



THE STATE OF FLORIDA

OFFICE OF INSURANCE REGULATION MARKET INVESTIGATIONS

TARGET MARKET CONDUCT FINAL EXAMINATION REPORT

OF

AMERICAN GENERAL LIFE AND ACCIDENT COMPANY

AS OF

NOVEMBER 30, 2007

NAIC COMPANY CODE: 66672

NAIC GROUP CODE: 0012

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PURPOSE AND SCOPE OF EXAMINATION

Under authorization of the Financial Services Commission, Office of Insurance Regulation (Office), Market Investigations, pursuant to Section 624.3161, Florida Statutes, a target market conduct examination of American General Life and Accident Insurance Company was performed by Examination Resources, LLC., the contract examiner for the Office. The scope of this examination was July 1, 2006 through September 30, 2007. The examination began November 5, 2007 and ended on November 30, 2007.

The purpose of this examination was to verify the Company's compliance with the Freedom to Travel Act; Section 626.9541(1)(dd), Florida Statutes and Rule 69O-125.003, Florida Administrative Code. The examination included the following procedures:

- Review of the Company's procedures regarding declining, limiting, or canceling policies based on the applicant's or insured's past or future lawful travel plans outside the United States.
- Review of all applications denied or issued in a manner different than applied for during the exam period to verify the Company is complying with the Freedom to Travel Act; Section 626.9541(1)(dd), Florida Statutes and Rule 69O-125.003, Florida Administrative Code.

This Final Report is based upon information from the examiner's draft report, additional research conducted by the Office, and additional information provided by the Company. Procedures and conduct of the examination were in accordance with the Market Regulation Handbook produced by the National Association of Insurance Commissioners.

COMPANY OPERATIONS

American General Life and Accident Insurance Company is a foreign insurer licensed to conduct business in the State of Florida. The Company provides life insurance coverage in the State of Florida.

Total Direct Premiums Written in Florida for life insurance was as follows:

Year	Total Written Life Premium In Florida (Per Schedule T of the Financial Statement)
2006	\$95,417,281
2007*	\$64,072,674

*As of September 30, 2007

FOREIGN TRAVEL PROCEDURES REVIEW

Company Procedures Review

The Company indicated that there were four (4) forms utilized by the Company that included travel related questions for Florida life insurance business. The specific forms and the Company's actions related to those forms are detailed below:

- 1) AGLA 2181N – Foreign Travel and Residence Questionnaire is no longer used for Florida applications.
- 2) AGLA1000-1L-FL (0205) has now been replaced with AGLA1000-1L-FL REV0106, which does not contain the travel question.
- 3) AGLA 5000E2 REV 1102 has now been replaced with AGLA 5000E2 REV 0305, which does not contain the travel question.
- 4) AGLA1000-MP-FL (0305) has been resubmitted, minus the travel question, to Florida for approval, but has not yet been approved by the Department

Policy Review

There were 3,814 life applications received during the examination period, of which 1,569 applications were issued in a manner different than applied for, denied, refused by applicant, or canceled.

All 1,569 applications issued in a manner different than applied for, denied, refused by applicant, or canceled were reviewed to determine that the Company was in compliance with the Freedom to Travel Act; Section 626.9541(1)(dd), Florida Statutes and Rule 69O-125.003, Florida Administrative Code.

The examiner determined that none of the applications reviewed were declined, refused to continue, or limited based on the applicant's past or future lawful foreign travel plans.

REPORT SUMMARIZATION

A review was made of the Company's travel policy with respect to the application process for life insurance, in addition to 1,569 application files. No errors were found. The following represents general findings, specific details are found in each section of the report.

Application Files Reviewed

- Applications – 1,569 files

Findings

- Application Review – No errors were found.

EXAMINATION FINAL REPORT

The Office hereby issues this report as the Final Report, which is based upon information from the examiner's draft report, additional research conducted by the Office, and additional information provided by the Company.