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FILED  
MAR 23 2017 PM  
Department of Insurance  
State of Idaho

*Attorneys for Idaho Department of Insurance*

**BEFORE THE DIRECTOR OF THE DEPARTMENT OF INSURANCE**

**STATE OF IDAHO**

In the Matter of:

TRANSAMERICA LIFE INSURANCE COMPANY  
Idaho Certificate of Authority No. 1151  
NAIC ID No. 86231

Docket No. 18-3299-17

**CONSENT ORDER**

The Idaho Department of Insurance (hereinafter "Department"), by and through its attorney of record, John C. Keenan, Deputy Attorney General, and Transamerica Life Insurance Company, hereby stipulate and agree as follows:

1. The Director of the Idaho Department of Insurance has jurisdiction in the state of Idaho over matters involving insurance regulation and licensing in accordance with title 41, Idaho Code.

2. TRANSAMERICA LIFE INSURANCE COMPANY ("Transamerica") is a licensed insurance company in Idaho, holding Idaho Certificate of Authority No. 1151 since May 11, 1971. Such certificate of authority licenses Transamerica to engage in Idaho in the business of disability (excluding managed care), life, and variable life & annuity contracts lines of insurance.

**ONE: SECTION 41-2210(3), IDAHO CODE**

3. Section 41-2210(3), Idaho Code, provides that any,

new or renewing group disability insurance contract or blanket disability insurance contract delivered or issued for delivery in this state shall provide that an unmarried child under the age of twenty-five (25) years and who receives more than one-half (1/2) of his financial support from the parent shall be permitted to remain on the parent's or parents' contract.

4. For the period from July 1, 2009 through December 2, 2016, Transamerica policy form CP201213 and certificate CC200213 filed with the Department failed to include the correct definition of dependent children under the age of 25 in accordance with section 41-2210(3), Idaho Code.

5. Transamerica admits to the violation of section 41-2210(3), Idaho Code extending over the time period from July 2009 to December 2, 2016.

6. Transamerica will amend the form to age 26.

7. On October 12, 2016, Transamerica provided to the Department a statement representing that Transamerica Life had issued one hundred eight (108) policies under form CP201213 and certificate CC200213 and that to the best of its ability and knowledge no claims were denied and no coverage was declined or rejected due to violations of applicable Idaho law or rule. The Department relies on such representation in entering into this Consent Order. If any claim or claims are discovered in the future to have been wrongfully denied, Transamerica will bring such claim or claims into compliance.

**TWO: SECTION 41-2203(4), IDAHO CODE**

8. Section 41-2203(4), Idaho Code, provides in part, that each disability insurance policy shall contain in substance the following provision, where the coverage of a dependent member of an insured group:

. . . terminates at a specified age shall, with respect to an unmarried child who is incapable of self-sustaining employment by reason of intellectual disability

or physical disability and who became so incapable prior to attainment of the limiting age and who is chiefly dependent upon such member for support and maintenance, not so terminate while the policy remains in force and the dependent remains in such condition, if the member has within thirty-one (31) days of such dependent's attainment of the limiting age submitted proof of such dependent's incapacity as described herein.

9. For the period from July 1, 2010 to December 2, 2016, Transamerica policy form CP201213 and certificate CC200213 did not comply with the above-reference Code relating to intellectual disability.

10. Transamerica admits to the violation of section 41-2203(4), Idaho Code, extending over the time period from July 1, 2010 to December 2, 2016.

11. The Department acknowledges that Transamerica will amend the form in accordance with section 41-2203(4), Idaho Code.

12. On October 12, 2016, Transamerica provided to the Department a statement representing that Transamerica Life had issued one hundred eight (108) policies under form CP201213 and certificate CC200213 and that to the best of its ability and knowledge no claims were denied and no coverage was declined or rejected due to violations of applicable Idaho law or rule. The Department relies on such representation in entering into this Consent Order. If any claim or claims are discovered in the future to have been wrongfully denied, Transamerica will bring such claim or claims into compliance.

**THREE: DEPARTMENT RULE NO. 6 (IDAPA 18.01.06.012.01.a)**

13. Department Rule No. 6 (IDAPA 18.01.06.012.01.a) provides for required language for newborn or adopted children with additional premium due, where it states:

If notice and payment of additional premium are required for dependent coverage under the health plan contract, the contract may require notice of birth, placement or adoption and payment of required premium as a condition of coverage for newborn and newly adopted children. The notification period shall be not less than sixty (60) days from the date of birth for a newborn child or, for newly adopted children, sixty (60) days from the earlier of the date of adoption or placement for adoption. The

due date for payment of any additional premium, if required, shall be not less than thirty-one (31) days following receipt by the health plan member of a billing for the required premium.

14. For the period from April 2, 2008 to December 2, 2016, Transamerica policy form CP201213 and certificate CC200213 did not comply with the above-reference Department Rule No. 6 relating to newborn or adopted children.

15. Transamerica admits to the violation of Department Rule No. 6 (IDAPA 18.01.06.012.01.a) extending over the time period from April 2, 2008 to December 2, 2016.

16. The Department acknowledges that Transamerica will amend the form in accordance with the above-cited Rule.

17. On October 12, 2016, Transamerica provided to the Department a statement representing that Transamerica Life had issued one hundred eight (108) policies under form CP201213 and certificate CC200213 and that to the best of its ability and knowledge no claims were denied and no coverage was declined or rejected due to violations of applicable Idaho law or rule. The Department relies on such representation in entering into this Consent Order. If any claim or claims are discovered in the future to have been wrongfully denied, Transamerica will bring such claim or claims into compliance.

#### SANCTION

18. As a sanction for all violations referenced above, the Department and Transamerica agree that Transamerica shall pay to the Department an administrative penalty in the amount of five thousand dollars (\$5,000) by no later than thirty (30) days after the entry of this Consent Order.

19. Transamerica agrees that in the future it will comply with all requirements of the Idaho Insurance Code and rules promulgated thereunder, and specifically with all requirements relating to its policies filed with the Department.

20. Transamerica acknowledges that this is an administrative action that may be required

to be reported on Department licensing applications and license renewal forms.

21. This Consent Order constitutes full and final resolution of all matters addressed herein, and the Department agrees that, upon Transamerica's execution of this Consent Order and its full compliance with all terms and conditions set forth herein and payment in full of the administrative penalty, the above-entitled matter shall be dismissed with prejudice and the Department shall seek no further sanctions for the violations addressed herein.

IT IS SO AGREED.

Dated this 16 day of MARCH, 2017.

TRANSAMERICA LIFE INSURANCE COMPANY  
Idaho Certificate of Authority No. 1151  
NAIC ID No. 86231

By: Wade A. Wenger  
Printed Name: Wade A. Wenger  
Title: Vice President

Dated this 22 day of March, 2017.

STATE OF IDAHO  
DEPARTMENT OF INSURANCE

By: Weston Trexler  
Weston Trexler  
Bureau Chief, Product Review

IT IS SO ORDERED.

Dated this 23<sup>rd</sup> day of March, 2017.

STATE OF IDAHO  
DEPARTMENT OF INSURANCE



DEAN L. CAMERON  
Director

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 23<sup>rd</sup> day of March, 2017, I caused a true and correct copy of the foregoing CONSENT ORDER to be served upon the following by the designated means:

William J. Huber, Esq.  
Senior Counsel  
Transamerica  
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- certified mail
- hand delivery
- via facsimile
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Pamela Murray