



OFFICE OF INSURANCE REGULATION

KEVIN M. McCARTY  
COMMISSIONER

IN THE MATTER OF:

CASE NO. : 89443-07

AMERICAN GENERAL LIFE & ACCIDENT  
INSURANCE COMPANY

**FILED**

**FEB 28 2007**

ORDER

To: James A. Mallon, President & CEO  
American General Life & Accident Insurance Company  
American General Center  
Nashville, Tennessee 37250-0001

Dictated by DOM

**YOU ARE HEREBY NOTIFIED** that pursuant to the provisions of Section 624.307, Florida Statutes, the **OFFICE OF INSURANCE REGULATION**, (hereinafter referred to as the "**OFFICE**"), has conducted a market conduct investigation of your activities as an authorized insurer in this State and as a result it has been found that:

1. The Commissioner of the Office of Insurance Regulation, as head of the **OFFICE**, has jurisdiction over the subject matter of, and parties to, this proceeding.

2. **AMERICAN GENERAL LIFE & ACCIDENT INSURANCE COMPANY** (hereinafter referred to as "**AMERICAN GENERAL**") is a foreign property and casualty 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. Section 626.9541(1)(dd), Florida Statutes provides that an insurer may not refuse life insurance coverage to an individual based solely on the individual's future lawful travel plans unless the insurer can demonstrate to the **OFFICE** that individuals who travel are a separate actuarially supportable class whose risk of loss is different from those individuals who do not travel, and that such risk

classification is based upon sound actuarial principles and actual or reasonably anticipated experience that correlates to the risk of travel to a specific destination.

4. **AMERICAN GENERAL** has made no showing to the **OFFICE** demonstrating that individuals who travel are a separate actuarially supportable class whose risk of loss is different from those individuals who do not travel.

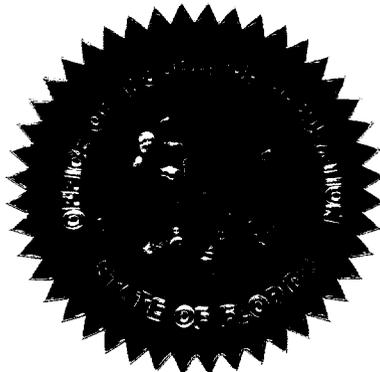
5. **AMERICAN GENERAL** has violated the provisions of Section 626.9541(1)(dd), Florida Statutes by refusing to issue life insurance coverage to one (1) individual based solely on that individual's future lawful travel plans.

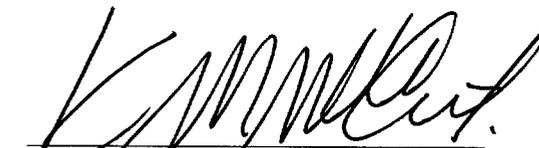
6. **AMERICAN GENERAL** shall cease and desist from violating the provisions of Section 626.9541(1)(dd), Florida Statutes including refusing to issue life insurance; refusing to continue life insurance coverage; or limiting the amount, extent, or kind of life insurance coverage available to an individual based solely on the individual's past or future lawful foreign travel.

7. **AMERICAN GENERAL** is hereby placed on notice that future violations of the above referenced section of law will be deemed willful by the **OFFICE**, subjecting **AMERICAN GENERAL** to appropriate penalties.

8. **IT IS THEREFORE ORDERED** that **AMERICAN GENERAL** shall pay a penalty of \$7,500.00 on or before the 30th day after this Order is issued.

**DONE AND ORDERED** this 28 day of February, 2007.



  
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KEVIN M. McCARTY  
Commissioner  
Office of Insurance Regulation

### NOTICE OF RIGHTS

Pursuant to Sections 120.569 and 120.57, Florida Statutes and Rule Chapters 28-106 and 28-107, Florida Administrative Code (F.A.C.), you have a right to request a proceeding to contest this action by the Office of Insurance Regulation (hereinafter the "Office"). You may request a proceeding by filing a Petition. Your Petition for a proceeding must be in writing and must be filed with the General Counsel acting as the Agency Clerk, Office of Insurance Regulation. If served by U.S. Mail the Petition should be addressed to the Florida Office of Insurance Regulation at 612 Larson Building, Tallahassee, Florida 32399-4206. If Express Mail or hand-delivery is utilized, the Petition should be delivered to 612 Larson Building, 200 East Gaines Street, Tallahassee, Florida 32399-0300. The written Petition must be received by, and filed in the Office no later than 5:00 p.m. on the twenty-first (21) day after your receipt of this notice. Unless your Petition challenging this action is received by the Office within twenty-one (21) days from the date of the receipt of this notice, the right to a proceeding shall be deemed waived. Mailing the response on the twenty-first day will not preserve your right to a hearing.

