



NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES
REPORT ON MARKET CONDUCT EXAMINATION
OF THE
TRANSAMERICA FINANCIAL LIFE INSURANCE COMPANY

CONDITION:

DECEMBER 31, 2009

DATE OF REPORT:

APRIL 21, 2011

NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES

REPORT ON MARKET CONDUCT EXAMINATION

OF THE

TRANSAMERICA FINANCIAL LIFE INSURANCE COMPANY

AS OF

DECEMBER 31, 2009

DATE OF REPORT:

APRIL 21, 2011

EXAMINER:

PHARES CATON

TABLE OF CONTENTS

<u>ITEM</u>	<u>PAGE NO.</u>
1. Executive summary	2
2. Scope of examination	3
3. Description of Company	4
A. History	4
B. Territory and plan of operation	5
4. Market conduct activities	8
A. Advertising and sales activities	8
B. Underwriting and policy forms	8
C. Treatment of policyholders	12
D. Privacy	14
5. Prior report summary and conclusions	15
6. Summary and conclusions	18



NEW YORK STATE
DEPARTMENT *of*
FINANCIAL SERVICES

Andrew M. Cuomo
Governor

Anthony J. Albanese
Acting Superintendent

September 2, 2015

Honorable Anthony J. Albanese
Acting Superintendent of Financial Services
New York, New York 10004

Sir:

In accordance with instructions contained in Appointment No. 30722, dated May 31, 2011, and annexed hereto, an examination has been made into the condition and affairs of the Transamerica Financial Life Insurance Company, hereinafter referred to as “the Company” or “TFLIC,” at its home office located at 440 Mamaroneck Avenue, Harrison, NY 10528.

Wherever “Department” appears in this report, it refers to the New York State Department of Financial Services.

On October 3, 2011, the Insurance Department merged with the Banking Department to create the New York State Department of Financial Services.

The report indicating the results of this examination is respectfully submitted.

1. EXECUTIVE SUMMARY

The material violations contained in this report are summarized below:

- The Company violated Section 3207(b) of the New York Insurance Law when it issued policies on the lives of minors that were in excess of the amounts allowed by law. A similar violation was contained in the prior report on examination. (See item 4 of this report).
- The Company violated Sections 58.1(d)(6) and (8) of Department Regulation No. 193 by failing to obtain a copy of the application or supplemental form, signed by the applicant and acknowledged by the issuer when it took applications for Medicare Supplement insurance on a direct response basis over the phone. (See item 4 of this report)
- The Company violated Section 3201(b)(1) of the New York Insurance Law by using a policy form in New York without filing such form with, and receiving approval from, the Superintendent. (See item 4 of this report)
- The Company violated Section 3211(b)(2) of the New York Insurance Law by failing to send to policyholders premium lapse notices that state the amount and date the payment is due, the place where and the person to whom it is payable, and that unless such payment is made on or before the date when due or within the specified grace period thereafter, the policy shall terminate or lapse except as to the right to any cash surrender value or nonforfeiture benefit. (See item 4 of this report)
- The Company violated Section 3211(g) of the New York Insurance Law by failing to provide an annual notification that the policy contains a cash surrender value and that further information, including the amount thereof, is available from the insurer upon written request from the policyowner. (See item 4 of this report)

2. SCOPE OF EXAMINATION

This examination covers the period from January 1, 2006, through December 31, 2009. As necessary, the examiner reviewed matters occurring subsequent to December 31, 2009, but prior to the date of this report (i.e., the completion date of the examination).

The examination comprised a review of market conduct activities and utilized the National Association of Insurance Commissioners' Market Regulations Handbook or such other examination procedures, as deemed appropriate, in such review.

The examiner reviewed the corrective actions taken by the Company with respect to the market conduct violations contained in the prior report on examination. The results of the examiner's review are contained in item 5 of this report.

This report on examination is confined to comments on matters which involve departure from laws, regulations or rules, or which require explanation or description.

3. DESCRIPTION OF COMPANY

A. History

The Company was incorporated as a stock life insurance company under the laws of New York on October 3, 1947, under the name Zurich Life Insurance Company, was licensed on October 17, 1947, and commenced business in 1948.

On November 30, 1982, the Dreyfus Corporation acquired all of the outstanding shares of the Company and adopted the name Dreyfus Life Insurance Company (“Dreyfus”). In 1993, the Company was purchased by AUSA Life Insurance Company, a Maryland domiciled insurer and an indirect subsidiary of AEGON US Holding Corporation (“AEGON US”), and the Company adopted the name AUSA Life Insurance Company, Inc.

