

COMMONWEALTH OF MASSACHUSETTS

SUFFOLK, ss.

SUPERIOR COURT
DEPARTMENT OF THE TRIAL COURT

_____ :
In the Matter of :

AMERICAN GENERAL LIFE :
INSURANCE COMPANY :

Civil Action No. _____

ASSURANCE OF DISCONTINUANCE
PURSUANT TO M.G.L. CHAPTER 93A, § 5

I. INTRODUCTION

1. The Commonwealth of Massachusetts (“**Commonwealth**”), through the Office of Attorney General Maura Healey (“**AGO**”), and American General Life Insurance Company (“**AG Life**”) enter into this Assurance of Discontinuance (“**AOD**”) pursuant to M.G.L. c. 93A, § 5.

2. AG Life is a corporation and insurance company with a principal place of business at 2727-A Allen Parkway, Houston, TX 77019. AG Life is a licensed insurance company with the Massachusetts Division of Insurance.

3. Pursuant to M.G.L. c. 93 A, § 6, the AGO conducted an investigation relating to the administration of AG Life’s life insurance policies involving Massachusetts residents since January 1, 2015 (“**the Investigation**”).

4. As a result of the Investigation, the AGO alleges that AG Life failed to calculate the payment of interest pursuant to M.G.L. c. 175, § 119C for policies AG Life has paid a death benefit since January 1, 2015.

5. In lieu of litigation and in recognition of AG Life’s assistance and cooperation

throughout the Investigation, the AGO agrees to accept this AOD on the terms and conditions contained herein, pursuant to the Massachusetts Consumer Protection Act, M.G.L. c. 93A, § 5.

The AGO and AG Life both voluntarily enter into this AOD.

6. This AOD does not constitute an admission by AG Life of any fact or noncompliance with any state or federal law, rule, or regulation. AG Life enters into this AOD for settlement purposes only and neither admits nor denies the AGO's allegations. This AOD is made without any trial or adjudication of any issue of fact or law.

II. PAYMENT TO THE STATE

7. Within thirty (30) days of the date of entry of this AOD, AG Life will pay \$183,505.42 to the Commonwealth, of which no part will be considered a penalty or fine. This payment shall be made by delivering a check payable to the Commonwealth of Massachusetts, which shall be sent by overnight mail with postal service tracking to Katherine Hurley, Insurance and Financial Services Division, Office of the Attorney General, One Ashburton Place, 18th Floor, Boston, MA 02108.

III. CONSUMER RESTITUTION

8. Within ten (10) days of the date of entry of this AOD, AG Life shall provide a list to the AGO identifying the Massachusetts residents to whom AG Life has paid a death benefit since January 1, 2015 to April 30, 2019 (“**Massachusetts Resident/s**”) as well as the amount to be paid to such residents. This list shall contain for each Massachusetts Resident: (i) full name; (ii) address; (iii) policy number; (iv) date of the death the insured; (v) date and amount of interest paid prior to the date of entry of this AOD; and (vii) amount to be paid pursuant to this AOD. The amount to be paid under this section will be the difference between the amount of interest paid prior to the date of the entry of this AOD and the amount of interest calculated pursuant to M.G.L. c. 175, s. 119C.

9. Within ninety (90) days of the date of entry of this AOD, AG Life shall issue to all Massachusetts Residents: (i) a letter, in the form set forth in Exhibit A, Exhibit B, or Exhibit C and (ii) a check to be mailed separately in the amount identified in the list referenced in Paragraph eight (8) of this AOD.¹

10. Within two hundred and ten (210) days of the date of entry of this AOD, and again within two hundred and seventy (270) and three hundred and sixty-five (365) days of the date of entry of this AOD, AG Life shall inform the AGO of the identity of each Massachusetts Resident who cashed or deposited the check sent pursuant to the letter attached hereto as Exhibit A, Exhibit B, or Exhibit C, as well as the amount of the check cashed or deposited.