If a proceeding is requested and there is no dispute of material fact the provisions of Section 120.57(2), Florida Statutes would apply. In this regard you may submit oral or written evidence in opposition to the action taken by this agency or a written statement challenging the grounds upon which the agency has relied. While a hearing is normally not required in the absence of a dispute of fact, if you feel that a hearing is necessary one will be conducted in Tallahassee, Florida or by telephonic conference call upon your request.

If you dispute material facts which are the basis for this agency's action you may request a formal adversarial proceeding pursuant to Sections 120.569 and 120.57(1), Florida Statutes. If you request this type of proceeding, the request must comply with all of the requirements of Rule Chapter 28-106.201, F.A.C., must demonstrate that your substantial interests have been affected by this agency's action, and contain:

- a) A statement of all disputed issues of material fact. If there are none, the petition must so indicate;
- b) A concise statement of the ultimate facts alleged, including the specific facts the petitioner contends warrant reversal or modification of the agency's proposed action;
- c) A statement of the specific rules or statutes the petitioner contends require reversal or modification of the agency's proposed action; and
- d) A statement of the relief sought by the petitioner, stating precisely the action petitioner wishes the agency to take with respect to the agency's proposed action.

These proceedings are held before a State hearing officer of the Division of Administrative Hearings. Unless the majority of witnesses are located elsewhere the Office will request that the hearing be conducted in Tallahassee.

In some instances you may have additional statutory rights than the ones described herein.

Failure to follow the procedure outlined with regard to your response to this notice may result in the request being denied. Any request for administrative proceeding received prior to the date of this notice shall be deemed abandoned unless timely renewed in compliance with the guidelines as set out above.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Order and Notice of Rights has been furnished by Certified Mail to: James A. Mallon, President & CEO, American General Life & Accident Insurance Company, American General Center, Nashville, Tennessee 37250-0001 on this 28<sup>th</sup> day of February, 2007.



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Jim L. Bennett  
Assistant General Counsel  
Office of Insurance Regulation  
Legal Services Office  
200 East Gaines Street  
Tallahassee, Florida 32399-4206  
Phone: (850) 413-4170  
Fax: (850) 922-2543



OFFICE OF INSURANCE REGULATION

KEVIN M. McCARTY  
COMMISSIONER

FINANCIAL SERVICES  
COMMISSION

CHARLIE CRIST  
GOVERNOR

ALEX SINK  
CHIEF FINANCIAL OFFICER

BILL MCCOLLUM  
ATTORNEY GENERAL

CHARLES BRONSON  
COMMISSIONER OF  
AGRICULTURE

**INVOICE**

*ADMINISTRATIVE PENALTY IMPOSED BY ORDER*

In order to ensure that your payment is received and properly credited, please make your check payable to the Florida Department of Financial Services and **return this invoice with your payment** to:

Department of Financial Services  
Revenue Processing Section  
P.O. Box 6100  
Tallahassee, Florida 32314-6100

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REFERENCE

NAME: American General Life & Accident Insurance Company  
ADDRESS: American General Center  
CITY, STATE, ZIP: Nashville, TN 37250-0001  
FEID: 62-0306330  
NAIC COCODE: 66672  
EXAM YR END: 2007  
CASE #: 89443-07  
ATTORNEY: Jim Bennett  
SOURCE: Market Conduct Examination #7368

***Fine Due: \$ 7,500***  
***Costs Due: \$ 1,000***  
***Total Amount Due: \$ 8,500***

***Amount Remitted:***

OFFICIAL USE ONLY - PLEASE DO NOT MARK BELOW THIS LINE]

<u>B/T</u>	<u>T/C</u>	<u>F/T</u>	<u>AMOUNT</u>
C	1105	J	\$ 7,500
C	1249	J+	\$ 1,000