



Illinois Department of Insurance

Bruce Rauner
Governor

Anne Melissa Dowling
Acting Director

October 19, 2015

Brandon Dane Carter, President
USAA Life Insurance Company
9800 Fredericksburg Road
San Antonio, TX 78288-0337

Re: USAA Life Insurance Company, NAIC # 69663
Market Conduct Examination Report Closing Letter

Dear Mr. Carter:

The Department has reviewed your company's proof of compliance and deems it adequate and sufficient. Therefore, the Department is closing its file on this exam. I intend to ask the Director to make the Examination Report available for public inspection as authorized by 215 ILCS 5/132.

Please contact me if you have any questions.

Sincerely,

Michael P. Rohan
Deputy Director
Consumer Education and Protection
Illinois Department of Insurance
122 S. Michigan Avenue, 19th Floor
Chicago, IL 60603
Phone: (312) 814-8206
E-mail: Michael.Rohan@Illinois.gov

Cc: Lisa Garza, Director – Life Regulatory Compliance

USAA LIFE INSURANCE COMPANY
EXAMINATION REPORT

MARKET CONDUCT EXAMINATION REPORT

DATE OF EXAMINATION: September 7, 2014 through June 3, 2015

EXAMINATION OF: USAA Life Insurance Company
NAIC Number: 69663

LOCATION: 9800 Fredericksburg Road
San Antonio, TX 78288

**PERIOD COVERED
BY EXAMINATION:** January 1, 2013 through March 31, 2014

EXAMINERS: J. Joseph Cohen, Examiner-in-Charge
Sean Connolly
Linda Miller

INDEX

	PAGE
I. SUMMARY	1
II. BACKGROUND	3
III. METHODOLOGY	4
IV. SELECTION OF SAMPLE	6
V. FINDINGS	7
A. COMPANY OPERATIONS AND MANAGEMENT	7
B. COMPLAINTS	7
C. MARKETING AND SALES	7
D. PRODUCER LICENSING	8
E. UNDERWRITING AND RISK SELECTION	8
F. CLAIMS	15
VI. INTERRELATED FINDINGS	17
VII. TECHNICAL APPENDICES	17

I. SUMMARY

A comprehensive Market Conduct Examination of USAA Life Insurance Company (USAA), excluding annuities and accident and health, was performed to determine compliance with Illinois Statutes and the Illinois Administrative Code. The Criticisms are found within the Initial Summaries (IS) for each section that was reviewed.

The following table represents the general findings with the details of each review located in specific sections of the report.

<u>TABLE OF TOTAL VIOLATIONS</u>						
Crit #	Statute/Rule	Description of Violation	Population	Files Reviewed	Number of Violations	Error %
2	215 ILCS 5/224(1)(i)	The Company failed to notify beneficiaries, at the time of the claim, that interest shall accrue at the rate of 10% annually unless payment is made within 31 days after proof of death or determination of liability. (Claims - Paid)	57	57	57	100%
3	50 Ill. Adm. Code 909.50(f)	Two pieces of advertising material, provided to consumers, stated or implied cost savings since there was no agent involvement and/or no payment of a commission.	379 documents	379	2 forms	-
5	215 ILCS 5/224(1)(j)	The Company used Life Insurance policy forms that did not contain the required provision stating that settlement shall be made upon receipt of proof of death and not later than 2 months after the receipt of such proof. (Whole Life - Issued Policies)	175	79	3 forms	-
8	50 Ill. Adm. Code 917.60 and 50 Ill. Adm. Code 917.70	When replacing a Whole Life Insurance policy, the Company failed to provide to the existing insurer a document that conforms to the standards of Exhibit B. (Whole Life Replacement Policies)	7	7	7	100%

