



**COMMONWEALTH OF PENNSYLVANIA  
INSURANCE DEPARTMENT**

MARKET CONDUCT  
EXAMINATION REPORT

OF

**ATHENE ANNUITY AND  
LIFE COMPANY**  
WEST DES MOINES, IA

As of: December 27, 2022  
Issued: February 24, 2023

**BUREAU OF MARKET ACTIONS  
PROPERTY AND CASUALTY DIVISION**



PENNSYLVANIA INSURANCE DEPARTMENT
EXAMINATION VERIFICATION

I, Holly Blanchard, Contract Examiner from
(Name of Examiner) (Title of Examiner)

Regulatory Insurance Advisors certify that I was the Examiner-In-Charge of the Report of
(Name of Vendor/Department)

Examination of Athene Anny and Life Company (NAIC 616 made as of 12/08/2022
(Name of Examined Company) (Date)

The last date of examination file review was 12/08/2022 and the written Report
(Date)

of Examination was reviewed and accepted by the Paul E. Towsen III
(Chief of Market Conduct Examiner)

on 12/27/2022
(Date)

I have reviewed the completed written Report of Examination and certify that the facts and figures recited therein are true and accurate, according to the records, documents and other evidence obtained during the course of the examination.

Holly L. Blanchard
(Examiner-in Charge)

Regulatory Insurance Advisors (RIA)
(Name of Vendor/Department)

(Address of Vendor/Department)

Holly Blanchard
(Examiner in Charge Signature)

12/8/2022
(Date)

IN ORDER TO SATISFY SECTION 40 P.S. § 323.5(b), THAT PROVIDES FOR NO LONGER THAN SIXTY (60) DAYS FROM THE COMPLETION OF THE EXAMINATION, THE EXAMINER IN CHARGE SHALL FILE WITH THE DEPARTMENT A VERIFIED WRITTEN REPORT OF EXAMINATION UNDER OATH.

**TABLE OF CONTENTS**

ORDER

|      |   |    |
|------|---|----|
| I.   | INTRODUCTION .....  | 1  |
| II.  | SCOPE OF EXAMINATION.....   | 3  |
| III. | COMPANY HISTORY.....  | 4  |
| IV.  | Consumer Complaints .....   | 7  |
|      | A. Polices and procedures related to intake and handling of complaints..... | 7  |
|      | B. Complaint Register and log and other related documents .....             | 7  |
|      | C. Policies and procedures for tracking and finalizing a complaint.....     | 9  |
| V.   | POLICYHOLDER SERVICES.....  | 10 |
|      | A. Policyholder Services Business Area.....                                 | 10 |
|      | B. Contact Information .....  | 10 |
|      | C. Producer information.....  | 10 |
|      | D. Producer information.....  | 11 |
|      | E. Free Look Period.....  | 11 |
|      | F. Insurable Interest .....   | 11 |
|      | G. Marketing Materials .....  | 12 |
|      | H. Cancellation, Partial Surrender, or loan.....                            | 12 |
|      | I. Cancellations .....  | 12 |
|      | J. Premium notices.....   | 13 |
|      | K. Unclaimed property .....   | 13 |
|      | L. Death Master Index .....   | 13 |
|      | M. Location of missing policyholders or beneficiaries .....                 | 13 |
|      | N. Suitability .....  | 14 |
|      | O. Suitability Declinations .....   | 14 |

|  |    |
|--|----|
| P. Suitability Training .....                          | 15 |
| VI. CLAIMS PROCEDURES .....                            | 16 |
| A. Claims Manual .....                                 | 16 |
| B. Claims Training.....                                | 16 |
| C. Claims Process .....                                | 16 |
| D. Claims Forms .....                                  | 17 |
| E. Claims universes .....                              | 17 |
| VII. PRODUCER LICENSING.....                           | 19 |
| A. Records of appointed Producers .....                | 19 |
| B. Producer recruiting and onboarding .....            | 20 |
| C. Producer Oversight.....                             | 20 |
| D. Producer Termination.....                           | 20 |
| E. Producer Licensing.....                             | 21 |
| F. Agency System.....                                  | 21 |
| G. Confirmation of licensing on written business ..... | 21 |
| H. Producer training and ongoing education .....       | 22 |
| I. Producer monitoring.....                            | 22 |
| VIII. RECOMMENDATIONS.....                             | 23 |
| IX. COMPANY RESPONSE.....                              | 25 |

BEFORE THE INSURANCE COMMISSIONER  
OF THE  
COMMONWEALTH OF PENNSYLVANIA

**ORDER**

AND NOW, this \_\_31st\_\_ day of \_\_March\_\_, 2022, in accordance with Section 905(c) of the Pennsylvania Insurance Department Act, Act of May 17, 1921, P.L. 789, as amended, P.S. § 323.5, I hereby designate David J. Buono, Jr., Deputy Insurance Commissioner, to consider and review all documents relating to the market conduct examination of any company and person who is the subject of a market conduct examination and to have all powers set forth in said statute including the power to enter an Order based on the review of said documents. This designation of authority shall continue in effect until otherwise terminated by a later Order of the Insurance Commissioner.



  
\_\_\_\_\_  
Michael Humphreys  
Acting Insurance Commissioner



2. Respondent hereby waives all rights to a formal administrative hearing in this matter and agrees that this Consent Order shall have the full force and effect of an order duly entered in accordance with the adjudicatory procedures set forth in the Administrative Agency Law, supra, or other applicable law.

### FINDINGS OF FACT

3. The Insurance Department finds true and correct each of the following Findings of Fact:

- (a) Respondent is Athene Annuity and Life Company, and maintains its address at 7700 Mills Civic Parkway, West Des Moines, IA 50266.
- (b) A market conduct examination of Respondent was conducted by the Insurance Department covering the experience period from January 1, 2019 through December 31, 2020.
- (c) On December 27, 2022, the Insurance Department issued a Market Conduct Examination Report to Respondent.
- (d) A response to the Examination Report was provided by Respondent on January 30, 2023.

(e) The Market Conduct Examination of Respondent revealed violations of the following:

(i) All findings and conclusions in the Examination Report, which is attached hereto, are hereby incorporated into this Consent Order.

CONCLUSIONS OF LAW

4. In accord with the above Findings of Fact and applicable provisions of law, the Insurance Department makes the following Conclusions of Law:

(a) Respondent is subject to the jurisdiction of the Pennsylvania Insurance Department.

