



OFFICE OF INSURANCE REGULATION

FILED

FEB 28 2007

KEVIN M. McCARTY
COMMISSIONER

Doctated by DDM

IN THE MATTER OF:

CASE NO. : 89450-07

USAA LIFE INSURANCE COMPANY

ORDER

To: Kristi A. Matus, President & CEO
USAA Life Insurance Company
9800 Fredericksburg Road
San Antonio, Texas 78288

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. **USAA LIFE INSURANCE COMPANY** (hereinafter referred to as "**USAA LIFE**") 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. **USAA LIFE** 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.

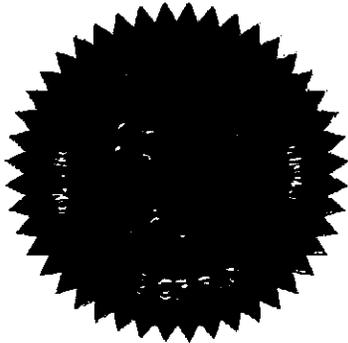
5. **USAA LIFE** has violated the provisions of Section 626.9541(1)(dd), Florida Statutes by refusing to issue life insurance coverage to three (3) individuals based solely on the future lawful travel plans of those individuals.

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

8. **IT IS THEREFORE ORDERED** that **USAA LIFE** shall pay a penalty of \$22,500.00 on or before the 30th day after this Order is issued.

DONE AND ORDERED this 28 day of February, 2007.



KEVIN M. McCARTY
Commissioner
Office of Insurance Regulation