11. Within two hundred and ten (210) days of the date of entry of this AOD, and again within two hundred and seventy (270) days and three hundred and sixty-five (365) days of the date of entry of this AOD, AG Life shall inform the AGO of the identity of each Massachusetts Resident to whom AG Life sent the letter attached hereto as Exhibit A, Exhibit B, or Exhibit C but whom AG Life has been unable, after exercising due diligence, to locate.² To the extent the AGO locates an address for a Massachusetts Resident that differs from the address(es) used by AG Life, AG Life shall attempt to locate the Massachusetts Resident based on information provided by the AGO.

12. If, within three (3) years of the date of entry of this AOD, AG Life is unable, after exercising due diligence, to distribute any monies to Massachusetts Residents pursuant to Paragraphs eight (8) through eleven (11) of this AOD, the remaining undistributed monies shall not be retained by AG Life. Such monies shall be properly disposed of and/or reported, as

¹ The letters differ only with respect to AGLI's contact telephone number, which will vary among the consumers.

² Paragraph eleven (11) is subject to the limitation that AGLI does not have an independent duty to try and locate individuals when the returned check is for a sum less than \$5.00.

required by law.

IV. ESCHEATED LIFE INSURANCE POLICIES

13. Within ten (10) days of the date of the entry of this AOD, AG Life, shall provide a list to the AGO identifying the life insurance policies for which its proceeds were reported to the Massachusetts State Treasury (“**Treasury**”) as unclaimed property pursuant to M.G.L. c. 200A since January 1, 2015 to the date of entry of this AOD. This list shall contain for each life insurance policy: (i) insured’s full name and address; (ii) beneficiary’s full name and address; (iii) policy number; (iv) date of death of the insured; (v) date and amount of interest reported to the Treasury prior to the date of entry of this AOD; (vi) amount of interest to be reported to the Treasury pursuant to this AOD. The amount to be reported will be the difference between the amount of interest previously reported to the Treasury and the amount of interest calculated pursuant to M.G.L. c. 200A.

14. On or before June 30, 2020, for the life insurance policies identified in Paragraph thirteen (13) of this AOD, AG Life will report to the Treasury the amount to be reported as unclaimed property pursuant to M.G.L. c. 200A.

V. COOPERATION & RECORD KEEPING

15. AG Life will cooperate with the AGO during any related monitoring, reviews, or compliance undertaken pursuant to this AOD.

16. AG Life will create and maintain, for a period of at least three (3) years from the date of entry of this AOD, all records necessary to demonstrate AG Life’s compliance with its obligations under this AOD and will provide such records to the AGO upon request.

17. Should the AGO, at any time within the next three (3) years, request additional information related to the payments made to Massachusetts Residents or the reporting/s to the Treasury, AG Life shall provide the AGO with any such requested information within twenty

(20) days of the AGO's request.

V. MISCELLANEOUS PROVISIONS

18. The AGO will not proceed with or institute a civil action or proceeding based upon M.G.L. c. 93A or any other statute or regulation, or common law, against AG Life, or any of AG Life's subsidiaries, subdivisions, affiliates, successors, assigns, and/or purchasers of all or substantially all of its business assets for AG Life's actions prior to the date of entry of this AOD regarding the allegations in the Investigation described in Paragraph four (4) of this AOD.

19. The acceptance of this AOD by the AGO does not constitute acceptance or approval by the AGO of any of AG Life's assertions of fact or past practices, and AG Life will make no representation to that effect.

20. The AOD may be modified or supplemented only by a written document signed by both parties.

21. The AOD shall be binding upon AG Life, its officers, directors, employees, agents, subsidiaries, affiliates, subdivisions, successors, assigns, and/or purchasers of all or substantially all of AG Life's business assets.

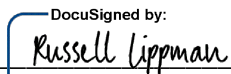
22. The AGO may extend any deadline in this AOD in its sole discretion.

