

Failure to Timely Send Policy Summary to Replaced Insurer in Life Insurance Replacement Transactions

GALIC violated OAR 836-080-0022(2)(b) in one instance by engaging in the following conduct. On 9/5/00, GALIC received from James R. Heinen of Grants Pass, Oregon an application dated 8/29/00 for a single premium deferred annuity. The application indicated the Heinen intended to replace several annuities issued to him by United Heritage Mutual Life Insurance Company (United Heritage) with the annuity applied for. However, GALIC did not send to United Heritage a policy summary, as defined by OAR 836-051-0010(8), until on or about 10/24/00, 49 days later.

Failure to Maintain Evidence of Policy Summaries in Life Insurance Replacement Transactions

GALIC violated OAR 836-080-0022(3) in nine instances by engaging in the following conduct. From 8/29/00 to 10/22/01, GALIC received from each of nine persons residing in Oregon an application for an annuity. Each application indicated that the applicant intended to replace an existing annuity issued by another insurer with the annuity applied for. However, GALIC did not retain a copy of, and does not have the ability to duplicate or recreate, the policy summary of each annuity applied for, that GALIC produced and sent to the other insurer. The annuity number, name of the applicant, application date, issue date, and name of the other insurer relative to each transaction is as follows:

<u>Annuity No.</u>	<u>Applicant</u>	<u>Application Date</u>	<u>Issue Date</u>	<u>Replaced Insurer</u>
06521797	James Heinen	8/29/00	11/14/00	United Heritage Mutual Life Ins
06523453	Myron McCoy	6/23/01	7/5/01	Transamerica Life Ins & Annuity
06523671	Henry Morton	8/2/01	8/13/01	Lincoln Life & Annuity of NY
06523524	Laverne Miller	6/28/01	8/30/01	USG Annuity & Life Ins
06525274	John Bartkowski	9/25/01	10/14/01	Keyport Life Ins
06525453	Germaine Brooks	10/9/01	10/14/01	MetLife Investors Ins
06525443	Velma Gillett	10/11/01	10/16/01	Kansas City Life Ins
06525494	Richard Vachter	10/17/01	10/29/01	Merrill Lynch Life Ins
06525499	Barbara Vahey	10/22/01	10/23/01	Jackson National Life Ins

Action

GALIC shall pay a civil penalty of \$10,000 pursuant to ORS 731.988. The payment shall be made in the form of a check payable to the "Department of Consumer and Business Services" for the full amount due. The payment shall be delivered or mailed to the Insurance Division at 350 Winter Street NE, Room 440, Salem, OR 97301-3883. The payment shall be received by the Insurance Division by the date of the Final Order.

Dated May 29, 2002

/s/ John P. Gruber
[Signature of Representative]

John P. Gruber
[Printed Name of Representative]

Vice President
[Printed Title of Representative]

Great American Life Insurance Company

FINAL ORDER

The director adopts and incorporates herein by this reference the above Stipulation as the director's final decision in this proceeding.

Dated June 27, 2002

/s/ Mary C. Neidig
Mary C. Neidig
Director
Department of Consumer and Business Services

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