(b) Violations of 40 P.S. §627-3(b) are punishable by the following under 40 P.S. §627-6. Upon a determination by hearing that this article has been violated, the Commissioner may pursue one or more of the following courses of action:

(i) Cease and desist from engaging in the violation;

(ii) Suspend or revoke or refuse to issue or renew the certificate or license of the person in violation;

(iii) Impose a civil penalty of not more than \$5000 for each violation;



(c) Violations of 40 P.S. §§1171.5(a)(10)(i), 1171.5(a)(10)(ii), 1171.5(a)(10)(iii), and 1171.5(a)(11) are punishable by the following, under Section 9 of the Unfair Insurance Practices Act (40 P.S. §1171.9):

- (i) cease and desist from engaging in the prohibited activity;
- (ii) suspension or revocation of the license(s) of Respondent.

(d) In addition to any penalties imposed by the Commissioner for Respondent's violations of 40 P.S. §§1171.1 – 1171.5, the Commissioner may, under (40 P.S. §§1171.10, 1171.11) file an action in which the Commonwealth Court may impose the following civil penalties:

- (i) for each method of competition, act or practice which the company knew or should have known was in violation of the law, a penalty of not more than five thousand dollars (\$5,000.00);
- (ii) for each method of competition, act or practice which the company did not know nor reasonably should have known was in violation of the law, a penalty of not more than one thousand dollars (\$1,000.00).

(e) Respondent's violations of 31 Pa. Code §§146.3 and 146.5(c) are punishable under Sections 1 through 5 and Section 9 of the Unfair Insurance Practices Act (40 P.S. §§1171.1 – 1171.5 and 1171.9):

- (i) cease and desist from engaging in the prohibited activity;
- (ii) suspension or revocation of the license(s) of Respondent.

ORDER

5. In accord with the above Findings of Fact and Conclusions of Law, the Insurance Department orders and Respondent consents to the following:

- (a) Respondent shall cease and desist from engaging in the activities described herein in the Findings of Fact and Conclusions of Law.
  
- (b) Respondent shall pay Twenty-Five Thousand Dollars (\$25,000.00) in settlement of all violations contained in the Report.
  
- (c) Payment of this matter shall be made at <https://www.bpp.ob.pa.gov/Customer>. Instructions on how to do this are provided in the attached cover letter to this order. Payment must be made no later than thirty (30) days after the date of this Order.
  
- (d) To determine Respondent's compliance with the full and timely implementation of all recommendations in the Examination Report, the Department may inquire with the Respondent about its implementation of the Recommendations no earlier than twelve (12) months from the date of this Order..
  
- (e) Respondent shall share the Examination Report and this Order with each of its directors and submit affidavits executed by each of its directors, stating under oath that they have received a copy of the Examination Report and this Order. Such affidavits shall be submitted within thirty (30) days of the date of this Order.

(f) Respondent shall comply with all recommendations contained in the attached Report.

6. In the event the Insurance Department finds that there has been a breach of any of the provisions of this Order, based upon the Findings of Fact and Conclusions of Law contained herein may pursue any and all legal remedies available, including but not limited to the following: The Insurance Department may enforce the provisions of this Order in the Commonwealth Court of Pennsylvania or in any other court of law or equity having jurisdiction; or the Department may enforce the provisions of this Order in an administrative action pursuant to the Administrative Agency Law, supra, or other relevant provision of law.

7. Alternatively, in the event the Insurance Department finds that there has been a breach of any of the provisions of this Order, the Department may declare this Order to be null and void and, thereupon, reopen the entire matter for appropriate action pursuant to the Administrative Agency Law, supra, or other relevant provision of law.

8. In any such enforcement proceeding, Respondent may contest whether a breach of the provisions of this Order has occurred but may not contest the Findings of Fact and Conclusions of Law contained herein.

9. Respondent hereby expressly waives any relevant statute of limitations and application of the doctrine of laches for purposes of any enforcement of this Order.

10. This Order constitutes the entire agreement of the parties with respect to the matters referred to herein, and it may not be amended or modified except by an amended order signed by all the parties hereto.

11. This Order shall be final upon execution by the Insurance Department. Only the Insurance Commissioner or a duly authorized delegee is authorized to bind the Insurance Department with respect to the settlement of the alleged violations of law contained herein, and this Consent Order is not effective until executed by the Insurance Commissioner or a duly authorized delegee.

BY: ATHENE ANNUITY AND LIFE  
COMPANY  
Respondent

*Megan Claypool*

\_\_\_\_\_  
SVP & Chief Compliance Officer

*Charles S. Bell*

\_\_\_\_\_  
VP Compliance

*David J. Buono*

\_\_\_\_\_  
DAVID J. BUONO  
Deputy Insurance Commissioner  
Commonwealth of Pennsylvania

## ***I. INTRODUCTION***

The Market Conduct Examination (Examination) was conducted through a desktop examination of Athene Annuity and Life Company (the Company) (NAIC #61689). All reviews were conducted in the offices of the Pennsylvania Insurance Department (the Department) and off-site locations.

Pennsylvania Market Conduct Examination Reports generally note the items that have been reviewed and whether there is a violation of law or regulation. A violation is any instance of Company activity that does not comply with an insurance statute or regulation. Violations contained in an Examination Report may result in imposition of penalties. An Examination Report also includes management recommendations addressing areas of concern noted by the Department, but for which no statutory violation was identified. This enables Company management to review these areas of concern in order to determine the potential impact upon Company operations for future compliance. Findings identified in all summaries issued to the Company throughout the Examination process are included in this Examination Report; however, in some instances, the content of multiple summaries may be combined into a single report section. This only applies to sections in which no violations were found.

Throughout the course of the Examination, Company officials were provided status memoranda or summaries, which reference specific policy numbers with citations to each section of law violated. Additional information was requested to clarify apparent violations. Multiple conference calls, status meetings, and an exit conference were conducted with Company officials to discuss the various types of violations identified during the Examination and to review written summaries provided for the violation's examiners identified.

The courtesy and cooperation extended by the officers and employees of the Company during the course of the Examination is acknowledged.

The following examiners participated in the Examination and in the preparation of this Examination Report.

PA Insurance Department

Paul Towsen, MCM  
Chief Property & Casualty/Life & Annuity Division  
PA Insurance Department

David J. Kelly, MCM  
Market Conduct Examiner  
PA Insurance Department

Donna Shafer, MCM  
Market Conduct Examiner, II  
PA Insurance Department

Holly Blanchard, FLMI, AIE, ACP, CCP, INS, MCM  
Contract Market Conduct Examiner

Lindsay Bates, MCM, CFE  
Contract Market Conduct Examiner

Cheryl Cole Ulm, MCM, CFE  
Contract Market Conduct Examiner

## ***II. SCOPE OF EXAMINATION***

The Examination was conducted pursuant to the authority granted by Sections 903 and 904 (40 P.S. §§ 323.3 and 323.4) of the Insurance Department Act and covered the experience period of January 1, 2019, through December 31, 2020, unless otherwise noted. The purpose of the Examination was to ensure compliance with Pennsylvania insurance laws and regulations.