In December 1993, the Company entered into an indemnity reinsurance agreement with the Mutual Life Insurance Company of New York (“MONY”), whereby MONY ceded on a 100% coinsurance basis \$2,733,787,100 of its general account liabilities relating to fixed and variable annuities. On December 31, 1993, MONY transferred the general account assets to the Company at market value which consisted of \$1,045,010,955 of mortgage loans, \$1,486,230,389 of bonds, \$199,894,462 of short-term investments and \$40,549,857 of accrued investment income. In 1994, the Company assumed an additional \$3.4 billion of separate account assets and liabilities from MONY.

In July 1996, International Life Investors Insurance Company (“ILI”), an affiliated domestic life insurer, was merged into the Company.

On October 1, 1998, pursuant to an Agreement and Plan of Merger, First Providian Life and Health Insurance Company (“First Providian”) was merged into the Company.

Effective April 1, 2003, Transamerica Life Insurance Company of New York was merged into the Company. Immediately following the merger, the Company adopted the name Transamerica Financial Life Insurance Company.

B. Territory And Plan Of Operations

The Company is authorized to write life insurance, annuities, and accident and health insurance as defined in paragraphs 1, 2 and 3 of Section 1113(a) of the New York Insurance Law.

The Company is licensed to transact business in all 50 states and the District of Columbia. In 2009, 87% of life premiums, 91% of accident and health premiums, and 94% of annuity considerations were received from New York. Policies are written on a non-participating basis.

The Company functions through four operating divisions. The following are the Company's significant operating divisions as of December 31, 2009:

Life and Protection Division

Financial Partners – This business unit markets through independent producers and broker-dealers as well as affiliated broker-dealers. The products include term life insurance, universal life insurance, indexed universal life insurance, variable life insurance, and whole life insurance.

Monumental – This business unit targets families with annual household income between \$25,000 and \$75,000. The business unit provides traditional life insurance, supplemental health insurance and value-added services that address basic financial security needs such as final expenses, income replacement, education and mortgage protection, and supplemental retirement income. The business unit markets through three distinct distribution channels: Career Agency, Independent Marketing Organizations and Pre-Need.

Direct Marketing Services (DMS) – This business unit uses a variety of direct response techniques such as direct mail, television, outbound and inbound telemarketing, point-of-sale, statement inserts and the internet to market products to the under-served middle market. The business unit offers consumers convenient alternatives for purchasing insurance. Its extensive insurance product portfolio includes whole and term life,

accidental death, supplemental health and specialty products including travel, student health, disability and credit life insurance.

Long Term Care – This business unit markets long term care insurance products to policyholders who require care due to chronic illness or cognitive impairment. The business unit markets through the worksite, to groups and associations as well as individuals.

Individual Savings and Retirement Division

Transamerica Capital Management – This business unit markets fixed and variable deferred and immediate annuities. Distribution channels include independent producers, banks, broker-dealers and direct marketing.

Transamerica Retirement Management – This business unit markets through a team of financial advisors who are licensed registered representatives and investment advisors of Transamerica Financial Advisors, Inc., an affiliated registered broker-dealer. The insurance products that may be recommended include long term care insurance, life insurance and annuities administered by other operating divisions.

Employer Solutions and Pensions Division

Diversified Investment Advisors – This business unit markets defined benefit and defined contribution plans, including 401(k) and 403(b) (traditional and Roth); 457 deferred compensation plans; non-qualified deferred compensation; profit sharing; money purchase; cash balance and Taft Hartley plans; and traditional and Roth IRAs custom tailored to meet the needs of all organizations.

Transamerica Retirement Services – This division markets a wide range of products including 401(k), profit sharing, money purchase, defined benefit, cross-tested and multiple employer plans, and group annuities for terminating defined benefit plans to small and mid-sized businesses.

Worksite Marketing – This business unit markets voluntary health and life benefits to employer, union, and association-sponsored groups.

Reinsurance Division

Transamerica Reinsurance (TARe) – This division provides reinsurance products and services directly to ceding company clients rather than through brokers. TARe writes business through Iowa-based Transamerica Life Insurance Company and New York-based TFLIC, as well as other affiliates within the holding company.

