

OCT 26 2007

STATE OF ARIZONA
DEPARTMENT OF INSURANCE

DEPT OF INSURANCE
BY 

Docket No. 07A-189-INS

In the Matter of:

AXA EQUITABLE LIFE INSURANCE COMPANY,

NAIC # 62944,

Respondent

CONSENT ORDER

Examiners for the Department of Insurance (the "Department") conducted a market conduct examination of AXA Equitable Life Insurance Company ("AXA Equitable"). The Report of Examination of the Market Conduct Affairs of AXA Equitable Life Insurance Company alleges that AXA Equitable has violated A.R.S. §§ 20-1241.04 (E) and (H), and 20-1241.05 (C).

AXA Equitable wishes to resolve this matter without formal proceedings, admits the following Findings of Fact are true and consents to the entry of the following Conclusions of Law and Order.

FINDINGS OF FACT

1. AXA Equitable is authorized to transact life and disability insurance pursuant to a Certificate of Authority issued by the Director.

2. The Director authorized the Examiners to conduct a targeted market examination of AXA Equitable. The examination covered the time period from October 1, 2004 through March 31, 2005 and concluded on July 17, 2006. Based on the examination findings, the Examiners prepared the "Report of Targeted Examination of AXA Equitable Life Insurance Company", dated March 31, 2005.

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1 3. a. AXA Equitable failed to either obtain the required replacement
2 notice , or accepted an incomplete replacement notice on two of the 30 annuity internal
3 and external replacement files reviewed;

4 b. AXA Equitable failed to either obtain the requirement notice, or
5 accepted an incomplete replacement notice and either failed to notify the producer and
6 applicant that outstanding requirements needed to be fulfilled or did not fulfill the
7 incomplete requirement in two of 30 annuity internal and external replacement files
8 reviewed.

9 c. AXA Equitable failed to notify the existing insurer that may be
10 affected by the proposed replacement within five business days of a completed
11 application indicated replacement in 21 of 23 external new business files reviewed.

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13 **CONCLUSIONS OF LAW**

14 1. a. AXA Equitable violated A.R.S. § 20-1241.04(E) by failing to either
15 obtain the required replacement notice, or accepting an incomplete replacement
16 notice.

17 b. AXA Equitable violated A.R.S. § 20-1241.04(H) by failing to notify
18 the producer and applicant the outstanding replacement requirements needed to be
19 fulfilled or did not fulfill the incomplete requirement;

20 c. AXA Equitable violated A.R.S. § 20-1241.05(C) by failing to notify
21 the existing insurer that may be affected by the proposed replacement within within five
22 business days of the receipt of a completed application indicating replacement.

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1 ORDER

2 **IT IS ORDERED THAT:**

3 1. AXA Equitable Life Insurance Company shall cease and desist from:

4 a. failing to either obtain the required replacement notice, or accepting
5 an incomplete replacement notice;

6 b. failing to either obtain the requirement notice, or accepting an
7 incomplete replacement notice and either failing to notify the producer and applicant
8 that outstanding requirements need to be fulfilled or not fulfilling the incomplete
9 requirements;

10 c. failing to notify the existing insurer that may be affected by the
11 proposed replacement within five business days of a completed application which
12 indicated replacement;.

13 2. Within 90 days of filed date of this Order, AXA Equitable shall submit to
14 the Arizona Department of Insurance, for approval, evidence that corrections have
15 been implemented and communicated to the appropriate personnel, regarding all of the
16 items listed above in Paragraph 1 of the Order section of this Consent Order.
17 Evidence of corrective action includes but is not limited to memos, bulletins, E-mails,
18 correspondence, procedures manuals, print screens and training materials.


19 3. The Department shall be permitted, through authorized representatives,
20 to verify that AXA Equitable has complied with all provisions of this Order.

21 4. AXA Equitable shall pay a civil penalty of \$14,000.00 to the Director for
22 deposit in the State General Fund in accordance with A.R.S. § 20-220(B). This civil
23 penalty shall be provided to the Market Conduct Examinations Section of the
24 Department prior to the filing of this Order.

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1 5. The Report of Examination of the Market Conduct Affairs of AXA
2 Equitable Life Insurance Company dated March 31, 2005 including the letter submitted
3 in response to the Report of Examination, shall be filed with the Department after the
4 Director has filed this Order.

5 DATED Arizona this 25th day of October, 2007.

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8 Christina Urias
9 Director of Insurance

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1 **CONSENT TO ORDER**

2 1. AXA Equitable Life Insurance Company has reviewed the foregoing
3 Order.

4 2. AXA Equitable Life Insurance Company admits the jurisdiction of the
5 Director of Insurance, State of Arizona, admits the foregoing Findings of Fact, and
6 consents to the entry of the Conclusions of Law and Order.

7 3. AXA Equitable Life Insurance Company is aware of its right to a hearing,
8 at which it may be represented by counsel, present evidence, and cross-examine
9 witnesses. AXA Equitable Life Insurance Company irrevocably waives its right to such
10 notice and hearing and to any court appeals related to this Order.

11 4. AXA Equitable Life Insurance Company states that no promise of any
12 kind or nature whatsoever was made to it to induce it to enter into this Order and that it
13 has entered into this Consent Order voluntarily.

14 5. AXA Equitable Life Insurance Company acknowledges that the
15 acceptance of this Order by the Director of Insurance, State of Arizona, is solely to
16 settle this matter against it and does not preclude any other agency or officer of this
17 state or its subdivisions or any other person from any other civil or criminal
18 proceedings, whether civil, criminal, or administrative, as may be appropriate now or in
19 the future.

20 6. Paul R. Boucher, who holds the office of Vice President of AXA Equitable
21 Life Insurance Company, is authorized to enter into this Order for it and on its behalf.

22 **AXA EQUITABLE LIFE INSURANCE**
23 **COMPANY**

24 By: Paul R Boucher
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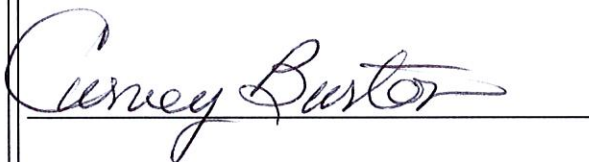
10/23/2007
Date

1 COPY of the foregoing mailed/delivered
2 this 26th day of October, 2007, to:

3 Gerrie Marks
4 Deputy Director
5 Mary Butterfield
6 Assistant Director
7 Consumer Affairs Division
8 Paul J. Hogan
9 Market Oversight Administrator
10 Market Oversight Division
11 Dean Ehler
12 Assistant Director
13 Rates & Regulations Division
14 Steve Ferguson
15 Assistant Director
16 Financial Affairs Division
17 Alan Griffith
18 Chief Financial Examiner
19 Alexandra Schafer
20 Assistant Director
21 Life and Health Division
22 Terry L. Cooper
23 Fraud Unit Chief

24 DEPARTMENT OF INSURANCE
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