The Examination focused on the Company's policies, procedures, and processes in the following areas: Complaints, Producer Licensing, Policyholder Services, and Claims, regarding Individual Life and Individual Annuity products. The lines of business examined included: Whole Life, Traditional Universal Life, Indexed Universal Life, Variable Life, Term Life, Indexed Annuities, Fixed Annuities, Immediate Income Annuities, Fee based Annuities, Variable Annuities, Deferred Annuities, and any other Annuity type issued during the exam period.

Examiners requested that the Company identify the universe of files for each, complaints and claims. Based on the universe sizes identified, random sampling was utilized to select the files reviewed for analysis.

For control purposes, some of the review segments identified in this Examination Report may be broken down into various sub-categories by line of insurance or Company administration. These specific sub-categories, if not reflected individually in the Examination Report, are included and grouped within the respective categories of the Examination Report. All reviews conducted throughout the Examination included consideration of company responses to examiner requests pursuant to 40 P.S. §§ 323.3 and 323.4. While these statute and regulation sections are included in all reviews completed during the Examination, the Examination Report only notes when examiners found a violation of these sections in a particular sub-category, such as incomplete file documentation or incorrect information provided in response to the requests.

### **III. COMPANY HISTORY**

Effective October 2, 2013, pursuant to a Stock Purchase Agreement dated December 21, 2012 (as amended from time to time, the “SPA”), between Aviva plc, a public limited company organized under the laws of England and Wales (“Aviva”), and Athene Holding Ltd., a Bermuda exempted company (“AHL”), AHL acquired 100% of the issued and outstanding capital stock of Athene USA Corporations (formerly known as Aviva USA Corporation), an Iowa corporation and a subsidiary of Aviva (“AUSA”), and thereby acquired control of certain AUSA’s insurance company subsidiaries, including, but not limited to, Athene Annuity and Life Company (“AAIA”) (f/k/a Aviva Life and Annuity Company).

AAIA is a direct, wholly owned subsidiary of Athene Annuity & Life Assurance Company (“AADE”), which in turn is an indirect, wholly owned subsidiary of AHL. On December 9, 2016, AHL listed its common shares on the NYSE under the symbol “ATH”. On March 20, 2018, AHL contributed AUSA and its subsidiaries to AHL’s wholly owned subsidiary Athene Life RE Ltd. (“ALRe”).

Also in 2013, Athene sold, primarily through a series of reinsurance transactions, Aviva USA’s life insurance business, as well as a life insurance company that Athene owned, Presidential Life Insurance Company (subsequently renamed “Accordia Life”), to a subsidiary of Global Atlantic Financial Group (“GAFG”). The life business sold to GAFG included an in-force block of approximately 550,000 life insurance policies, and the majority of those policies have been novated from Athene to Accordia Life. The novation of those policies will continue until December 2020 and at that time policies not novated to Accordia Life will remain with Athene. Accordia Life will retain responsibility for administering the Life policies regardless of the status of the novation.

### **OVERVIEW AND ORGANIZATION OF THE COMPANY**

The Company is a member of a Holding Company System as defined by Chapter 521A, Code of Iowa. AHL, the Company’s ultimate parent company, was formed on September 3, 2008, as a Bermuda exempted company. As of December 31, 2020, AHL conducted its



operations through three direct subsidiaries: AUSA and ALRe; and Athora Holding, Ltd. Formerly known as AGER Bermuda Holdings Ltd. (AGER). AUSA serves the AHL for the Company's United States annuity operations and its United States insurance subsidiaries. ALRe is a Class E registered (re) insurer licensed in Bermuda reinsuring products for affiliated entities and third-party life insurance companies. AGER consists of several German operating entities that were acquired in October 2016, with most of the business placed in run-off by the predecessor owner in early 2010. As of December 31, 2017, AGER had limited active operations. AGER and its subsidiaries were deconsolidated via a carve-out and private placement offering subsequent to the examination period.

AHL operated as a privately held company from its inception until December 9, 2016, when its Class A shares were first listed on the New York Stock Exchange. Prior to February 28, 2020, AGL's common shares comprised Class A, Class B, and Class M common shares. Effective February 28, 2020, AHL's common shares comprise a single class of voting common stock (the "Class A Common Shares"). As of December 31, 2020, Apollo Global Management, Inc ("AGM") and its affiliates held an approximate 28.5% ownership interest in the Class A Common Shares. Additionally, AGM owns and controls Apollo Insurance Solutions Group LP, which acts as investment manager for AHL and its subsidiaries. AGM is a publicly listed company that is ultimately controlled, directly or indirectly, by three controlling individuals.

As of December 31, 2020, the Company is licensed in the District of Columbia, Puerto Rico and all states except New York. The Company is authorized to transact the business of life insurance including annuities, variable annuities, variable life and credit life, health and credit health.

The Company has historically issued individual life insurance, annuities, and related spread products, and is currently actively selling individual fixed annuities and an individual registered index annuity. In 2017, the Company began the sale of group annuities in connection with pension risk transfer transactions (PRT). In addition to annuity sales and PRT, the Company offers the issuance of FABN (deposit-type contracts) to financial institutions.

The Company's previously described product offerings are components of the overall AHL product and distribution strategy. AHL's full suite of products offered through the Company and its subsidiaries are described as follows according to AHL's four distribution channels: (1) retail sales of fixed and fixed-indexed annuity products; (2) institutional products, which include funding agreements and pension risk transfer transactions; (3) fixed annuity reinsurance agreements with third-party life insurance and annuity providers; and (4) opportunistic purchases of companies.

#### **IV. CONSUMER COMPLAINTS**

Examiners requested documentation relating to consumer complaints, including policies and procedures for complaint handling, record keeping, dispositions, and timelines.