9	215 ILCS 5/224(1)(j)	The Company used a Life Insurance policy form that did not contain the required provision stating that settlement shall be made upon receipt of proof of death and not later than 2 months after the receipt of such proof. (Term Life - Issued Policies)	1462	114	1 form	-
11	50 Ill. Adm. Code 917.60 and 50 Ill. Adm. Code 917.70	When replacing a Universal Life Insurance policy, the Company failed to provide to the existing insurer a document that conforms to the standards of Exhibit B. (Universal Life Replacement Policies)	21	21	21	100%
11	215 ILCS 5/143(1) and 50 Ill. Adm. Code 916.40(b)	The Company failed to use properly filed and approved forms since it attached Indiana forms to Illinois policies. (Universal Life Replacement Policies)	21	21	2	9.52%
14	50 Ill. Adm. Code 917.60 and 50 Ill. Adm. Code 917.70	When replacing a Term Life Insurance policy, the Company failed to provide to the existing insurer a document that conforms to the standards of Exhibit B. (Term Life Replacement Policies)	107	86	86	100%

II. BACKGROUND

USAA Life Insurance Company was incorporated on June 26, 1963, and licensed on August 20, 1963, in the state of Texas as a stock life insurance company. USAA Direct Life Insurance Company was a wholly-owned Nebraska subsidiary of USAA Life Insurance Company until it was merged with and into USAA Life Insurance Company, effective December 31, 2013.

USAA Life Insurance Company is a member of an insurance holding company system. USAA Life Insurance Company is authorized to transact business in all states, except New York.

USAA Life Insurance Company's 2011, 2012 and 2013 Annual Statement Schedule T reflects the following Illinois premiums:

Year	Individual Life	Current market share	Group Life	Current market share	Individual Annuities	Current market share	A&H Premiums	Current market share	Total Prms (Life, Annuity and A&H)
2011	\$18,219,596	0.3758%		n/a	\$22,746,516	0.2827%	\$3,057,633	0.05%	\$44,023,745
2012	\$18,776,495	0.3780%		n/a	\$15,524,629	0.2076%	\$3,445,657	0.0553%	\$37,746,781
2013	\$19,341,165	0.3840%	5,503	n/a	\$15,507,349	0.2077%	\$3,836,819	0.0615%	\$38,679,830

III. METHODOLOGY

The Market Conduct Examination places emphasis on an insurer's systems and procedures used in dealing with insureds and claimants. Specifically, this examination focused on a review of the following areas:

1. Company Operations and Management
2. Complaints
3. Marketing and Sales
4. Producer Licensing
5. Underwriting and Risk Selection Procedures
6. Claims

The review of the categories was accomplished through examination of material related to Company operations and procedures, complaint files, marketing and sales material, producer lists, underwriting files, risk selection files and claim files, as well as interviews and Company responses to the Coordinator's Handbook, Information Requests and Criticisms. Each of the categories was examined for compliance with IDOI Regulations and applicable State laws.

The following method was used to obtain the required samples and to ensure a statistically sound selection: Surveys were developed from Company-generated Excel spreadsheets. Random statistical file selections were generated by the examiners from these spreadsheets and presented to the Company for retrieval.

Company Operations and Management

A review was conducted of the Company underwriting and claims guidelines and procedures, policy forms, internal audits, Certificates of Authority, previous market conduct examinations, annual statements, reinsurance program and third-party vendor contracts. These documents were reviewed for compliance with Illinois Compiled Statutes and the Illinois Administrative Code.

Complaints

The Company was requested to identify all consumer and IDOI complaints received during the examination period and provide copies of the complaint logs. All complaint files and logs were requested, received and reviewed. There were no exceptions noted.

Marketing and Sales

The Company was requested to provide a list of all marketing, sales and advertising material sent to consumers during the examination period. The Company was also requested to provide sales, marketing and advertising material that was distributed to Company personnel. All of these documents were requested, received and reviewed for compliance with Illinois Compiled Statutes and the Illinois Administrative Code.

Producer Licensing

The Company was requested to provide a list of all producers licensed to do business in the State of Illinois during the examination period. The Company identified a universe of producers. A random sample of producers was requested, received and reviewed in comparison to the State of Illinois licensing database and for compliance with Illinois Compiled Statutes and the Illinois Administrative Code. New issued business was also reviewed to determine if solicitations were made by duly-licensed persons. There were no exceptions noted.

Underwriting and Risk Selection Procedures

The Company was requested to provide a list of all policies in various categories during the examination period. The Company identified the universes of policies. Random samples of these policy files were requested, received and reviewed unless the small population of files required an examination of the entire universe. The files were reviewed to ensure that the policies were processed in compliance with Illinois Compiled Statutes and the Illinois Administrative Code.