23. The AOD and its provisions shall be effective on the date that it is filed in the Superior Court for Suffolk County.

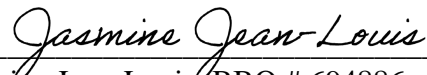
24. By signing below, AG Life agrees to comply with all of the terms of the AOD. Any violation of the AOD may be pursued in a civil action or proceeding under M.G.L. c. 93A hereafter commenced by the AGO.

25. By signing below, the signatories represent that they are authorized to sign this document on behalf of their respective parties.

**AMERICAN GENERAL LIFE
INSURANCE COMPANY**

By: 
Russell Lippman 1630C1ABF963404...
Deputy General Counsel, Litigation
30 Pine Street, 13th Floor
New York, NY 10005

**COMMONWEALTH OF MASSACHUSETTS
MAURA HEALEY ATTORNEY GENERAL**

By: 
Jasmine Jean-Louis, BBO # 694886
Special Assistant Attorney General
One Ashburton Place, 18th Floor
Boston, Massachusetts 02108
(617) 963-2147
Jasmine.Jean-Louis@mass.gov

Dated: 3/23/2020

Dated: 4/08/2020

EXHIBIT A

SETTLEMENT NOTICE

Dear Customer, (By Name):

American General Life Insurance Company (“**American General**”) has reached a settlement with Attorney General Maura Healey regarding allegations that American General failed to calculate the payment of interest pursuant to M.G.L. c. 175, § 119C.

Under the terms of the Attorney General’s settlement, you are entitled to a payment of \$_____. A check for this amount will be mailed to you separately within 90 days from the date of this letter. **You must cash the check within one hundred and eight (180) days, or it will be cancelled.** Please be advised that American General will issue an IRS Form 1099-MISC in 2020 on which this payment will be reported, if required by law.

If you have questions regarding the settlement, you may contact American General at 1-844-452-3832 and state that you are calling concerning the settlement with Attorney General Maura Healey, or the Attorney General’s Insurance & Financial Services Division at 1-888-830-6277.

Sincerely,

American General

EXHIBIT B

SETTLEMENT NOTICE

Dear Customer, (By Name):

American General Life Insurance Company (“**American General**”) has reached a settlement with Attorney General Maura Healey regarding allegations that American General failed to calculate the payment of interest pursuant to M.G.L. c. 175, § 119C.

Under the terms of the Attorney General’s settlement, you are entitled to a payment of \$_____. A check for this amount will be mailed to you separately within 90 days from the date of this letter. **You must cash the check within one hundred and eight (180) days, or it will be cancelled.** Please be advised that American General will issue an IRS Form 1099-MISC in 2020 on which this payment will be reported, if required by law.

If you have questions regarding the settlement, you may contact American General at 1-800-888-2452 and state that you are calling concerning the settlement with Attorney General Maura Healey, or the Attorney General’s Insurance & Financial Services Division at 1-888-830-6277.

Sincerely,
American General

EXHIBIT C

SETTLEMENT NOTICE

Dear Customer, (By Name):

American General Life Insurance Company (“**American General**”) has reached a settlement with Attorney General Maura Healey regarding allegations that American General failed to calculate the payment of interest pursuant to M.G.L. c. 175, § 119C.

Under the terms of the Attorney General’s settlement, you are entitled to a payment of \$_____. A check for this amount will be mailed to you separately within 90 days from the date of this letter. **You must cash the check within one hundred and eight (180) days, or it will be cancelled.** Please be advised that American General will issue an IRS Form 1099-MISC in 2020 on which this payment will be reported, if required by law.

If you have questions regarding the settlement, you may contact American General at 1-800-633-6259 and state that you are calling concerning the settlement with Attorney General Maura Healey, or the Attorney General’s Insurance & Financial Services Division at 1-888-830-6277.

Sincerely,

American General