Unless noted, all documents identified in the universe by the Company were requested, received, and reviewed by the examiners. In the event the initial documents provided by the Company did not provide enough information, examiners issued information requests, which resulted in additional documents that were included in the review. Documents provided pursuant to examiner requests under this section were reviewed to ensure compliance with applicable standards found in 40 P.S. §§ 323.3, 323.4, 40 P.S. §1171.5, and 31 Pa. Code §146.5

##### **A. Policies and procedures related to intake and handling of complaints**

The Company was asked to provide all policies and procedures utilized by the Company during the Examination period for the intake of complaints and all correspondence that is provided to the policyholder outlining how to file a complaint, including contact information and addresses presented for consumer inquiries, as well as information presented to file a complaint with the Pennsylvania Insurance Department. The Company provided comprehensive documents in response to the request. In accordance with the requirements of the Examination, the documents were reviewed to ensure compliance with applicable state laws and regulations. No violations were noted.

##### **B. Complaint Register and log and other related documents**

The Company was asked to provide a record of all complaints which it received during the experience period of January 1, 2019 through December 31, 2020, as well as documentation that all complaints, both Department of Insurance and internal Company complaints, are recorded in the required format on the regulated entity's complaint register. The Company was also asked to provide the complete internal complaint register for the above identified lines of business for the Examination period as well as any Department complaints. In response, the Company provided two logs, one which included the Department complaints, and one which included all other complaints, including internal Company complaints, totaling fifty-nine (59) complaint files. Twenty-eight (28)

files were randomly selected for review. All twenty-eight files (28) files were received. In accordance with the requirements of the Examination, the documents were reviewed to ensure compliance with applicable state laws and regulations, and to verify compliance with 31 Pa. Code §146.5(b) and (c). **Three (3) violations were noted.**

**1 VIOLATION-40 P.S. §1171.5 (a)(10)(i) – Unfair methods of competition and unfair or deceptive acts or practices defined.**

(a) “Unfair methods of Competition” and “unfair or deceptive acts or practices” in the business of insurance means:

...

(10) Any of the following acts if committed or performed with such frequency as to indicate a business practice shall constitute unfair claim settlement or compromise practices.

(i) Misrepresenting pertinent facts or policy or contract provisions relating to coverages at issue

...

Examiners identified that in one complaint, the incorrect information was presented to the policyholder.

AND

**2 VIOLATIONS-40 P.S. §1171.5 (a)(11) – Unfair methods of Competition and unfair or deceptive acts or practices defined.**

(a) “Unfair methods of Competition” and “unfair or deceptive acts or practices” in the business of insurance means:

...

(11) Failure of any person to maintain a complete record of all the complaints which it has received during the preceding four years. This record shall indicate the total number of complaints, their classification by line of insurance, the nature of each complaint, the disposition of these complaints and the time it took to process each complaint. For purposes of this paragraph, "complaint" means any written communication primarily expressing a grievance.

Examiners identified that two complaints were missing from the Complaint log.

**C. Policies and procedures for tracking and finalizing a complaint**

The Company was asked to provide policies and procedures demonstrating that the Company takes adequate steps to finalize and dispose of the complaint in accordance with applicable statutes. In response, the Company provided comprehensive responses. In accordance with the requirements of the Examination, the documents were reviewed to ensure compliance with applicable state laws and regulations. No violations were noted.

## V. POLICYHOLDER SERVICES

Examiners requested documentation relating to policyholder services. Specifically, the documents were reviewed to ensure policyholder service guidelines were in place and being followed in a uniform and consistent manner, and that no policyholder service practices, or procedures were in place that could be discriminatory in nature, or specifically prohibited by statute or regulation. Unless noted, all documents identified in the universe by the Company were requested, received, and reviewed by the examiners. In the event the initial documents provided by the Company did not provide enough information, examiners issued information requests, which resulted in additional documents that were included in the review. Documents provided pursuant to examiner requests under this section were reviewed to ensure compliance with applicable standards found in 40 P.S. §§ 477a, 40 P.S. §§ 323.3, 323.4, 40 P.S. §1171.5, 40 P.S. § 627-1 (2), and 31 Pa Code §51.3(A).

### A. **Policyholder Services Business Area**

Examiners requested a comprehensive description of the policyholder services department(s), including an organization chart for the business units comprising the policyholder services areas. The Company provided a response to the request. In accordance with the requirements of the Examination, the documents were reviewed to ensure compliance with applicable state laws and regulations. No violations were noted.

### B. **Contact Information**

Examiners requested documentation that advises the policyholder how to access customer service, including the contact information that is presented. In response, the Company provided fifteen (15) supporting documents. In accordance with the requirements of the Examination, the documents were reviewed to ensure compliance with applicable state laws and regulations. No violations were noted.

### C. **Producer information**

Examiners requested policies and procedures for ensuring that each producer has the appropriate education and training for selling products, and sales manuals for oversight of

producers utilized during the experience period. In response, the Company provided a universe one (1) document outlining processes and procedures. In accordance with the requirements of the Examination, the document was reviewed to ensure compliance with applicable state laws and regulations. No violations were noted.

**D. Producer information**

Examiners requested a listing of appointments and terminations for the Examination review period, listing of producer appointments and terminations by line of business, and business zip code. In response the Company identified a universe of twenty-eight (28) documents including a listing of appointed and terminated producers and supporting documentation. In accordance with the requirements of the Examination, the documents were reviewed to ensure compliance with applicable laws and regulations. No violations were noted.

**E. Free Look Period**

The Company was asked to provide a listing of all policyholders who canceled their policy pursuant to the free look provision during the Examination period for each line of business identified. In response to the request, the Company provided a list of forty-one (41) contracts cancelled during the free look period. In accordance with the requirements of the Examination, all documents were reviewed and a random sample of fourteen (14) cancellations were reviewed to ensure compliance with applicable state laws and regulations. No violations were noted.

**F. Insurable Interest**

The Company was asked to provide the processes and procedures for verifying that an insurable interest exists on each policy and identifying circumstances where insurable interest is a concern. In response, the Company provided a statement advising that the Company has not accepted new life applications since September 2014. As such, they have no information to provide. In accordance with the requirements of the Examination, the document was reviewed to ensure compliance with applicable state laws and regulations. No violations were noted.

## **G. Marketing Materials**

The Company was asked to provide a list of marketing materials utilized during the Examination period for each line of business outlined. This included Company-initiated and producer-initiated marketing materials that were approved by the Company. Additionally, the Company was asked to include any illustrations utilized for the products during the exam period. In response to the requests, the Company provided a spreadsheet of marketing materials that were approved and utilized during the Examination period. The examiners obtained a random sample of these materials to review. In accordance with the requirements of the Examination, all documentation was reviewed to ensure compliance with applicable state laws and regulations, including 31 Pa Code §51.3(A) No violations were noted; however one concern was identified.

### **CONCERN:**

#### **CONCERN 1:**

Advertising file 2645342 was not approved for use by the Company.