Claims

1. Paid Claims – Payment for claims made during the examination period.
2. Denied Claims – Denial of benefits during the examination period for losses not covered by policy provisions.

The Company was requested to provide a list of all paid, denied and closed without payment claims during the examination period. The Company identified universes for paid and denied claims for Whole Life, Term Life and Universal Life, with no claims reported as closed without payment. All claim files were requested, received and reviewed. The files were reviewed to ensure that the claims were processed in compliance with Illinois Compiled Statutes and the Illinois Administrative Code.

IV. SELECTION OF SAMPLE

Survey	Population	# Reviewed	% Reviewed
Complaints			
DOI	2	2	100%
Consumer	22	22	100%
Litigation/Arbitration	2	2	100%
Marketing and Sales (Reported by number of Documents)			
Marketing and Sales to Consumers	379	379	100%
Marketing and Sales to Company Personnel	33	33	100%
Producer Licensing	6088	116	1.76%
Underwriting and Risk Selection			
Whole Life - Applied For	357	84	23.53%
Whole Life - Issued	175	79	45.14%
Whole Life - Cancelled	58	58	100%
Whole Life - Cancelled-Free Look	21	21	100%
Whole Life - Cancelled-Non Payment	4	4	100%
Whole Life - Declined/Rejected	17	17	100%
Whole Life - Replacements	7	7	100%
Whole Life - Rated	4	4	100%
Whole Life - Non-Forfeiture/Automatic Premium Loan	60	60	100%
Whole Life - Non-Forfeiture/Policy Loans	110	79	71.82%
Whole Life - Non-Forfeiture/Full Surrender	57	57	100%
Whole Life - Non-Forfeiture/Extended Term Insurance	12	12	100%
Universal Life - Applied For	430	86	20.00%
Universal Life - Issued	186	79	42.47%
Universal Life - Cancelled	67	67	100%
Universal Life - Cancelled Free Look	6	6	100%
Universal Life - Cancelled Non Payment	4	4	100%
Universal Life - Declined/Rejected	22	22	100%
Universal Life - Replacements	21	21	100%
Universal Life - Rated	6	6	100%
Term Life - Applied For	2,884	115	3.99%
Term Life - Issued	1,462	114	7.80%
Term Life - Cancelled	362	84	23.20%
Term Life - Cancelled-Free Look	30	30	100%
Term Life - Cancelled-Non Payment	8	8	100%
Term Life - Declined/Rejected	115	79	68.70%
Term Life - Replacements	107	86	80.37%
Term Life - Rated	88	79	89.77%
BOLI - Inforce	43	43	100%
Credit - Inforce	1	1	100%
Claims			
Paid	57	57	100%
Denied	1	1	100%

V. FINDINGS

A. COMPANY OPERATIONS AND MANAGEMENT

1. Company Procedures, Plans and Guidelines

A review was conducted of USAA Life’s underwriting and claims guidelines and procedures, internal audits, Certificates of Authority, previous market conduct examinations, annual statements, reinsurance program and third-party vendor contracts. There were no criticisms.

2. Policy Forms

The Company used three Whole Life Insurance policy forms and one Term Life Insurance policy form that did not contain a provision stating that settlement shall be made upon receipt of proof of death and not later than 2 months after the receipt of such proof, as required by 215 ILCS 5/224(1)(j).

Policy Form #	Product code	Policy Type
LWL38815IL 07-01	SW20Y	Simplified Whole Life Insurance 20 Year
LWL38815IL 07-01	SWL	Simplified Whole Life Insurance
LWL38815IL 07-01	SW65P	Simplified Whole Life Insurance Pay To 65
LLT49053IL 01-05	L5R04	Level Term Life

B. COMPLAINTS

A review was conducted of the twenty-two complaints directly received by USAA Life, the two (2) complaints received by the IDOI and the two (2) Arbitration Litigation files. There were no criticisms.

C. MARKETING AND SALES

A review was conducted of USAA Life’s Marketing and Sales procedures, including samples of advertising materials.

