

DELAWARE DEPARTMENT OF INSURANCE
MARKET CONDUCT EXAMINATION REPORT

Jackson National Life Insurance Company
NAIC #65056

1 Corporate Way
Lansing, MI 48951

As of

September 30, 2020

Trinidad Navarro
Commissioner



Delaware Department of Insurance

I, Trinidad Navarro, Insurance Commissioner of the State of Delaware, do hereby certify that the attached REPORT ON EXAMINATION, made as of September 30, 2020 on

Jackson National Life Insurance Company

is a true and correct copy of the document filed with this Department.

Attest By:

A handwritten signature in blue ink, appearing to read "Trinidad Navarro", written over a horizontal line.



In Witness Whereof, I have hereunto set my hand
and affixed the official seal of this Department at the
City of Dover, this 28 day of September, 2021.

A handwritten signature in blue ink, appearing to read "Trinidad Navarro", written over a horizontal line.

Trinidad Navarro
Insurance Commissioner

Trinidad Navarro
Commissioner



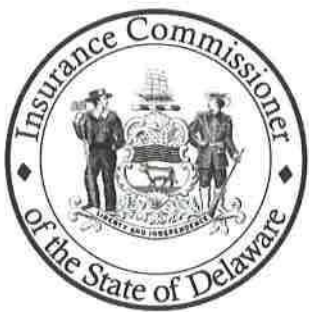
Delaware Department of Insurance

REPORT ON EXAMINATION
OF THE
Jackson National Life Insurance Company
AS OF
September 30, 2020

The above-captioned Report was completed by examiners of the Delaware Department of Insurance.

Consideration has been duly given to the comments, conclusions and recommendations of the examiners regarding the status of the Company as reflected in the Report.

This Report is hereby accepted, adopted and filed as an official record of this Department.



In Witness Whereof, I have hereunto set my hand
and affixed the official seal of this Department at the
City of Dover, this 28 day of September, 2021.

A handwritten signature in blue ink that reads "Trinidad Navarro".

Trinidad Navarro
Insurance Commissioner

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Honorable Trinidad Navarro
Insurance Commissioner
State of Delaware
841 Silver Lake Boulevard
Dover, Delaware 19904

Dear Commissioner Navarro:

In compliance with the instructions contained in Examination Authority Number 65056-20-ANN-712, and pursuant to statutory provisions including 18 *Del. C.* §318-322, a market conduct examination has been conducted of the affairs and practices of:

Jackson National Life Insurance Company
NAIC #65056

The examination was performed as of September 30, 2020.

The examination consisted of an off-site phase which was performed at the offices of the Delaware Department of Insurance, hereinafter referred to as the Department or DDOI, or other suitable locations.

The report of examination herein is respectfully submitted.

EXECUTIVE SUMMARY

The main administrative offices of Jackson National Life Insurance Company (, Jackson National or the Company) are located in Lansing, Michigan. The Company's 2019 annual statement filed with the Department reported total premiums written for all states of \$19,312,365,944, of which Delaware has a market share of 0.4% or approximately \$83,152,239.

This examination focused on Jackson National's annuity and life insurance business in the following areas of operation: Company Operations and Management, Complaint Handling, Marketing and Sales, Producer Licensing, Policyholder Services, Underwriting and Rating, and claims. The following exceptions were noted and the details for the cited code references are included:

- **26 Exceptions**

- **18 Del. C. § 1716(d) Notification to Insurance Commissioner of termination.**

- *(b) Termination without cause. — An insurer or authorized representative of the insurer that terminates the appointment, employment or contract with a producer for any reason not set forth in § 1712 of this title shall notify the Insurance Commissioner within 30 days following the effective date of the termination, using a format prescribed by the Insurance Commissioner. Upon written request of the Insurance Commissioner, the insurer shall provide additional information, documents, records or other data pertaining to the termination.*

- *(c) Ongoing notification requirement. — The insurer or the authorized representative of the insurer shall promptly notify the Insurance Commissioner in a format acceptable to the Insurance Commissioner if, upon further review or investigation, the insurer discovers additional information that would have been reportable to the Insurance Commissioner in accordance with subsection (a) of this section had the insurer then known of its existence.*

