MIKE KREIDLER
STATE INSURANCE COMMISSIONER

STATE OF WASHINGTON

Phone: (360) 725-7000

OFFICE OF
INSURANCE COMMISSIONER

In the Matter of	)	No. G05-47
	)	
Symetra Life Insurance Company	)	FINDINGS, CONCLUSIONS,
Symetra National Life Insurance Company,	)	AND ORDER ADOPTING REPORT
Domestic Life Insurers.	)	OF
	)	MARKET CONDUCT EXAMINATION
American States Life Insurance Company,	)	
A Foreign Life Insurer.	)	

BACKGROUND

An examination of the market conduct of **Symetra Life Insurance Company, Symetra National Life Insurance Company,** and **American States Life Insurance Company** (the Companies) as of June 30, 2003, was conducted by examiners of the Washington State Office of the Insurance Commissioner (OIC). The Companies each hold a Washington certificate of authority as a stock insurer. This examination was conducted in compliance with the laws and regulations of the state of Washington and in accordance with the procedures promulgated by the National Association of Insurance Commissioners and the OIC.

The examination report with the findings, instructions, and recommendations was transmitted to the Companies for their comments on November 17, 2004. The Companies' response to the report is attached to this order only for the purpose of providing a convenient review of the response.

The Commissioner or a designee has considered the report, the relevant portions of the examiners' work papers, and submissions by the Companies.

Subject to the right of the Companies to demand a hearing pursuant to Chapters 48.04 and 34.05 RCW, the Commissioner adopts the following findings, conclusions, and order.

FINDINGS

Findings in Examination Report. The Commissioner adopts as findings the findings of the examiners as contained in pages 3 through 47 of the report.

Mailing Address: P.O. Box 40255 • Olympia, WA 98504-0255
Street Address: 5000 Capitol Blvd. • Tumwater, WA 98501

CONCLUSIONS

It is appropriate and in accordance with law to adopt the attached examination report as the final report of the market conduct examination of **Symetra Life Insurance Company, Symetra National Life Insurance Company,** and **American States Life Insurance Company** and to order the Companies to take the actions described in the Instructions and Recommendations sections of the report. The Commissioner acknowledges that the Companies may have implemented the Instructions and Recommendations prior to the date of this order. The Instructions and Recommendations in the report are appropriate responses to the matters arising from RCWs and WACs found in the examination.

ORDER

The market conduct examination report as filed, attached hereto as Exhibit A, and incorporated by reference, is hereby ADOPTED as the final examination report.

The Companies are ordered as follows, these being the Instructions and Recommendations contained in the examination report on pages 28-30.

1. The Companies are ordered to comply with RCW 48.05.190(1) and identify the correct insurance company name on all correspondence and applications. (Instruction 1, Page 28)

2. The Companies are ordered to comply with RCW 48.05.280 to ensure that paperwork is filmed/imaged under the correct policy number, that two-sided forms are filmed on both sides, that copies are readable once filmed and that pages longer than 8 ½ x 11 are filmed completely. (Instruction 2, Page 28)

3. The Companies are ordered to comply with RCW 48.30.050 and WAC 284-23-060(1) and revise all advertising materials to show the full name and address of the Companies. (Instruction 3, Page 28)

4. The Companies are ordered to comply with RCW 48.17.160(1) to ensure that agents are appointed to represent the Companies prior to allowing them to solicit business on behalf of the Companies. (Instruction 4, Page 28)

5. The Companies are ordered to comply with RCW 48.23.300 and pay interest on death claims in accordance with the regulations. (Instruction 5, Page 28)

6. The Companies are ordered to comply with WAC 284-30-330(2) and WAC 284-30-330(5) to acknowledge and act reasonably promptly to communications concerning claims and to advise of acceptance or denial of the claim within a reasonable time after receipt of proof of loss. (Instruction 6, Page 28)

7. The Companies are ordered to comply with WAC 284-30-360(4) and send claim forms to the claimant within the required 10 working days of receipt of the notification of claim. (Instruction 7, Page 28)

8. The Companies are ordered to comply with WAC 284-30-370 and complete investigation of the claim within the required 30 days of receipt of notice of claim. (Instruction 8, Page 28)