The Company failed to use and distribute proper marketing and sales material since the two (2) forms cited below state or imply that cost savings would be realized in the sale since there was no agent involvement and/or no payment of a commission. This is in violation of 50 Ill. Adm. Code 909.50(f).

Form #	Document Title
41661	Annual Review to Policyholder
45843	M6wk24 Financial Advice Older Associates

D. PRODUCER LICENSING

A review was conducted of USAA Life’s producer licensing guidelines and procedures, as well as a review of a random sample of 116 licensed producers. There were no criticisms in this survey.

E. UNDERWRITING AND RISK SELECTION

1. Whole Life - Applied For

There were no criticisms in this survey.

2. Whole Life – Issued

Form review – Refer to paragraph 2 under the Findings for A. Company Operations and Management.

3. Whole Life – Cancelled

There were no criticisms in this survey.

4. Whole Life - Cancelled-Free Look

There were no criticisms in this survey.

5. Whole Life - Cancelled-Non Payment

There were no criticisms in this survey.

6. Whole Life - Declined/Rejected

There were no criticisms in this survey.

7. Whole Life – Replacements

In seven (7) instances of the seven (7) files reviewed, for an error percentage of 100%, the Company failed, as a general business practice, to provide to an existing insurer a document conforming to the requirements of Exhibit B. This is a violation of 50 Ill. Adm. Code 917.60 and 50 Ill. Adm. Code 917.70.

Sample Number	Member Number	Replacing Policy Number	Replacing Policy Plan Code	Replacing Policy Issue Date
1			SW20Y	4/12/2013
2			SW20Y	9/3/2013
3			SWL	12/25/2013
4			SWL	8/31/2013
5			SWL	11/6/2013
6			SWL	11/6/2013
7			SW65P	12/2/2013

8. Whole Life - Rated

There were no criticisms in this survey.

9. Whole Life - Non-Forfeiture/Automatic Premium Loan

There were no criticisms in this survey.

10. Whole Life - Non-Forfeiture/Policy Loans

There were no criticisms in this survey.

11. Whole Life - Non-Forfeiture/Full Surrender

There were no criticisms in this survey.

12. Whole Life - Non-Forfeiture/Extended Term Insurance

There were no criticisms in this survey.

13. Universal Life - Applied For

There were no criticisms in this survey.

14. Universal Life - Issued

There were no criticisms in this survey.

15. Universal Life – Cancelled

There were no criticisms in this survey.

16. Universal Life - Cancelled Free Look

There were no criticisms in this survey.

17. Universal Life - Cancelled Non Payment

There were no criticisms in this survey.

18. Universal Life - Declined/Rejected

There were no criticisms in this survey.

19. Universal Life - Replacements

a. In twenty-one instances of twenty-one files reviewed, for an error percentage of 100%, the Company failed, as a general business practice, to provide to an existing insurer a document conforming to the requirements of Exhibit B. This is a violation of 50 Ill. Adm. Code 917.60 and 50 Ill. Adm. Code 917.70.

Sample Number	Member Number	Replacing Policy Number	Replacing Policy Plan Code	Replacing Policy Issue Date	Replacing Application Date
1			ULIFA	1/21/2013	4/27/2012
2			ULIFA	9/4/2013	8/13/2013
3			ULIFA	11/4/2013	8/26/2013
4			ULIFA	9/4/2013	8/13/2013
5			ULIFA	11/1/2013	8/26/2013
6			ULIFA	9/5/2013	8/13/2013
7			ULIFA	1/7/2013	11/8/2012
8			ULIFA	8/21/2013	7/3/2013
9			ULIFA	8/16/2013	7/3/2013
10			ULIFA	1/21/2014	6/18/2013
11			ULIFA	2/18/2014	1/17/2014
12			ULIFA	3/3/2014	12/31/2013
13			ULIFA	12/2/2013	10/24/2013
14			ULIFA	12/3/2013	10/24/2013
15			ULIFA	3/10/2014	2/10/2014
16			ULIFA	3/10/2014	2/10/2014
17			ULIFA	9/18/2013	8/9/2013
18			ULIFA	9/18/2013	8/7/2013
19			ULIFA	9/17/2013	8/7/2013
20			ULIFA	7/2/2013	5/10/2013
21			ULIFA	7/2/2013	5/13/2013

b. In two (2) instances of twenty-one files reviewed, for an error percentage of 9.52%, the Company failed to use properly filed and approved forms by attaching Indiana forms to Illinois policies. This is a violation of 215 ILCS 5/143(1) and 50 Ill. Adm. Code 916.40(b).