- *(d) Copy of notification to be provided to producer. — (1) Within 15 days after making the notification required by subsections (a), (b) and (c) of this section, the insurer shall mail a copy of the notification to the producer at his or her last known address. If the producer is terminated for cause for any of the reasons listed in § 1712 of this title, the insurer shall provide a copy of the notification to the producer at that producer's last known address by certified mail, return receipt requested, postage prepaid or by overnight delivery using a nationally recognized carrier.*

The Company failed to provide a copy of notification to producers whose appointment was terminated.

- **4 Exceptions**

- **18 Del. C. § 2708 Consent of insured; life, health insurance.**

- *No life or health insurance contract upon an individual, except a contract of group life insurance or of group or blanket health insurance, shall be made or effectuated*

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unless at the time of the making of the contract the individual insured, being of competent legal capacity to contract, applies therefor or has consented thereto in writing, except in the following cases:

- (1) A spouse may effectuate such insurance upon the other spouse;*
- (2) Any person having an insurable interest in the life of a minor, or any person upon whom a minor is dependent for support and maintenance may effectuate insurance upon the life of or pertaining to such minor;*
- (3) Family policies may be issued insuring any 2 or more members of a family on an application signed by either parent, a stepparent or by a husband or wife;*
- (4) An employer, or the trustee of a trust described in § 2704(c)(3) of this title, may effectuate insurance under an employer-owned life insurance policy, as defined in § 2704(e) of this title, upon any employee in whom it has an insurable interest, and the employer or trustee, as the case may be, shall not be required to notify employees of the effectuation of such insurance or obtain their consent. The insurer and any investment sub-advisors shall use best efforts to direct securities transactions relating to such employer-owned variable life insurance policies utilizing separate accounts, through a securities agent licensed and located in this State, as opposed to a securities agent licensed and located in another state, unless a better price for the identical security (securities) is available through the securities agent located in that other state.*

The Company issued an annuity on an individual who did not apply therefore or consented to in writing.

- **3 Exceptions**

- **18 Del. Admin. C. § 1204 - 5.1.1 Replacement of Life Insurance.**

Each agent or broker who initiates the application shall, on the request of the prospective purchaser, furnish the Buyers Guide as described by Regulation 29 and shall submit to the insurer to which an application for life insurance or annuity is presented, with or as a part of each application:

- 5.1.1 statement signed by the applicant as to whether the replacement of existing life insurance or annuities are involved in the transaction;*

The replacement question was not signed by the applicant on the application.

- **3 Exceptions**

- **18 Del. Admin. C. § 1204 - 5.1.2 Replacement of Life Insurance.**

Each agent or broker who initiates the application shall, on the request of the prospective purchaser, furnish the Buyers Guide as described by Regulation 29 and shall submit to the insurer to which an application for life insurance or annuity is presented, with or as a part of each application:

5.1.2 a signed statement as to whether the agent or broker knows replacement is or may be involved in the transaction.;

The replacement question was not signed by the agent on the application.

- **1 Exception**

18 Del. Admin. C. § 1204-5.2.1 Replacement of Life Insurance.

Where replacement is involved, the agent or broker shall:

5.2.1 Present to the applicant, not later than at the time of taking the application, a "Notice Regarding Replacement" (Delaware Insurance Form R, attached as Exhibit A), or other substantially similar form approved by the Commissioner. The notice shall be signed by both the applicant and the agent or broker and a copy left with the applicant.

The replacement form was dated after the application.

- **2 Exceptions**

18 Del. Admin. C. § 1204-6.1.2 Duties of Insurers That Use Agents or Brokers.

6.1.2 Require with or as a part of each completed application for life insurance or annuity a statement signed by the applicant as to whether such proposed insurance or annuity will replace existing life insurance or annuity.

The Company did not require with or as a part of each completed application for annuity, a statement signed by the applicant as to whether he or she knows replacement is or may be involved in the transaction.