## **H. Cancellation, Partial Surrender, or loan**

The Company was asked to provide all policies and procedures utilized by the Company for policyholder instigated cancellations partial surrenders or loans during the Examination period. In response, the Company provided a universe of ten (10) documents, policies and procedures. In accordance with the requirements of the Examination, all documentation was reviewed to ensure compliance with applicable state laws and regulations, including 40 P.S. § 753(B)(8). No violations were noted.

## **I. Cancellations**

The Company was asked to provide a list of all policyholder-initiated cancellations for each line of business for the Examination period. In response, the Company provided five (5) spreadsheets which contained the requested information. In accordance with the requirements of the Examination, all documentation was reviewed to ensure compliance



with applicable state laws and regulations, including 40 P.S. § 753(B)(8). No violations were noted.

**J. Premium notices**

The Company was asked to provide all examples of notices of premium payments due to the policyholder as well as documentation demonstrating that premium notices and billing notices are sent out with an adequate time of advance notice. In response, the Company provided eleven (11) supporting documents. In accordance with the requirements of the Examination, all documentation was reviewed to ensure compliance with applicable state laws and regulations. No violations were noted.

**K. Unclaimed property**

The Company was asked to provide all policies and procedures related to unclaimed property utilized during the Examination period, as well as the Company's unclaimed property register. In response to the request, the Company provided nineteen (19) supporting documents, including the unclaimed property register. In accordance with the requirements of the Examination, all documentation was reviewed to ensure compliance with applicable state laws and regulations. No violations were noted.

**L. Death Master Index**

The Company was asked to provide a list of all policies and procedures for reporting unclaimed property to the Death Master Index, including all processes for reconciliation against the Death Master Index. In response to the request, the Company provided three (3) supporting documents. In accordance with the requirements of the Examination, all documentation was reviewed to ensure compliance with applicable state laws and regulations. No violations were noted.

**M. Location of missing policyholders or beneficiaries**

The Company was asked to provide documentation demonstrating that reasonable attempts to locate missing policyholders or beneficiaries are made, including: schedule F of the annual statement, policies scheduled for matured endowments, and identification of unpaid payees of returned benefit checks and copies of all unclaimed property reports. In

response to the request, the Company provided three (3) supporting documents. In accordance with the requirements of the Examination, all documentation was reviewed to ensure compliance with applicable state laws and regulations, including. No violations were noted.

#### **N. Suitability**

The Company was asked to provide their suitability standards, and the processes and procedures utilized to identify suitability. In response to the request, the Company provided twenty-one (21) supporting documents. In accordance with the requirements of the Examination, all documentation was reviewed to ensure compliance with applicable state laws and regulations, including 40 P.S. §§ 627-1(2) and 627.3. ) Ten (10) violations were identified.

#### **10 VIOLATIONS 40 P.S. §§ 627-1(2) AND 627-3(b) SUITABILITY INFORMATION**

Prior to the execution of a purchase or replacement of an annuity resulting from a recommendation, an insurance producer, or an insurer where no insurance producer is involved, shall make reasonable efforts to obtain the consumer's suitability information.

Information relating to an annuity that is appropriate to determine the suitability of a recommendation, including:

(1) Age.

(2) Annual income.

...

In 10 instances, the Company obtained the suitability information monthly versus on an annual basis as required by 40 P.S. §§ 627-1 (2) and 627-3(b).

#### **O. Suitability Declinations**

The Company was asked to provide a comprehensive list of all policies declined for suitability during the Examination period. In response to the request, the Company provided a spreadsheet of annuities declined for suitability during the Examination period

for Annuities and provided a statement saying “Athene Annuity and Life Company has not accepted new life applications since September 2014. As such, the Company has no information to provide.” In accordance with the requirements of the Examination, all documentation was reviewed to ensure compliance with applicable state laws and regulations. No violations were noted.

#### **P. Suitability Training**

The Company was asked to provide all processes and procedures utilized during the Examination period to ensure that all producers have the required suitability training and Continuing Education credits. In response to the request, the Company provided the requested documents for Annuities and provided a statement saying “Athene Annuity and Life Company has not accepted new life applications since September 2014. As such, the Company has no information to provide.” In accordance with the requirements of the Examination, all documentation was reviewed to ensure compliance with applicable state laws and regulations, including 40 P.S. § 627-3.1. No violations were noted.

#### **CONCERNS:**

##### **CONCERN 2:**

In some of the files reviewed, the suitability form was not signed by the consumer nor agent. While FINRA guidelines do not require a signature, it is a prudent business practice for the Company to ensure a signature is obtained to confirm the information presented therein was accurately portrayed by both the producer/agent and the consumer.

##### **CONCERN 3:**

In seven (7) files, the Dates of Death, and Dates of Notification, for the annuity were recorded incorrectly. The Company stated that the errors will be corrected on the back end through Quality Control measures, however, consideration should be given to correcting the errors on the front end to ensure accuracy in the files and benefit allowances, as well as mitigating circumstances potentially missed by Quality Control. In response to the concern the Company provided a short explanation for each contract along with requested documentation. The examiners acknowledge and appreciate the additional information, however, continue to believe that mitigating circumstances should be

incorporated on the front end as a prudent business practice to avoid inadvertent oversight or errors on the back end, as such, the concern is left in the report.

## **VI. CLAIMS PROCEDURES**

Examiners requested documentation relating to claims procedures, including policies and procedures for claims handling, record keeping, dispositions, and timelines. Unless noted, all documents identified in the universe by the Company were requested, received, and reviewed by the examiners. In the event the initial documents provided by the Company did not provide enough information, examiners issued information requests, which resulted in additional documents that were included in the review. Documents provided pursuant to examiner requests under this section were reviewed to ensure compliance with applicable standards found in 40 P.S. §§ 323.3, 323.4, 40 P.S. §§ 511B, 1171.5 and 31 Pa. Code Ch. 146.

### **A. Claims Manual**

The Company was asked to provide all policies and procedures regarding claims handling utilized during the Examination process. In response, the Company provided twelve (12) supporting documents. In accordance with the requirements of the Examination, the documents were reviewed to ensure compliance with applicable state laws and regulations noted above. No violations were noted.

### **B. Claims Training**

The Company was asked to provide all claims training documentation utilized during the Examination period. In response to the request, the Company provided a universe of nine (9) supporting documents. In accordance with the requirements of the Examination, the documents were reviewed to ensure compliance with applicable state laws and regulations noted above. No violations were noted.