Sample Number	Member Number	Contract Number
3		
5		

20. Universal Life - Rated

There were no criticisms in this survey.

21. Term Life - Applied For

There were no criticisms in this survey.

22. Term Life - Issued

Form review – Refer to paragraph 2 under the Findings for A. Company Operations and Management.

23. Term Life - Cancelled

There were no criticisms in this survey.

24. Term Life - Cancelled-Free Look

There were no criticisms in this survey.

25. Term Life - Cancelled-Non Payment

There were no criticisms in this survey.

26. Term Life - Declined/Rejected

There were no criticisms in this survey.

27. Term Life-Replacements

In eighty-six instances of eighty-six files reviewed, for an error percentage of 100%, the Company failed, as a general business practice, to provide to an existing insurer a document conforming to the requirements of Exhibit B. This is a violation of 50 Ill. Adm. Code 917.60 and 50 Ill. Adm. Code 917.70.

Item	Member Number	Replacing Policy Number	Replacing Policy Issue Date	Replacing Application Date
1			6/28/2013	5/12/2013
2			10/21/2013	8/15/2013
3			9/24/2013	8/26/2013
4			10/28/2013	6/13/2013

5			2/8/2013	11/19/2012
6			3/24/2013	2/5/2013
7			7/24/2013	5/30/2013
8			6/26/2013	5/30/2013
9			2/1/2013	1/2/2013
10			3/14/2014	1/23/2014
11			2/14/2014	1/23/2014
12			5/16/2013	5/7/2013
13			4/10/2013	1/23/2013
14			4/10/2013	1/23/2013
15			2/5/2013	12/4/2012
16			2/5/2013	12/4/2012
17			4/21/2013	2/22/2013
18			12/2/2013	8/30/2013
19			3/31/2013	2/4/2013
20			3/31/2013	2/4/2013
21			5/24/2013	3/11/2013
22			5/6/2013	3/11/2013
23			6/10/2013	5/2/2013
24			8/20/2013	7/3/2013
25			11/14/2013	10/14/2013
26			12/15/2013	10/29/2013
27			4/15/2013	3/11/2013
28			5/7/2013	1/9/2013
29			7/11/2013	6/1/2013
30			5/13/2013	2/21/2013
31			4/3/2013	2/21/2013
32			1/9/2013	10/14/2012

33			3/31/2013	2/26/2013
34			12/10/2013	11/26/2013
35			12/10/2013	11/26/2013
36			10/28/2013	6/1/2013
37			3/20/2013	12/12/2012
38			12/1/2013	10/27/2013
39			7/28/2013	6/18/2013
40			7/28/2013	6/18/2013
41			11/25/2013	10/18/2013
42			12/25/2013	11/14/2013
43			8/2/2013	5/24/2013
44			10/4/2013	9/4/2013
45			10/28/2013	9/13/2013
46			10/16/2013	10/7/2013
47			3/19/2013	2/24/2013
48			7/15/2013	4/9/2013
49			8/8/2013	6/4/2013
50			1/15/2014	10/22/2013
51			7/1/2013	5/8/2013
52			6/7/2013	5/3/2013
53			1/15/2014	10/22/2013
54			8/18/2013	7/8/2013
55			8/18/2013	7/8/2013
56			8/18/2013	7/8/2013
57			9/15/2013	8/5/2013
58			8/13/2013	2/27/2013
59			11/15/2013	10/24/2013
60			6/2/2013	4/20/2013