4. MARKET CONDUCT ACTIVITIES

The examiner reviewed various elements of the Company's market conduct activities affecting policyholders, claimants, and beneficiaries to determine compliance with applicable statutes and regulations and the operating rules of the Company.

A. Advertising and Sales Activities

The examiner reviewed a sample of the Company's advertising files and the sales activities of the agency force including trade practices, solicitation and the replacement of insurance policies.

Based upon the sample reviewed, no significant findings were noted.

B. Underwriting and Policy Forms

The examiner reviewed a sample of new underwriting files, both issued and declined, and the applicable policy forms.

1. Section 3207(b) of the New York Insurance Law states:

“An insurer may deliver or issue for delivery in this state a policy or policies of life insurance upon the life of a minor under the age of fourteen years and six months, provided that such policy or policies are effectuated by a person or persons having an insurable interest in the life of such minor or by a person or persons upon whom such minor is dependent for support and maintenance and provided further that an insurer shall not knowingly issue such a policy or policies for an amount which, together with the amount of life insurance under any other policy or policies then in force upon the life of such minor, is in excess of the limit of fifty thousand dollars or the limit of fifty per centum or the limit of twenty-five per centum in the case of a minor under the age of four years and six months of the amount of life insurance in force upon the life of the person effectuating the insurance at the date of issue of the policy on the life of such minor, whichever limit is the greater, and any amount of life insurance on the life of such minor not in excess of such limit when issued shall not be deemed to be in excess thereof by reason of any reduction thereafter in the amount of life insurance in force upon the life of the person effectuating the insurance.”

The examiner selected a sample of 25 juvenile policies from a population of 1,800 policies that were issued during the examination period on the lives of juveniles. The

examination revealed five of 25 (20%) instances where the Company issued policies, in New York, on the lives of minors that were in excess of the limits set by Section 3207(b) of the New York Insurance Law. The Company stated that all the in force policies that were issued in excess of the amounts allowed by law were underwritten by one underwriter. The Company's review of the underwriter's work revealed that 131 of 369 (35.5%) of the policies underwritten by the underwriter had violated the section of law. The underwriter has since been terminated. A similar violation was included in the prior report on examination.

The Company violated Section 3207(b) of the New York Insurance Law when it issued policies, in New York, on the lives of minors that were in excess of the amounts allowed by law.

The examiner recommends that the Company establish and communicate appropriate procedures to its underwriting staff, and implement controls to ensure that policies, issued in New York, are not issued in excess of the amounts allowed by the New York Insurance Law.

2. Section 58.1 of Department Regulation No. 193 states, in part:

“...(d) ... the following provisions shall apply to applications for Medicare supplement insurance:...

(6) Application forms shall include the following questions and statements...:

... (i) Statements.

(a) You do not need more than one Medicare supplement policy or certificate.

(b) If you purchase this policy (certificate), you may want to evaluate your existing health coverage and decide if you need multiple coverages.

(c) You may be eligible for benefits under Medicaid and may not need a Medicare supplement policy (certificate)...

... (ii) Questions. To the best of your knowledge and belief: (Please mark Yes or No below with an "X")

(a)(1) Did you turn age 65 in the last 6 months?

Yes _____ No _____

(2) Did you enroll in Medicare part B in the last 6 months?

Yes _____ No _____

If yes, what is the effective date? ...

(8) In the case of a direct response issuer, a copy of the application or supplemental form, signed by the applicant and acknowledged by the issuer, shall be returned to the applicant by the issuer upon delivery of the policy (certificate)..."

The examiner reviewed a sample of 20 applications for Medicare Supplement insurance that were issued during the examination period. The examiner noted that four of the 20 applications were taken over the phone and in all four (100%) of the applications taken over the phone the Company failed to obtain signed applications, that were to be acknowledged by the Company, as required by Section 58.1 of Department Regulation No. 193.

The Company violated Sections 58.1(d)(6) and (8) of Department Regulation No. 193 by failing to obtain a copy of the application or supplemental form, signed by the applicant and acknowledged by the issuer, when it took applications for Medicare Supplement insurance on a direct response basis over the phone.

3. Section 3201(b)(1) of the New York Insurance Law states, in part:

“No policy form shall be delivered or issued for delivery in this state unless it has been filed with and approved by the superintendent as conforming to the requirements of this chapter and not inconsistent with law . . .”