### **C. Claims Process**

The Company was asked to provide a comprehensive narrative regarding the claims handling process from inception to final disposition, including investigative notes and reference during the experience period. The Company provided the requested narrative.

In accordance with the requirements of the Examination, the document was reviewed to ensure compliance with applicable state laws and regulations noted above, as well as 31 Pa Code § 146.5 (c). Five (5) violations were noted.

**5 VIOLATIONS-31 Pa Code § 146.5(c) – Failure to acknowledge pertinent communications**

(c) An appropriate reply shall be made within 10 working days on other pertinent communications from a claimant which reasonably suggest that a response is expected.

The Company failed to provide a timely response on pertinent communications from a claimant in five files.

**D. Claims Forms**

The Company was asked to provide claim forms that were utilized for each line of business identified. In response to the request the Company provided thirty-three (33) supporting documents. In accordance with the requirements of the Examination, all documents were reviewed to ensure compliance with applicable state laws and regulations noted above. No violations were noted.

**E. Claims universes**

The Company was asked to provide the universe of paid, denied, and pending claims. In response to the requests the Company provided spreadsheets for each universe. Random samples were derived from each universe and requested from the Company. Files were provided by the Company for each claim file requested. The examiners performed a comprehensive review of each claim file to determine compliance with applicable state laws and regulations noted above, as well as 40 P.S. § 1171.5 (a)(10)(iii) and 31 Pa Code § 146.3. Twenty-nine (29) violations were noted.

**4 VIOLATIONS-31 Pa Code § 146.3 – File and record documentation**

The claim files of the insurer shall be subject to Examination by the Commissioner or by his appointed designees. The files shall contain notes and work papers pertaining to the claim in the detail that pertinent events and the dates of the events can be reconstructed.

The examiners identified that in four files, complete information was not provided allowing for events to be reconstructed.

**15 VIOLATIONS total-40 PS § 1171.5(a)(10)(iii) – Unfair methods of competition and unfair or deceptive acts or practices defined.**

**3 VIOLATIONS-40 PS § 1171.5(a)(10)(ii) – Unfair methods of competition and unfair or deceptive acts or practices defined.**

(a) “Unfair methods of competition” and “unfair or deceptive acts or practices” in the business of insurance means:

...

(10) Any of the following acts if committed or performed with such frequency as to indicate a business practice shall constitute unfair claim settlement or compromise practices.

(ii) Failing to acknowledge and act promptly upon written or oral communications with respect to claims arising under insurance policies.

The examiners identified that in three (3) of twenty-seven (27) files the Company failed to promptly respond to claims arising under the insurance policy.

**12 VIOLATIONS- 40 PS § 1171.5(a)(10)(iii) – Unfair methods of competition and unfair or deceptive acts or practices defined.**

(a) “Unfair methods of competition” and “unfair or deceptive acts or practices” in the business of insurance means:

...

(10) Any of the following acts if committed or performed with such frequency as to indicate a business practice shall constitute unfair claim settlement or compromise practices.

(iii) Failing to adopt and implement reasonable standards for the prompt investigation of claims arising under insurance policies.

The examiners identified twelve (12) files in which processing errors caused information to be erroneously sent or omitted which delayed the claim settlements.

## **CONCERNS:**

### **CONCERN 4:**

In one file the Company sent out correspondence on Ameritas letterhead instead of Athene letterhead which is misleading to the consumers.

### **CONCERN 5:**

The Company utilizes withdrawal charge, and withdrawal adjustment interchangeably throughout communication documents to the customer, however, does not provide clear definitions of what each is allowing the customer to understand the adjustment amounts. The Company should ensure clear, consistent information is provided to the consumer.

## ***VII. PRODUCER LICENSING***

Examiners requested documentation relating to producer licensing, including policies and procedures regarding systems, record-keeping, and verification. Unless noted, all documents identified in the universe by the Company were requested, received, and reviewed by the examiners. In the event the initial documents provided by the Company did not provide enough information, examiners issued information requests, which resulted in additional documents that were included in the review. Documents provided pursuant to examiner requests under this section were reviewed to ensure compliance with applicable standards found in 40 P.S. §§ 310.1 et seq, 40 P.S. §310.41, 40 P.S. §310.71.

### **A. Records of appointed Producers**

The Company was asked to provide documentation demonstrating that the Company maintains required records of licensed and appointed producers and continuously monitors the producer list. The Company was also asked to provide a list of all producers appointed at any time during the experience period, and termination dates if applicable. In response to the request the Company provided the requested information and a spreadsheet of appointed producers for the Annuity products, documenting 13,281 producers appointed. The Company also provided a spreadsheet of 2,441 terminated producers. For the Life products, the Company provided the following statement: “Athene Annuity and Life Company has not accepted new life applications since September 2014. As such, the Company has no information to provide.” In accordance with the requirements of the

Examination, the documents, and a random sample of 126 producers were reviewed to ensure compliance with applicable state laws and regulations. No violations were noted.

**B. Producer recruiting and onboarding**

The Company was asked to provide all processes and procedures for recruiting producers and the oversight of the onboarding process, such as background checks, how the Company confirms that the producer is appropriately licensed, and any complaints against the producer. In response to the request, the Company provided five (5) supporting documents. In accordance with the requirements of the Examination, the documents were reviewed to ensure compliance with applicable state laws and regulations. No violations were noted.

**C. Producer Oversight**

The Company was asked to provide policies and procedures for overseeing the sales force, including complaints received regarding any producer, and descriptions of administrative or disciplinary actions the Company imposes against producers. In response to the request, the Company provided six (6) supporting documents, including a spreadsheet of complaints. In accordance with the requirements of the Examination, the documents were reviewed to ensure compliance with applicable state laws and regulations. No violations were noted.

**D. Producer Termination**

The Company was asked to provide policies and procedures for termination of appointed producers, including applicable notifications, as well as a list of all producers terminated during the Examination period, including the date of termination. In response to the request, the Company provided two (2) supporting documents, and the list of terminated producers/agents. In accordance with the requirements of the Examination, the documents were reviewed to ensure compliance with applicable state laws and regulations, including 40 P.S. § 310.71 (a). No violations were noted.



**E. Producer Licensing**

The Company was asked to provide documentation demonstrating that producers are properly licensed and appointed and have appropriate continuing education in the jurisdiction where the application was taken. In response to the request, the Company provided documentation for annuity products. For Life products, the Company provided the following statement “Athene Annuity and Life Company has not accepted new life applications since September 2014. As such, the Company has no information to provide.” In accordance with the requirements of the Examination, the documents were reviewed to ensure compliance with applicable state laws and regulations, including 40 P.S. §310.41 (a), 40 P.S. §310.71 and 31 Pa Code Chapter 39 a. No violations were noted.

