice of the requirements of the above referenced sections of law and agrees that any future violations of these sections by AMERICAN GENERAL may subject AMERICAN GENERAL to appropriate penalties.

(e) AMERICAN GENERAL shall henceforth comply with all of the provisions of the Florida Insurance Code and the Florida Administrative Code.

(f) This Consent Order resolves any and all issues related to AMERICAN GENERAL and Florida's Freedom to Travel Act or other provisions related to the underwriting consideration of travel through January 11, 2008.

13. AMERICAN GENERAL expressly waives a hearing in this matter, the making of Findings of Fact and Conclusions of Law by the OFFICE, and all further and other proceedings herein to which the parties may be entitled by law. AMERICAN GENERAL hereby knowingly and voluntarily waives all rights to challenge or to contest this Consent Order, in any forum, including the right to any administrative proceeding, circuit or federal court action, or any appeal.

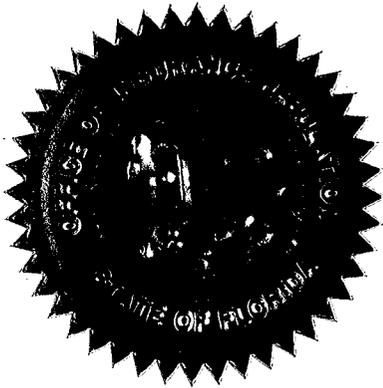
14. AMERICAN GENERAL agrees that the failure to adhere to one or more of the above terms and conditions of this Consent Order shall constitute a violation of a lawful order of the OFFICE, and shall subject AMERICAN GENERAL to such administrative action as the OFFICE may deem appropriate.

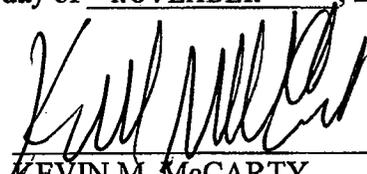
15. Except as noted above, each party to this action shall bear its own costs and attorney's fees.

THEREFORE, the agreement between AMERICAN GENERAL and the OFFICE, the terms and conditions of which are set forth above, is APPROVED.

FURTHER, all terms and conditions contained herein are hereby ORDERED.

DONE AND ORDERED this 25th day of NOVEMBER, 2008.





KEVIN M. McCARTY
Commissioner
Office of Insurance Regulation

By execution hereof, AMERICAN GENERAL LIFE INSURANCE COMPANY consents to entry of this Order, agrees without reservation to all of the above terms and conditions, and shall be bound by all provisions therein. The undersigned represents that he or she has the authority to bind AMERICAN GENERAL LIFE INSURANCE COMPANY to the terms and conditions of this Consent Order.

AMERICAN GENERAL LIFE
INSURANCE COMPANY

By: Richard A. Hollar

[Corporate Seal]

Print Name: Richard A. Hollar

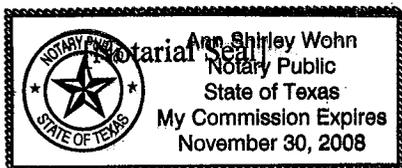
Title: President and Chief Executive Officer

Date: November 6, 2008

STATE OF Texas

COUNTY OF Harris

The foregoing instrument was acknowledged before me this 6th day of November 2008, by Richard A. Hollar, who is personally known to me, ~~or has produced the following identification~~



Ann Shirley Wahn
Signature of Notary

Ann Shirley Wahn
Print or Type Name

My Commission Expires:
11/30/08

COPIES FURNISHED TO:

MATTHEW WINTER, President
American General Life Insurance Company
2727-A Allen Parkway
Houston, Texas 77019

ED KUTTER, Esq.
Akerman Senterfitt
106 East College Avenue, Suite 1200
P.O. Box 1877
Tallahassee, FL 32302-1877

J. RILEY DAVIS, Esq.
Akerman Senterfitt
106 East College Avenue, Suite 1200
P.O. Box 1877
Tallahassee, FL 32302-1877

JIM BENNETT, Director
Market Investigations
Office of Insurance Regulation
200 E. Gaines Street, Room 216E
Tallahassee, FL 32399-4210

CHRISTOPHER MEADOWS
Assistant General Counsel
Legal Services Office
Office of Insurance Regulation
200 E. Gaines Street, Room 645-A-1
Tallahassee, FL 32399-4206