As mentioned above, the examiner noted that the Company accepted Medicare Supplement applications telephonically. A telephonic application form for use with Medicare Supplement insurance is required to be approved by the Department; however, the Company did not submit a telephonic application form to the Department for approval. The approval process requires certain assurances from the Company including procedures on record retention, compliance with the Electronic Signatures and Records Act, assurance that the application read over the phone was the same as the paper application that was approved for use, and whether the applicant received a signed copy of the application.

The Company violated section 3201(b)(1) of the New York Insurance Law by using a policy form that had not been filed with and approved by the Department.

The Company is also directed to cease pursuing and accepting telephonic applications for Medicare Supplement insurance until its application process is in compliance with the New York Insurance Law.

4. Section 3230(a) of the New York Insurance Law states:

“(a) The application for a life insurance policy or policy rider which provides for accelerated payment of death benefits or a special surrender value shall:

(1) contain a notice, prominently displayed, to read as follows: "Receipt of accelerated death benefits may affect eligibility for public assistance programs and may be taxable."; and

(2) include the amount of any additional premium associated with the accelerated payment or, if there is no separately identifiable premium, whether a discount is associated with acceleration.”

The examiners reviewed a sample of 43 policies out of a population of 4,287 where the Accelerated Benefit Rider was sold. The examiner’s review revealed that, in 18 of the 43 (42%) policies reviewed, the Company used an Accelerated Death Benefit rider that did not contain a prominently displayed notice that receipt of accelerated death benefits may affect eligibility for public assistance programs and may be taxable. The Company also did not disclose the amount of any additional premium associated with the accelerated payment or, if there was no separately identifiable premium, whether a discount was associated with acceleration. During the examination period, the Company received approval for policy form ACC-DISCWL NY which replaced policy form ACC-DISCP NY.

The Company violated Section 3230(a)(1) and (2) of the New York Insurance Law by using a disclosure form that did not contain the notice that receipt of accelerated death benefits may affect eligibility for public assistance programs and may be taxable, nor disclose the amount of any additional premium associated with the accelerated benefit or, if there was no separately identifiable premium, whether a discount was associated with acceleration.

C. Treatment of Policyholders

The examiner reviewed a sample of various types of claims, surrenders, changes and lapses. The examiner also reviewed the various controls involved, checked the accuracy of the computations and traced the accounting data to the books of account.

1. Section 3211(b) of the New York Insurance Law states, in part:

“(a)(1) No policy of life insurance or non-cancellable disability insurance delivered or issued for delivery in this state, and no life insurance certificate delivered or issued for delivery in this state by a fraternal benefit society, shall terminate or lapse by reason of default in payment of any premium, installment, or interest on any policy loan in less than one year after such default, unless, for scheduled premium policies, a notice shall have been duly mailed at least fifteen and not more than forty-five days prior to the day when such payment becomes due . . .

(b) The notice required by paragraph one of subsection (a) hereof shall:

(1) be duly mailed to the last known address of the person insured, or if any other person shall have been designated in writing to receive such notice, then to such other person;

(2) state the amount of such payment, the date when due, the place where and the person to whom it is payable; and shall also state that unless such payment is made on or before the date when due or within the specified grace period thereafter, the policy shall terminate or lapse except as to the right to any cash surrender value or nonforfeiture benefit. . . .”

The examiner reviewed copies of the billing notices that were mailed to individual life policyholders during the exam period. The review revealed that the initial notices did not include the full disclosures outlined in Section 3211(b)(2) of the New York Insurance Law, including, disclosure that unless the payment is made on or before the date when due or within the specified grace period thereafter, the policy shall terminate or lapse except as to the right to any cash surrender value or nonforfeiture benefit. Research indicated that approximately 6,300 policies were lapsed during the examination period due to non-payment of premium and none of those policies were reinstated. Further research pointed out that this notice was used in only one of the Company’s 33 administrative systems, and for all the policies administered through that system.

The Company violated Section 3211(b)(2) of the New York Insurance Law by failing to send to policyholders lapse notices that state the amount and date the payment is due, the place where and the person to whom it is payable, and that unless such payment is made on or before

the date when due or within the specified grace period thereafter, the policy shall terminate or lapse except as to the right to any cash surrender value or nonforfeiture benefit.