- **2 Exceptions**

18 Del. Admin. C. § 1204-7.1.1 Duties of Insurers That Use Agents or Brokers.

7.1.1 Require with or as a part of each completed application for life insurance or annuity, a statement signed by the agent or broker as to whether he or she knows replacement is or may be involved in the transaction.

The Company did not require with or as a part of each completed application for life insurance or annuity, a statement signed by the agent or broker as to whether he or she knows replacement is or may be involved in the transaction.

- **4 Exceptions**

18 Del. Admin. C. § 902-1.2.1.2 Authority for Regulation; Basis for Regulation.

1.2.1.2 Failing to acknowledge and respond within 15 working days, upon receipt by the insurer, to communications with respect to claims by insureds arising under insurance policies.

The Company failed to acknowledge the claims within 15 working days.

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- **1 Exception**

18 Del. Admin. C. § 902–1.2.1.5 Authority for Regulation; Basis for Regulation.

1.2.1.5 Failing to affirm or deny coverage or a claim or advise the person presenting the claim, in writing, or other proper legal manner, of the reason for the inability to do so, within 30 days after proof of loss statements have been received by the insurer.

The Company failed to affirm or deny the claim within 30 days after proof of loss was received.

SCOPE OF EXAMINATION

The Market Conduct Examination was conducted pursuant to the authority granted by 18 Del. C. §§318-322 and covered the experience period of January 1, 2018 through September 30, 2020 unless otherwise noted. The purpose of the examination was to determine compliance by the Company with Delaware insurance laws and regulations related to the individual life and annuity lines of business.

METHODOLOGY

This examination was performed in accordance with Market Regulation standards established by the Department and examination procedures suggested by the NAIC. While examiners report on the errors found in individual files, the examiners also focus on general business practices of the Company.

The Company was requested to identify the universe of files for each segment of the review. Based on the universe sizes identified, random sampling was utilized to select the files reviewed for this examination.

Delaware Market Conduct Examination Reports generally note only those items to which the Department, after review, takes exception. An exception is any instance of Company activity that does not comply with an insurance statute or regulation. Exceptions contained in the Report may result in imposition of penalties. Generally, practices, procedures, or files that were reviewed by Department examiners during the course of an examination may not be referred to in the Report if no improprieties were noted. However, the Examination Report may include 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 or future compliance.

Throughout the course of the examination, Company officials were provided status memoranda, which referenced specific policy numbers with citation to each section of law violated. Additional information was requested to clarify apparent violations. An exit conference was conducted with Company officials to discuss the various types of

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exceptions identified during the examination and to review written summaries provided on the exceptions found.

COMPANY HISTORY AND PROFILE

Jackson National Life Insurance Company was founded in Jackson, Michigan, in 1961. Jackson National initially sold life policies to high-risk applicants. They started selling annuities in 1967. By 1970, the Company had \$100 million of life insurance in force. In 1975, Jackson National developed an early form of universal life and introduced a flexible premium annuity. In 1976, Jackson National moved its corporate headquarters to Lansing, Michigan. In 1986, the Company was acquired by Prudential plc, a London based insurer. In 1995, Jackson National diversified its products by the addition of offering variable annuities, the establishment of the group pension department (now known as Institutional Products), and the formation of Jackson National Life Distributors (JNLD). In 1998, Jackson of NY opened allowing Jackson National to sell in all 50 states. In 2010 Jackson National surpassed \$100 billion in assets. In 2021, Jackson National is currently attempting to go through demerger with Prudential.

Jackson National offers fixed, variable, and index annuities. The Company does not sell or market life insurance products. Jackson National is the founding member of the Alliance for Lifetime Income, a non-profit organization focused on educating people about the protected lifetime income offered in annuities.

Jackson National is licensed in the Virgin Islands, District of Columbia, Commonwealth of the Northern Mariana Islands, Puerto Rico, Guam and in all 50 states. In 2019, Jackson National reported \$19,312,365,944 premium of which \$83,152,239 was written in Delaware. In 2018, Jackson National reported \$17,061,764,472 premium of which \$68,133,398 was written in Delaware.