61			10/21/2013	10/16/2013
62			4/15/2013	3/9/2013
63			3/9/2014	2/10/2014
64			3/9/2014	2/10/2014
65			4/17/2013	3/7/2013
66			4/3/2013	3/20/2013
67			11/13/2013	10/14/2013
68			6/4/2013	3/5/2013
69			2/6/2014	12/17/2013
70			10/15/2013	9/16/2013
71			10/15/2013	9/16/2013
72			10/3/2013	7/13/2013
73			6/9/2013	5/17/2013
74			6/9/2013	5/17/2013
75			11/4/2013	9/19/2013
76			10/17/2013	8/23/2013
77			5/29/2013	4/24/2013
78			6/21/2013	4/17/2013
79			6/5/2013	4/23/2013
80			11/1/2013	10/16/2013
81			1/30/2013	12/4/2012
82			8/16/2013	8/5/2013
83			9/23/2013	6/25/2013
84			9/23/2013	6/25/2013
85			5/28/2013	2/25/2013
86			2/5/2013	11/8/2012

28. Term Life - Rated

There were no criticisms in this survey.

29. BOLI – Inforce

There were no criticisms in this survey.

30. Credit – Inforce

There were no criticisms in this survey.

F. CLAIMS

1. Paid Claims

In fifty-seven instances of fifty-seven files reviewed, for an error percentage of 100%, the Company failed to notify the beneficiaries at the time of the claim, as a general business practice, that interest shall accrue at the rate of 10% annually unless payment is made within 31 days after proof of death or determination of liability. This is a violation of 215 ILCS 5/224(1)(l). Although the Company paid these claims on time, therefore it contends it need not provide this notification, the above cited statute requires notification to be made at the time of the initial submission of the claim, regardless of when the claim is paid.

Sample #	Claim #	Contract ID #
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2. Denied Claims

There were no criticisms in this survey.

VI. INTERRELATED FINDINGS

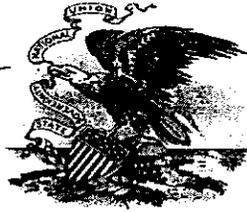
There are no Interrelated Findings to report.

VII. TECHNICAL APPENDICES

No Technical Appendices were created.

STATE OF ILLINOIS

DEPARTMENT OF INSURANCE



IN THE MATTER OF:

USAA LIFE INSURANCE COMPANY, NAIC # 69663
9800 FREDERICKSBURG ROAD
SAN ANTONIO, TX 78288-0337

STIPULATION AND CONSENT ORDER

WHEREAS, the Director ("Director") of the Illinois Department of Insurance ("Department") is a duly authorized and appointed official of the State of Illinois, having authority and responsibility for the enforcement of the insurance laws of this State; and

WHEREAS, USAA Life Insurance Company ("Company"), NAIC # 69663, is authorized under the insurance laws of this State and by the Director to engage in the business of soliciting, selling and issuing insurance policies; and

WHEREAS, a Market Conduct Examination of the Company was conducted by a duly qualified examiner of the Department pursuant to Sections 132, 401, 402, 403, 407, and 425 of the Illinois Insurance Code (215 ILCS 5/132, 5/401, 5/402, , 5/403, 5/407, and 5/425); and

WHEREAS, as a result of the Market Conduct Examination, the Department examiner filed a Market Conduct Examination Report which is an official document of the Department; and

WHEREAS, the Market Conduct Examination Report cited various areas in which the Company was not in compliance with the Illinois Insurance Code (215 ILCS 5/1 *et seq.*) and Department Regulations (50 Ill. Adm. Code 101 *et seq.*); and

WHEREAS nothing herein contained, nor any action taken by the Company in connection with this Stipulation and Consent Order, shall constitute, or be construed as, an admission of fault, liability or wrongdoing of any kind whatsoever by the Company; and

WHEREAS, the Company is aware of and understands its various rights in connection with the examination and report, including the right to counsel, notice, hearing and appeal under Sections 132, 401, 402, and 407, 407.2 of the Illinois Insurance Code and 50 Ill. Adm. Code 2402; and

WHEREAS, the Company understands and agrees that by entering into this Stipulation and Consent Order, it waives any and all rights to notice and hearing; and

WHEREAS, the Company and the Director, for the purpose of resolving all matters raised by the report and in order to avoid any further administrative action, hereby enter into this Stipulation and Consent Order.