**F. Agency System**

The Company was asked to provide a description of the agency system(s) utilized by the Company such as, independent, direct or exclusive. They were also asked to include processes and procedures for recruiting and onboarding producers. In response to the request, the Company provided supporting documentation for their annuity products. For Life products, the Company provided the following statement “Athene Annuity and Life Company has not accepted new life applications since September 2014. As such, the Company has no information to provide.” In accordance with the requirements of the Examination, the documents were reviewed to ensure compliance with applicable state laws and regulations, including 31 Pa Code Ch. 39a. No violations were noted.

**G. Confirmation of licensing on written business**

The Company was asked to provide a description of how they verify that all business which it accepts from producers is written by individuals who are duly licensed and appointed to represent the Company. In response to the request, the Company provided a description of verification of producer licensing and appointments for their annuity products. For Life products, the Company provided the following statement “Athene Annuity and Life Company has not accepted new life applications since September 2014. As such, the Company has no information to provide.” In accordance with the requirements of the Examination, the documents were reviewed to ensure compliance with

applicable state laws and regulations, including 40 P.S. §310.71. No violations were noted.

#### **H. Producer training and ongoing education**

The Company was asked to provide documentation on how they monitor producer training and ongoing education requirements to ensure that the producer has the appropriate training and certification for the line of business. In response to the request, the Company provided documentation regarding training and ongoing education for annuity products. For Life products, the Company provided the following statement “Athene Annuity and Life Company has not accepted new life applications since September 2014. As such, the Company has no information to provide.” In accordance with the requirements of the Examination, the documents were reviewed to ensure compliance with applicable state laws and regulations, including 31 Pa. Code Ch. 39a. No violations were noted.

#### **I. Producer monitoring**

The Company was asked to provide proof of ongoing training and monitoring for producers. In response to the request, the Company provided the requested documentation regarding training and ongoing education for annuity products. For Life products, the Company provided the following statement “Athene Annuity and Life Company has not accepted new life applications since September 2014. As such, the Company has no information to provide.” In accordance with the requirements of the Examination, the documents were reviewed to ensure compliance with applicable state laws and regulations, including 31 Pa. Code Ch. 39a. No violations were noted.

## ***VIII. RECOMMENDATIONS***

The recommendations made below identify corrective measures the Department finds necessary due to the number, nature or severity of violations noted in this Examination Report.

1. The Company shall maintain a complete record of all complaints which it has received during the preceding four years as required by 40 P.S. §1171.5 (a)(11), and that all information provided to consumers is accurate.
2. The Company must ensure that it maintains complete control over the content, form, and method of dissemination of advertisements as required by 31 Pa Code § 51.3.(a).
3. The Company must ensure it makes all reasonable efforts to obtain the consumer's annual income when it collects suitability information required by 40 P.S. §§ 627-1(2) and 627-3(b).
4. The Company must incorporate measures to ensure that it is acknowledging pertinent communications from claimants that reasonably suggests a response is expected as required by 31 Pa Code § 146.5(c).
5. The Company should ensure that comprehensive claim files are retained and contain all notes and work papers pertaining to the claim in a level of detail allowing pertinent events and dates of events to be reconstructed as required by 31 Pa Code § 146.3.
6. The Company should immediately implement updated procedures to lessen the amount of processing errors that result in incorrect, incomplete, or omitted information being sent to the consumer, which causes delays in claim investigations. These updated procedures are necessary to support prompt

- investigations of claims arising under insurance policies as required by 40 P.S. § 1171.5(a)(10)(iii).
7. The Company should immediately implement procedures that ensure they are acting promptly upon written or oral communications with respect to claims arising under insurance policies as required by 40 PS § 1171.5(a)(10)(ii).
  
  8. The Company should ensure that all communications sent reflect the appropriate Company name to avoid confusion for consumers as required by 40 P.S. § 1171.5(a)(2).

***IX. COMPANY RESPONSE***



January 30, 2023

Paul Towsen  
Chief, Property & Casualty/Life & Annuity Division  
Pennsylvania Insurance Department  
1321 Strawberry Square  
Harrisburg, PA 17120

Re: Athene Annuity and Life Company, NAIC 61689  
Final Report 1.18.23 Athene 61689

Dear Mr. Towsen,

Athene Annuity and Life Company (“Athene” or the “Company”) is in receipt of the final report (“Final Report”) received January 18, 2023, provided by the Pennsylvania Insurance Department (the “Department”). Athene respectfully offers this correspondence as the Company’s response to the Final Report. Athene reserves the right to supplement this response if new information becomes available. Athene continues to object to certain alleged violations and concerns set forth in the draft report. In those instances, Athene details the objections below.

Below we have listed the violations and concerns included in the Final Report followed by Athene’s response.

#### **IV. Consumer Complaints**

**1. 1 VIOLATION-40 P.S. §1171.5 (a)(10)(i)**

Examiners identified in one complaint incorrect information was presented to the policyholder.

**Company Response:**

**Athene acknowledges there was a misprint contained in the correspondence; however, Athene sets forth this was a unique incident and not indicative of a business practice. Athene identified the error, and a revised letter was mailed to the contract owner prior to the submission of the complaint. The Company respectfully disagrees this isolated unintentional error rises to the level of unfair methods of competition and unfair or deceptive acts or practices defined.**



**2. 2 VIOLATIONS-40 P.S. §1171.5 (a)(11)**

Examiners identified two complaints were missing from the Complaint log.

**Company Response:**

**Athene acknowledges the omission of two complaints from the version of the complaint log submitted to the examiners. The two complaints were originally properly recorded in the complaint log in the ordinary course but were inadvertently filtered out of the final complaint log report provided to the examiners. The error was unintentional, and the Company has processes and procedures in place to ensure accurate complaint reporting. While Athene acknowledges the error, the Company respectfully disagrees this unintentional error rises to the level of unfair methods of competition and unfair or deceptive acts or practices defined.**

**V. Policyholder Services**

**3. Concern 1**

Advertising file 2645342 was not approved for use by the Company.

**Company Response:**

**Athene agrees the advertisement associated with the concern submitted by an Athene producer for review was not approved for use. As demonstrated with supporting documentation, the Company requested the producer revise the advertisement; however, the producer did not submit the required revisions; therefore, the advertisement was not approved for use and the Company has no basis to believe the non-approved advertisement was used. In preparing the advertisement data for the exam, Athene provided to the Department both approved and non-approved advertisements. Athene acknowledges the Department's concern and will ensure data prepared for future examinations better aligns with the request.**

**4. 10 VIOLATIONS-40 P.S. § 627-1 (2) and 627-3(b) – SUITABILITY INFORMATION**

Examiners identified in 10 instances the Company obtained suitability information monthly versus on an annual basis.