COMPANY OPERATIONS AND MANAGEMENT

The Company provided information documenting its management and operational procedures in areas for which they conduct business for the State of Delaware, including:

- The Company History and Profile
- The Company Organizational Charts
- A list of internal audits conducted in the last three (3) years and a statement that the audits identified were closed/complete and up-to-date as of the examination period under review
- A copy of the Company's anti-fraud procedures
- Third Party Administrator (TPA) documentation
- A list of fines, penalties and recommendations from any state for the last five (5) years.

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- Copies of the Annual Reports for 2017, 2018, and 2019.

The documents were reviewed to ensure compliance with the State of Delaware Laws and Regulations.

No exceptions were noted.

COMPLAINT HANDLING

A. Complaint Policies and Procedures

Jackson National was requested to provide their written definition of a complaint, policies and procedures and other documentation to ensure that the Company takes adequate steps to finalize and dispose of complaints in accordance with applicable statutes, rules and regulations.

The policies, procedures and documentation were reviewed for compliance with applicable Delaware Department of Insurance statutes and regulations.

There were no exceptions noted.

B. Complaints Review

Jackson National was requested to provide a list of all complaints received during the examination period of January 1, 2018 through September 30, 2020. The Company provided a list of 13 complaints. All 13 complaints were reviewed.

Additionally, the Delaware Department of Insurance provided a list of complaints that were received during the examination period. The listing was reconciled with the Company's complaint listing for any discrepancies.

The complaints were reviewed for compliance with applicable Delaware Department of Insurance statutes and regulations.

There were no exceptions noted.

MARKETING AND SALES

A. Advertising and Sales Policies and Procedures

Jackson National was requested to provide documentation of the Company's policies and procedures related to advertising and sales. The Company provided their producer training material, replacement procedures, suitability requirements, product specific training materials, disclosure requirements, approval process for marketing and sales material,

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incentives and motivational awards policies, notification procedures for changes in insurance regulations, procedures to monitor compliance with education and training requirements, and the annual certification from a third party senior manager who has responsibility for the delegated functions as it pertains to annuity sales.

The advertising and sales policies and procedures were reviewed for compliance with applicable Delaware Department of Insurance statutes and regulations.

There were no exceptions noted.

B. Advertising Review

Jackson National was requested to provide a list of all advertising materials, whether printed or audio/visual, approved for use by the field personnel for the examination period January 1, 2018 to September 30, 2020. The Company was requested to segregate this material into two sections, 1) Company Generated Advertising and 2) Producer Generated Advertising and to provide a log showing which policy form was associated with the identified piece of advertising material. The Company advised there were no producer generated advertising. The Company provided a list of 12,369 advertising materials for the period under examination. A random sample of 116 pieces of advertising was selected for review.

The advertising materials were reviewed for compliance with applicable Delaware Department of Insurance statutes and regulations.

There were no exceptions noted.

PRODUCER LICENSING

A. Producer Licensing Policies and Procedures

Jackson National was requested to provide documentation of the processes and procedures that ensure that producers are properly licensed, appointed and maintain continuing education requirements, as appropriate and that the termination process of producers complies with applicable standards, rules and regulations regarding notification to the producer and state. The Company also provided copies of their commission structure, motivational awards, and incentives.

The documentation was reviewed for compliance with the Delaware Department of Insurance statutes and regulations.

There were no exceptions noted.

B. Appointed Producers

Jackson National was requested to provide a list of all producers appointed with the Company at any time during the examination period, January 1, 2018 to September 30, 2020. The Company was also requested to provide documentation that producers are properly licensed and appointed, that termination of producers complies with applicable standards, rules and regulations regarding notification to the producer and notification to the state, a copy of the Company's Producer Appointment procedures and Producer Termination procedures that adequately document reasons for terminations, a description of the commission structure, and a description of any incentives or motivational awards.

The Company provided a list of 1,738 appointed producers. A random sample of 113 providers was selected for review of licensing and appointment.