9. The Companies are ordered to comply with WAC 284-30-330(5) and WAC 284-30-380(1) and advise the claimant of the acceptance or denial of the claim with the required 15 working days of receipt of properly executed proofs of loss. (Instruction 9, Page 28)

10. The Companies are ordered to comply with WAC 284-30-380(3) and notify the claimant within 15 days of receipt of properly executed proofs of loss if more time is needed to determine if the claim is be accepted or denied. If still incomplete, a letter with the reason for delay must be sent within 45 days of the initial notice and every 30 days thereafter. (Instruction 10, Page 28)

11. The Companies are ordered to comply with RCW 48.23A.060 and retain a complete copy of the illustration used in the sale of life insurance, or acknowledgement of no illustration used in the sale, or a signed copy of a "revised illustration" sent to the applicant. (Instruction 11, Page 28)

12. The Companies are ordered to comply with WAC 284-23-455(1) and require a statement signed by the agent indicating whether or not replacement is involved. (Instruction 12, Page 28)

13. The Companies are ordered to comply with WAC 284-23-455(2)(b) and send the required notice of replacement and policy summary to the existing carrier within three (3) working days of receipt of the application. (Instruction 13, Page 29)

14. The Companies are ordered to comply with WAC 284-23-455(4) and notify the applicant in their policy or by separate written notice that the applicant has the right to an unconditional refund of all premiums paid if exercised within 20 days from the date of delivery of the policy. (Instruction 14, Page 29)

15. The Companies are ordered to comply with RCW 48.18.100(1) to file and obtain approval from the OIC for all policy, application, and endorsement forms prior to use. (Instruction 15, Page 29)

16. The Companies are ordered to consider maintaining complete claim files with all notes and papers in such detail that the claims history can be reconstructed pursuant to WAC 284-30-340. (Recommendations 1, Page 29)

17. The Companies are ordered to consider acknowledging receipt of the notification of claim within the required 10 working days pursuant to WAC 284-30-360(1). (Recommendation 2, Page 29)

18. The Companies are ordered to consider developing a procedure to document the underwriting files showing the actual location of policy delivery, and ensuring that the policy form used is appropriate for the actual delivery location pursuant to RCW 48.23.020(1). (Recommendation 3, Page 29)

19. The Companies are ordered to consider using a written application signed by the applicant and maintain a copy of the signed application in the underwriting file pursuant to RCW 48.18.060. (Recommendation 4, Page 29)

20. The Companies are ordered to consider requiring the applicant's signature any time the original application has been altered materially pursuant to RCW 48.18.070(1). (Recommendation 5, Page 29)

21. The Companies are ordered to consider discontinuing the use of forms labeled as illustrations that do not meet the OIC definition of illustrations with policies that the Companies have identified as marketed without an illustration pursuant to RCW 48.23A.020(2). (Recommendation 6, Page 29)

22. The Companies are ordered to consider initiating additional training of its field representatives and revise the web application tool to meet replacement regulations pursuant to WAC 284-23-450(1). (Recommendation 7, Page 29)

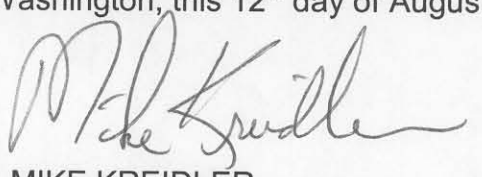
23. The Companies are ordered to consider requiring that agents include with the application a listing of all existing insurance to be replaced and a copy of the replacement notice be provided to the applicant pursuant to WAC 284-23-455(2)(a). (Recommendation 8, Page 30)

24. The Companies are ordered to consider maintaining a replacement register with only those replacements that are defined as such by WAC 284-23-410 and WAC 284-23-455(3). (Recommendation 9, Page 30)

25. The Companies are ordered to consider requiring applications include a statement signed by the applicant regarding the replacement of an existing policy pursuant to WAC 284-43-450(2). (Recommendation 10, Page 30)

IT IS FURTHER ORDERED THAT, the Company file with the Chief Market Conduct Examiner, within 90 days of the date of this order, a detailed report specifying how the Companies have addressed each of the requirements of this order.

ENTERED at Tumwater, Washington, this 12th day of August, 2005.



MIKE KREIDLER
Insurance Commissioner