NOW, THEREFORE, IT IS agreed by and between the Company and the Director as follows:

1. The Market Conduct Examination indicated various areas in which the Company was not in compliance with provisions of the Illinois Insurance Code and Department Regulations; and
2. The Director and the Company consent to this Order requiring the Company to take certain actions to come into compliance with provisions of the Illinois Insurance Code and Department Regulations.

THEREFORE, IT IS HEREBY ORDERED by the undersigned Director that the Company shall:

1. Institute and maintain procedures to ensure that beneficiaries are notified at the time of a claim, that interest shall accrue at the rate of 10% annually unless payment is made within 31 days after proof of death or determination of liability, as required by 215 ILCS 5/224 (1)(l).
2. Institute and maintain procedures to ensure that the Exhibit B used in the replacement of life insurance policies includes all information, as required by 50 Ill. Adm. Code 917.60 and 50 Ill. Adm. Code 917.70.
3. Submit to the Director of Insurance, State of Illinois, proof of compliance with the above two (2) orders within 30 days of receipt of this Order.
4. Pay to the Director of Insurance, State of Illinois, a civil forfeiture in the amount of \$38,600 to be paid within 30 days of execution of this Order.

NOTHING contained herein shall prohibit the Director from taking any and all appropriate regulatory action as set forth in the Illinois Insurance Code, including but not limited to levying additional forfeitures, should the Company violate any of the provisions of this Stipulation and Consent Order or any provisions of the Illinois Insurance Code or Department Regulations.

On behalf of USAA LIFE INSURANCE COMPANY

Brandon D. Carter

Signature

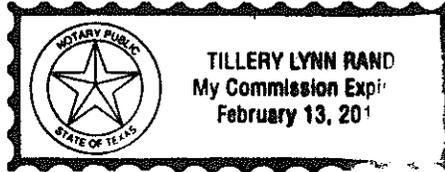
BRANDON D. CARTER

Name

PRESIDENT, life company

Title

Subscribed and sworn to before me this
6th day of October 2015.



Tillery Lynn Rand
Notary Public

DEPARTMENT OF INSURANCE of the
State of Illinois:

DATE 10/15/15

Anne Melissa Dowling
Anne Melissa Dowling
Acting Director

STATE OF KENTUCKY)
) ss
COUNTY OF JEFFERSON)

J. Joseph Cohen, Examiner-in-Charge, being first duly sworn upon his/her oath, deposes and says:

That he was appointed by the Director of Insurance of the State of Illinois (the "Director") as Examiner-In Charge to examine the insurance business and affairs of USAA Life Insurance Company, NAIC Number: 69663;

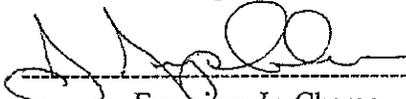
That the Examiner-In-Charge was directed to make a full and true report to the Director of the examination with a full statement of the condition and operation of the business and affairs of the Company with any other information as shall in the opinion of the Examiner-In-Charge be requisite to furnish the Director with a statement of the condition and operation of the Company's business and affairs and the manner in which the Company conducts its business;

That neither the Examiner-In-Charge nor any other persons so designated nor any members of their immediate families is an officer of, connected with, or financially interested in the Company nor any of the Company's affiliates other than as a policyholder or claimant under a policy or as an owner of shares in a regulated diversified investment company, and that neither the Examiner-In-Charge nor any other persons so designated nor any members of their immediate families is financially interested in any other corporation or person affected by the examination;

That an examination was made of the affairs of the Company pursuant to the authority vested in the Examiner-In-Charge by the Director of Insurance of the State of Illinois;

That he was the Examiner-in-Charge of said examination and the attached report of examination is a full and true statement of the condition and operation of the insurance business and affairs of the Company for the period covered by the Report as determined by the examiners;

That the Report contains only facts ascertained from the books, papers, records, or documents, and other evidence obtained by investigation and examined or ascertained from the testimony of officers or agents or other persons examined under oath concerning the business, affairs, conduct, and performance of the Company.



Examiner-In-Charge

Subscribed and sworn to before me this 20th day of July, 2015.



Notary Public