In addition to the above, a comparison was made of the Company's appointed producer listing to the Company's annuity producer listing to ascertain whether the annuity producers are listed on the appointed producer listing. It was discovered that twelve (12) producers were not included and/or listed within the appointed producer listing. As such, these twelve (12) producers were included within this review.

The appointed producers were reviewed for compliance with applicable Delaware Department of Insurance statutes and regulations.

The following exceptions were noted:

9 Exceptions - 18 Del. C. § 1716(d) Notification to Insurance Commissioner of terminations.

The Company failed to provide a copy of notification to producers whose appointments were terminated.

Recommendation: It is recommended that the Company provide a copy of notification to producers whose appointments were terminated as required by 18 Del. C. § 1716(d).

C. Terminated Producers

Jackson National was requested to provide a list of all producers terminated with the Company at any time during the examination period of January 1, 2018 to September 30, 2020. The Company was also requested to provide documentation that the termination of producers complies with applicable standards, rules and regulations regarding notification to the producer and notification to the Delaware Department of Insurance. Further, the Company was to provide that producer termination procedures adequately document the reason for termination.

The Company provided a list of 968 terminated producers. A random sample of 86 producers was selected for a review of the termination files.

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The following exceptions were noted:

17 Exceptions – 18 Del. C. § 1716(d) Notification to Insurance Commissioner of termination.

The Company failed to provide a copy of notification to producers whose appointment was terminated.

Recommendation: It is recommended that the Company provide a copy of notification to producers whose appointment was terminated as required by 18 Del. C. § 1716(d).

POLICYHOLDER SERVICES

A. Policyholder Services Policies and Procedures

Jackson National was requested to provide documentation related to policyholder services policies and procedures. This included procedures for locating missing policyholder and beneficiaries, non-forfeiture options and the handling of unearned premiums and refunds. Documentation related to policy/contract surrender requests and the providing of annual reports of policy values was also requested and reviewed.

The policies, procedures and documentation were reviewed for compliance with applicable Delaware Department of Insurance statutes and regulations.

There were no exceptions noted.

B. Individual Cash Value Life Policies Surrendered

Jackson National was requested to provide a list of all policies surrendered during the examination period of January 1, 2018 to September 30, 2020. The Company identified a universe of 49 individual cash value life insurance policies that were surrendered. All 49 surrendered policies were selected for review.

The files were reviewed to ensure compliance with contract provisions, the proper processing of any cash value and applicable Delaware Department of Insurance statutes and regulations.

There were no exceptions noted.

C. Individual Fixed Annuities Surrendered

Jackson National was requested to provide a list of all policies surrendered during the examination period January 1, 2018 to September 30, 2020. The Company identified a universe of 173 individual fixed annuity policies that were surrendered. A random sample of 79 files was selected for review.

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The files were reviewed to ensure compliance with contract provisions, the proper processing of any cash value and applicable Delaware Department of Insurance statutes and regulations.

There were no exceptions noted.

D. Individual Variable Annuities Surrendered

Jackson National was requested to provide a list of all policies surrendered during the examination period January 1, 2018 to September 30, 2020. The Company identified a universe of 318 individual variable annuity policies that were surrendered. A random sample of 79 files was selected for review.

The files were reviewed to ensure compliance with contract provisions, the proper processing of any cash value and applicable Delaware Department of Insurance statutes and regulations.

The following exception was noted:

1 Exception - 18 Del. C. § 2708 Consent of insured; life, health insurance.

The Company issued an annuity on an individual who did apply therefore or consented to in writing.

Recommendation: It is recommended that the Company not effectuate a contract upon an individual unless at the time of the making of the contract the individual insured, being of competent legal capacity to contract, applies therefor or has consented thereto in writing as required by 18 Del. C. § 2708.

UNDERWRITING AND RATING

A. Forms

Jackson National identified a universe of 179 forms utilized during the examination period of January 1, 2018 to September 30, 2020. A random sample of 79 forms was requested. The forms were reviewed to determine compliance with the State of Delaware Laws and Regulations.

