



FILED

APR 16 2009

OFFICE OF INSURANCE REGULATION

KEVIN M. McCARTY  
COMMISSIONER

Docketed by: DPM

IN THE MATTER OF:

CASE NO.: 96517-08

**USAA LIFE INSURANCE COMPANY**  
2007 Market Conduct Examination

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**CONSENT ORDER**

THIS CAUSE came on for consideration upon the agreement between USAA LIFE INSURANCE COMPANY (hereinafter referred to as "USAA") 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 OFFICE hereby finds as follows:

1. The OFFICE has jurisdiction over the subject matter of, and parties to this proceeding.
2. USAA 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 and Florida Administrative Code.
3. The OFFICE conducted a target market conduct examination of USAA pursuant to Section 624.3161, Florida Statutes. As a result of such target market conduct examination, the OFFICE determined that USAA violated the following provisions of the Florida Insurance Code and Florida Administrative Code:

a. Section 626.9541(1)(dd), Florida Statutes – 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 past or future lawful foreign travel plans.

b. Rule 69O-125.003(1), Florida Administrative Code – Refusal to issue any policy, contract, or certificate of life insurance, annuity contract, accident, disability, or health insurance, because of the intent of the applicant to engage in future lawful foreign travel or based upon past lawful foreign travel.

4. USAA on two (2) occasions failed to provide insurance coverage to applicants based on their upcoming travel. In one case, USAA realized its error and subsequently contacted the applicant and issued the requested coverage. In the second case, USAA attempted to contact the applicant to correct the matter, but was unable to do so. In both instances USAA corrected or attempted to correct the initial underwriting decisions.

5. USAA 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 or rules of the OFFICE. USAA hereby knowingly and voluntarily waives all rights to challenge or to contest this Order, in any forum now or in the future available to it, including the right to any administrative proceeding, circuit or federal court action, or any appeal.

6. USAA agrees that upon the execution of this Consent Order, it shall be subject to the following terms and conditions:

a. USAA shall pay investigative costs and fees in the amount of Fifty Thousand Dollars (\$50,000.00) within thirty (30) days of the execution of this Consent Order.

b. USAA shall within thirty (30) days of the execution of this Consent Order, provide to the OFFICE a certification signed by an officer of the Company that the corrective action outlined in the examination report has been completed.

7. USAA is hereby placed on notice of the requirements of the above-referenced laws and rules, and agrees that any future violations of these sections of law or rules by USAA may be deemed willful, subjecting USAA to appropriate penalties. Nothing in this Consent Order nullifies or changes conditions in any other Consent Orders that USAA has entered into with the OFFICE.

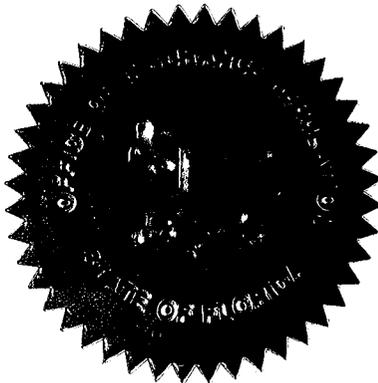
8. USAA agrees that failure to adhere to one or more of the terms and conditions of this Order shall constitute a violation of a lawful order of the OFFICE, and shall subject USAA to such administrative action as the OFFICE may deem appropriate.

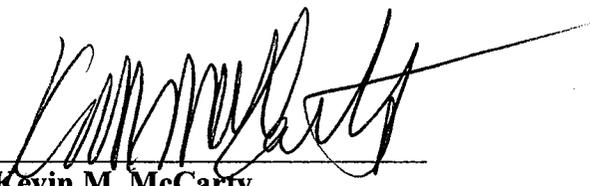
9. Except as noted above, each party to this action shall bear its own costs and attorney's fees.

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

FURTHER, all terms and conditions above are hereby ORDERED.

DONE AND ORDERED this 16<sup>th</sup> day of April, 2009.



  
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Kevin M. McCarty  
Commissioner  
Office of Insurance Regulation

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

USAA LIFE INSURANCE COMPANY

By: [Signature]

Corporate Seal

Russell A. Evenson  
Print or Type Name

Title: President

Date: March 19, 2009

STATE OF Texas

COUNTY OF Bexar

The foregoing instrument was acknowledged before me this 19<sup>th</sup> day of March 2009,

by Russell A. Evenson as President  
(Name of person) (type of authority.... e.g. officer, trustee attorney in fact)

for USAA Life Insurance Company  
(company name)

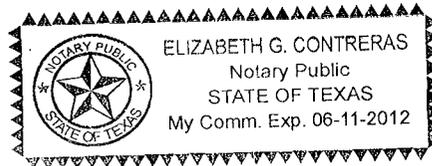
[Signature]  
(Signature of the Notary)

Elizabeth G. Contreras  
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known  or Produced Identification \_\_\_\_\_  
Type of Identification Produced \_\_\_\_\_

[NOTARIAL SEAL]

My Commission Expires: 6-11-2012



**COPIES FURNISHED TO:**

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