2. Section 3211(g) of the New York Insurance Law states:

“In the case of life insurance policies to which this section is applicable and which contain a cash surrender value, the insurer must provide an annual notification that the policy contains a cash surrender value and that further information, including the amount thereof, is available from the insurer upon written request from the policyowner. Such notification shall include a statement that the insured has the right to request an updated policy illustration based, in respect to a participating policy, on the then current dividend scale, and in respect to a policy subject to subsection (a) of section four thousand two hundred thirty-two of this chapter, on the then current mortality, interest and expense assumptions. The notification pertaining to the cash surrender value shall be set out in a conspicuous manner and shall include the address to which the policyowner may make a written inquiry. Any notice or statement which informs a policyowner of the policy's cash surrender value at least annually shall be deemed to comply with the requirements of this subsection”

During the examination period, annual notices were not sent to approximately 26,289 policyholders of policies with a cash surrender value advising them that the policy contained such value and that further information including an updated illustration was available upon request.

The Company violated Section 3211(g) of the New York Insurance Law by failing to provide an annual notification that the policy contains a cash surrender value and that further information, including the amount thereof, is available from the insurer upon written request from the policyowner.

D. Privacy

Section 420.5(a)(1) of Department Regulation No. 169 states, in part:

“General rule. A licensee shall provide a clear and conspicuous notice to customers that accurately reflect its privacy policies and practices not less than annually during the continuation of the customer relationship. . . .”

The examiner requested copies of the annual privacy notices that were sent to customers during 2009. The Company indicated that since the mailing of initial notices in 2001, annual notices were not sent for a closed block of business (group basic/scheduled health benefit plans) due to a programming error. This business is administered by a third party administrator.

The Company violated Section 420.5(a)(1) of Department Regulation No. 169 by not providing privacy notices to the policy/certificate holders of the aforementioned closed block of business at least annually since 2001.

5. PRIOR REPORT SUMMARY AND CONCLUSIONS

Following are the violations contained in the prior report on examination and the subsequent actions taken by the Company in response to each citation:

<u>Item</u>	<u>Description</u>
A	<p>The Company violated Section 51.6(b)(6) of Department Regulation No. 60 when it failed to maintain replacements indexed by agent and broker.</p> <p>The examiner's review revealed that the Company now maintains replacements indexed by agents and broker.</p>
B	<p>The Company violated Section 51.6(b)(3) of Department Regulation No. 60 when it failed to ascertain that the Disclosure Statements were accurate.</p> <p>The examiner's review did not reveal instances where the Company did not ascertain the accuracy of the Disclosure Statements.</p>
C	<p>The Company violated Section 51.6(b)(7) of Department Regulation No. 60 when it failed to correct inaccurate Disclose Statements within 10 days of receipt and by failing to reject the applications.</p> <p>The examiner's review did not reveal cases of inaccurate Disclosure Statements.</p>
D	<p>The Company violated Section 2122(a)(2) of the New York Insurance Law when it called attention to unauthorized insurers in its advertisements.</p> <p>The examiner's review did not reveal instances of calling attention to unauthorized insurers.</p>
E	<p>The Company violated Section 215.17(a) of Department Regulation No. 34 and Section 219.5(a) of Department Regulation No. 34-A when it failed to maintain the extent of distribution for its advertisements.</p> <p>The examiner's review revealed that the Company maintains the extent of distribution for its advertisements.</p>
F	<p>The Company violated Section 2112(a) and Section 2114(a)(1) of the New York Insurance Law when it paid commissions to an un-appointed agent.</p> <p>The examiner's review did not note any instances where commission was paid to un-appointed agents.</p>

<u>Item</u>	<u>Description</u>
G	<p>The Company violated Section 2611(a) of the New York Insurance Law when it had a proposed insured subjected to an HIV related test without receiving prior written informed consent and by not having a dated written authorization.</p> <p>The examiner's review did not note any instances of HIV testing without prior written authorization.</p>
H	<p>The Company violated Section 3207(b) of the New York Insurance Law when it issued policies on the lives of minors in excess of the limits allowed by law.</p> <p>The Company failed to take corrective action in response to this prior report violation. (See item 4B of this report)</p>
I	<p>The Company violated Section 53-3.2(a)(2) of Department Regulation No. 74 when it failed to clearly identify the business address of the producer or authorized representative on the illustrations used in the sale of life insurance policies.</p> <p>The examiner's review did not reveal instances where the business address of the producer or authorized representative on the illustrations were omitted.</p>
J	<p>The Company violated Section 53-3.3(a)(7) of Department Regulation No. 74 when it failed to clearly label the midpoint values as non-guaranteed on the Numeric Summary Page of the life insurance illustrations utilized by the AFP division.</p> <p>The examiner's review did not reveal irregularities in the presentation of the illustrations.</p>
K	<p>The Company violated Section 53-3.5(a) of Department Regulation No. 74 when it failed to obtain a signed copy of the basic illustration that was sent to the policyholder when the policy was delivered.</p> <p>The examiner's review did not reveal any instances where the Company failed to obtain a signed copy of the basic illustration that was sent to the policyholder on delivery of the policy.</p>
L	<p>The Company violated Section 53-3.6(b) of Department Regulation No. 74 when it failed to include the requisite disclosure language in the annual report when a complete in-force illustration is not included in the annual report.</p> <p>The examiner's review did not reveal any instances of the Company not including the required disclosure language in the annual report when a complete in-force illustration is not required in the annual report.</p>

