

STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
DIVISION OF FINANCIAL REGULATION

In the Matter of:

Case No. INS-19-0093

WILCO LIFE INSURANCE COMPANY, an
Indiana Corporation,

ORDER TO CEASE AND DESIST,
FINAL ORDER ASSESSING CIVIL
PENALTY, AND CONSENT TO
ENTRY OF ORDER

Respondent.

The Director of the Department of Consumer and Business Services for the State of Oregon (“Director”), acting in accordance with Oregon Revised Statutes (“ORS”) chapters 731, 732, 733, 734, 735, 737, 742, 743, 743A, 743B, 744, 746, 748 and 750 (“Insurance Code”), has conducted an investigation into the activities of Wilco Life Insurance Company (“Respondent”) and determined that Respondent engaged in violations of the Insurance Code.

Respondent wishes to resolve and settle this matter with the Director.

Now, therefore, as evidenced by the signature(s) subscribed on this Order, Respondent hereby CONSENTS to entry of this Order.

FINDINGS OF FACT

The Director FINDS that:

1. Respondent has held an Oregon insurer license since August 26, 1966. Respondent’s NAIC number is 65900.
2. Respondent’s principal place of business is 20 Glover Ave., 4th Floor, Norwalk, CT 06850.
3. In or around 2015, Alliance-One Services, Inc. (“Alliance”), a third party administrator, began administering certain policies and annuities for Respondent.¹

¹ Alliance has held an Oregon third party administrator’s license since November 20, 1996.



1 Alliance’s administrative services include premium collection, underwriting, record
2 retention and policy administration for Respondent’s life insurance products.

3 4. During the conversion of Respondent’s accounts to Alliance’s administrative
4 systems, life insurance policies and annuity contracts for Respondent’s Oregon clients were
5 placed on suspended or restricted status, requiring manual administration of otherwise
6 automatic actions such as the issuance of annual reports. As a result, Respondent failed to
7 timely provide the affected clients with annual reports containing information prescribed
8 by the Insurance Code.^{2 3}

9 5. In 2015, Respondent failed to provide 172 Oregon clients with timely annual
10 reports for their life insurance policies for which illustrations were used.⁴

11 6. In 2016, Respondent failed to provide 90 Oregon clients with timely annual
12 reports for their life insurance policies.

13 7. In 2017, Respondent failed to provide 12 Oregon clients with timely annual
14 reports for their life insurance policies. Respondent also failed to provide two Oregon
15 clients with timely annual reports for their annuity contracts.

16 CONCLUSIONS OF LAW

17 The Director CONCLUDES that:

18 8. Respondent is responsible for providing competent administration of its
19 programs, under ORS 744.740(2).

20 9. By failing to provide Oregon clients with timely annual reports for their life
21 insurance policies, Respondent violated OAR 836-051-0580(1) in 274 instances.

22
23 ² Life insurance policy reports require information including, but not limited to, the policy’s current value,
24 the total amounts credited or debited to the policy during the reporting period, the policy’s current death
benefit, and the policy’s current net cash surrender value. See Oregon Administrative Rules (“OAR”) 836-
051-0580(1).

25 ³ Annuity contract reports require information including, but not limited to, the policy’s current accumulation
and cash surrender values, the total amounts credited to the policy during the reporting period, relevant
deadlines, and any additional benefit values. See OAR 836-051-0920.

26 ⁴ Illustrations were used for all life insurance policies referenced in this Order.



1 10. By failing to provide Oregon clients with timely annual reports for their annuity
2 contracts, Respondent violated OAR 836-051-0920 in two instances.

3 11. Because the Director has reason to believe that Respondent has been engaged
4 in violations of the Insurance Code, the Director may issue an order to Respondent to cease
5 and desist, under ORS 731.252(1).

6 12. The Director may impose a civil penalty of up \$10,000 *per violation* upon any
7 person who violates a provision of the Insurance Code, under ORS 731.988(1).

8 **ORDERS**

9 Now therefore, the Director issues the following Orders:

10 13. Based upon the foregoing and as authorized by ORS 731.252(1), the Director
11 ORDERS Respondent to CEASE AND DESIST from violating OAR 836-051-0580(1) and
12 OAR 836-051-0920.

13 14. Based upon the foregoing and as authorized by ORS 731.988(1), the Director
14 hereby ORDERS that Respondent be subject to a CIVIL PENALTY of \$50,000 as follows:

15 (A) \$49,500 for violating OAR 836-051-0580(1); and

16 (B) \$500 for violating OAR 836-051-0920.

17 15. The Director hereby suspends payment of \$15,000 of the CIVIL PENALTY for
18 a period of three years, provided Respondent:

19 (A) Pays the remaining \$35,000 of the CIVIL PENALTY pursuant to the
20 terms of this Order;

21 (B) Satisfies the reporting requirements set forth below; and

22 (C) Violates neither OAR 836-051-0580(1) nor OAR 836-051-0920 within
23 the three-year time period.

24 16. Within 60 days of the execution of this Order, Respondent shall PROVIDE the
25 Division with documentation detailing the procedures it has implemented to ensure that all
26 required reports are timely sent. The Division may require Respondent to make reasonable

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Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387



1 modifications to the procedures as it deems appropriate.

2 17. The non-suspended portion of the CIVIL PENALTY assessed herein (\$35,000)
3 is due and payable on the effective date of this Order.

4 18. The suspended CIVIL PENALTY (\$15,000) will be waived three years from
5 the effective date of this Order, provided Respondent has complied with the foregoing
6 Order terms. The Director reserves the right to immediately assess and collect the
7 suspended civil penalty upon a determination that Respondent has violated any term of this
8 Order.

9 19. This Order is binding upon Respondent’s successors and assigns.

10 SO ORDERED this 9th day of February, 2020.

11
12 LOUIS SAVAGE, Acting Director
13 Department of Consumer and Business Services

14 /s/ Dorothy Bean
15 Dorothy Bean, Chief of Enforcement
16 Division of Financial Regulation

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CONSENT TO ENTRY OF ORDER

I, Enrico Treglia, state that I am an officer of Respondent and am authorized to act on its behalf. I have read the foregoing Order and know and fully understand the contents hereof. I have been advised of Respondent’s right to a hearing and right to be represented by counsel in this matter. Respondent voluntarily consents to the entry of this Order without any force or duress, expressly waiving any right to a hearing in this matter, as well as any rights to administrative or judicial review of this Order. Respondent understands that the Director reserves the right to take further actions against it to enforce this Order or to take appropriate action upon discovery of other violations of the Insurance Code with the terms and conditions stated herein.

Respondent further assures the Director that neither Respondent nor its officers, directors, employees, or agents will effect insurance services in Oregon unless such activities are in full compliance with the Insurance Code. Respondent understands that this Consent Order is a public document.

Signature: /s/ Enrico Treglia

Position Held: SVP, Chief Operations Officer

State of Connecticut

County of Fairfield

Signed or attested before me on this 5th day of March, 2020

by Enrico Treglia.

/s/ Michelle Weiss
Notary Public

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