**Company Response:**

**Athene collects the consumer's monthly income and monthly household living expenses allowing the Company to derive the annual household income in relation to the incurred expenses. As part of the suitability review, the Company reviews the monthly income and monthly expenses collectively to ensure the consumer has sufficient monthly income to cover monthly expenses. As demonstrated with documentation provided throughout the examination, the Company has a suitability program that meets and exceeds regulatory requirements; however, the Company agrees to revise its suitability process to collect annual income in a more direct manner in accordance with 40 P.S. § 627-1 (2).**



**5. Concern 2**

In some of the files reviewed, the suitability form was not signed by the consumer nor agent. While FINRA guidelines do not require a signature, it is a prudent business practice for the Company to ensure a signature is obtained to confirm the information presented therein was accurately portrayed by both the producer/agent and the consumer.

**Company Response:**

The files associated with this concern involve cases where the Company contracted with a third party as provided in Pennsylvania Insurance Code 40 P.S. § 627-3(d)(2) to perform supervision of suitability recommendations in compliance with Pennsylvania's Suitability of Annuity Transactions regulation. The third party was a FINRA regulated broker-dealer firm and in accordance with Pennsylvania Insurance Code 40 P.S. § 627-3(e), performs suitability and supervision of annuity transactions in accordance with FINRA requirements. Each firm is responsible for development and management of suitability requirements that comply with the aforementioned Insurance Code, or if applicable, with FINRA requirements as provided in 40 P.S. § 627-3(e). As required by 40 P.S. § 627-3(d)(2), Athene supervises the contracted firm by monitoring and, as appropriate, auditing the firm's performance of the contracted suitability and supervisions functions. Additionally, Athene requires the contracted firm to certify each year that it maintains a system to supervise recommendations made to customers and comply with all applicable federal and state regulations. Given that the contracted firm is applying FINRA standards, the firm qualifies for and complies with Pennsylvania Insurance Code 40 P.S. §627-3(e). As the Department acknowledges above, FINRA suitability guidelines do not require the collection of a consumer's signature to comply with the requirements.

**6. Concern 3**

In seven files, the Dates of Death, and Dates of Notification, for the annuity were recorded incorrectly.

**Company Response:**

The seven files associated with this concern were listed on the pended claims data file, so the claims investigation was ongoing when the data file was prepared. In these seven cases, Athene acknowledges certain dates were incorrectly recorded when the claim was opened; however, as demonstrated with supporting documentation, when the claims investigation was completed, these dates were reviewed and corrected prior to the claim payment being processed. Although there was no consumer harm, Athene acknowledges the Department's concern and will review current procedures to identify opportunities for improvement.





## **VI. Claims Procedures**

### **7. 5 VIOLATIONS-31 Pa Code § 146.5(c)**

Examiners identified the Company failed to provide a timely response on pertinent communications from a claimant in five files.

#### **Company Response:**

**In five instances, the Company agrees a response was not provided within 10 working days. As evidenced with Athene's processes and procedures provided as part of the exam, the Company has guidelines for timely responding to claims communications and for responding to returned mail on death claims. The Company acknowledges that those procedures were not followed in these isolated instances and will provide additional oversight to better ensure compliance.**

### **8. 4 VIOLATIONS-31 Pa Code § 146.3**

Examiners identified in four files complete information was not provided allowing for events to be reconstructed.

#### **Company Response:**

**In four files, Athene acknowledges that additional file documentation in the form of processor notes would aid in the reconstruction of these files. Athene will review current procedures to identify opportunities for improvement to assist with future examinations.**

### **9. 3 VIOLATIONS-40 PS § 1171.5(a)(10)(iii)**

The examiners identified in three files the Company failed to promptly respond to claims arising under the insurance policy.

#### **Company Response:**

**Athene acknowledges a response was not provided within 10 working days; however, the Company disagrees these three isolated instances suggest Athene has performed the act with such frequency to indicate a business practice that constitutes unfair methods of competition and unfair or deceptive acts or practices defined. As evidenced with Athene's processes and procedures provided as part of the exam, the Company has guidelines for timely responding to claims communications and for responding to returned mail on death claims, which demonstrates the adoption of reasonable standards for responding to claims communications. The Company acknowledges that those standards were not followed in these isolated instances.**



**10. 12 VIOLATIONS-40 PS § 1171.5(a)(10)(iii)**

The examiners identified twelve files in which processing errors caused information to be erroneously sent or omitted which delayed the claim settlements.

**Company Response:**

**Athene acknowledges the processing errors identified by the examiners and found the cause of each error was unique to each case and did not constitute an all-encompassing trend. As evidenced with Athene's processes and procedures provided as part of the exam, the Company has guidelines in place and regrets its standards were not followed in these instances. Athene will review its process and procedures to identify areas of improvement that will ensure adherence with the Company's established guidelines.**

**11. Concern 4**

In one file the Company sent out correspondence on Ameritas letterhead instead of Athene letterhead which is misleading to the consumers.

**Company Response:**

**For the one contract associated with this concern, Ameritas provides administrative support on Athene's behalf. Athene acknowledges, in one instance, the correspondence did not provide the information on Athene letterhead; however, the information about the claim including the claim status was accurately stated, and the letters provided contact information for the beneficiary to reach the Company with any questions. Athene and Ameritas have reviewed this file and will work to ensure future correspondence is prepared on the correct letterhead.**

**12. Concern 5**

The Company utilizes withdrawal charge and withdrawal adjustment interchangeably throughout communication documents to the customer; however, does not provide clear definitions of what each is allowing the customer to understand the adjustment amounts. The Company should ensure clear, consistent information is provided to the consumer.

**Company Response:**

**The terms "withdrawal charge" and "withdrawal adjustment" are used to represent a deduction from the Accumulated Value and both are reflected as a deduction on the payment confirmation letter and check stub. In both the payment confirmation letter and check stub, the "withdrawal charge" and "withdrawal adjustment" amounts are identical. Athene acknowledges the Department's concern, and a review will be conducted to better ensure consistent use of terminology.**



Athene thanks the Department for the opportunity to respond and trusts the information contained in this correspondence to be beneficial.

Sincerely,

*Marie Ryan*

Marie Ryan  
Senior Compliance Manager  
Athene Annuity and Life Company