ItemDescription

M

The Company violated Section 3201(b)(1) of the New York Insurance Law when it utilized policy forms that were not filed with and approved by the Superintendent and by continuing to use policy forms after they were replaced by other policy forms.

The Company failed to take corrective action in response to this prior report violation. (See item 4B of this report)

6. SUMMARY AND CONCLUSIONS

Following are the violations and recommendation contained in this report:

<u>Item</u>	<u>Description</u>	<u>Page No(s).</u>
A	The Company violated Section 3207(b) of the New York Insurance Law when it issued policies on the life of minors that were in excess of the amounts allowed by law.	9
B	The examiner recommends that the Company establish and communicate appropriate procedures to its underwriting staff, and implement controls to ensure that policies are not issued in excess of the amounts allowed by the New York Insurance Law.	9
C	The Company violated Sections 58.1(d)(6) and (8) of Department Regulation No. 193 by failing to obtain a copy of the application or supplemental form, signed by the applicant and acknowledged by the issuer, when it took applications for Medicare Supplement insurance on a direct response basis over the phone.	10
D	The Company violated Section 3201(b)(1) of the New York Insurance Law by using a policy form that had not been filed with and approved by the Department.	10
E	Comment: The Company is directed to cease pursuing and accepting telephonic applications for Medicare Supplement insurance until its application process is in compliance with New York Insurance Law.	10
F	The Company violated Section 3230(a)(1) and (2) of the New York Insurance Law by using a disclosure form that did not contain the notice that receipt of accelerated death benefits may affect eligibility for public assistance programs and may be taxable nor disclosure of the amount of any additional premium associated with the accelerated payment or, if there is no separately identifiable premium, whether a discount is associated with acceleration.	11
G	The Company violated Section 3211(b)(2) of the New York Insurance Law by failing to send to policyholders lapse notices that state the amount and date the payment is due, the place where and the person to whom it is payable, and that unless such payment is made on or before the date when due or within the specified grace period thereafter, the policy shall terminate or lapse except as to the right to any cash surrender value or nonforfeiture benefit.	12 - 13

<u>Item</u>	<u>Description</u>	
H	The Company violated Section 3211(g) of the New York Insurance Law by failing to provide an annual notification that the policy contains a cash surrender value and that further information, including the amount thereof, is available from the insurer upon written request from the policyowner.	13
I	The Company violated Section 420.5(a)(1) of Department Regulation No. 169 by not providing privacy notices to the policy/certificate holders of a closed block of business at least annually since 2001.	14

Respectfully submitted,

/s/

Phares Caton

Associate Insurance Examiner

STATE OF NEW YORK)
)SS:
COUNTY OF NEW YORK)

Phares Caton, being duly sworn, deposes and says that the foregoing report, subscribed by him, is true to the best of his knowledge and belief.

/s/

Phares Caton

Subscribed and sworn to before me

this _____ day of _____

APPOINTMENT NO. 30722

STATE OF NEW YORK
INSURANCE DEPARTMENT

I, JAMES J. WRYNN, Superintendent of Insurance of the State of New York,
pursuant to the provisions of the Insurance Law, do hereby appoint:

PHARES CATON

as a proper person to examine into the affairs of the

TRANSAMERICA FINANCIAL LIFE INSURANCE COMPANY

and to make a report to me in writing of the condition of the said

COMPANY

with such other information as he shall deem requisite.

*In Witness Whereof, I have hereunto subscribed by name
and affixed the official Seal of the Department
at the City of New York*

this 31st day of May, 2011



JAMES J. WRYNN
Superintendent of Insurance

James J. Wrynn
Superintendent