There were no exceptions noted.

B. Individual Fixed Annuities New Issues

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Jackson National identified a universe of 83 fixed annuities issued as new during the experience period of January 1, 2018 through September 30, 2020. A random sample of 79 policy files was requested. The files were reviewed to determine compliance with the State of Delaware Laws and Regulations.

The following exceptions were noted:

1 Exception - 18 Del. C. § 2708 Consent of insured; life, health insurance.

The Company issued an annuity on an individual who did not apply therefore or consented to in writing.

Recommendation: It is recommended that the Company not effectuate a contract upon an individual unless at the time of the making of the contract the individual insured, being of competent legal capacity to contract, applies therefor or has consented thereto in writing as required by 18 Del. C. § 2708.

1 Exception - 18 Del. Admin. C. § 1204-5.1.1 Replacement of Life Insurance.

The replacement question was not signed by the applicant on the application.

Recommendation: It is recommended that the Company require with or as a part of each application a statement signed by the applicant as to whether the replacement of existing life insurance or annuities are involved in the transaction as required by 18 Del. Admin. C. § 1204-5.1.1.

1 Exception - 18 Del. Admin. C. § 1204-5.1.2 Replacement of Life Insurance.

The replacement question was not signed by the agent on the application.

Recommendation: It is recommended that the Company require with or as a part of each application a statement signed by the agent as to whether the replacement of existing life insurance or annuities are involved in the transaction as required by 18 Del. Admin. C. § 1204-5.1.2.

C. Individual Fixed Annuities Replacements

Jackson National identified a universe of 50 fixed annuity contracts issued as replacements during the experience period, January 1, 2018 to September 30, 2020. All 50 annuity replacement files were selected for review. The files were reviewed to determine compliance with the State of Delaware Laws and Regulations.

The following exceptions were noted:

2 Exceptions - 18 Del. C. § 2708 Consent of insured; life, health insurance.

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The Company issued an annuity on an individual who not did apply therefore or consented to in writing.

Recommendation: It is recommended that the Company not effectuate a contract upon an individual unless at the time of the making of the contract the individual insured, being of competent legal capacity to contract, applies therefor or has consented thereto in writing as required by 18 *Del. C.* § 2708.

2 Exceptions - 18 *Del. Admin. C.* § 1204-5.1.1 Replacement of Life Insurance.

The replacement question was not signed by the applicant on the application.

Recommendation: It is recommended that the Company require with or as a part of each application a statement signed by the applicant as to whether the replacement of existing life insurance or annuities are involved in the transaction as required by 18 *Del. Admin. C.* § 1204-5.1.1.

2 Exceptions - 18 *Del. Admin. C.* § 1204-5.1.2 Replacement of Life Insurance.

The replacement question was not signed by the agent on the application.

Recommendation: It is recommended that the Company require with or as a part of each application a statement signed by the agent as to whether the replacement of existing life insurance or annuities are involved in the transaction as required by 18 *Del. Admin. C.* § 1204-5.1.2.

1 Exception - 18 *Del. Admin. C.* § 1204-5.2.1 Replacement of Life Insurance.

The replacement form was dated after the application.

Recommendation: It is recommended that the agent or broker present to the applicant, not later than at the time of taking the application, a "Notice Regarding Replacement" (Delaware Insurance Form R, attached as Exhibit A), or other substantially similar form approved by the Commissioner as required by 18 *Del. Admin. C.* § 1204-5.2.1.

2 Exceptions - 18 *Del. Admin. C.* § 1204-6.1.2 Duties of Insurers That Use Agents or Brokers.

The Company did not require with or as a part of each completed application for annuity, a statement signed by the applicant as to whether he or she knows replacement is or may be involved in the transaction.

Recommendation: It is recommended that the Company require with or as a part of each completed application for annuity, a statement signed by the applicant as to whether he or

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she knows replacement is or may be involved in the transaction as required by 18 *Del. Admin. C.* § 1204-6.1.2.

2 Exceptions - 18 *Del. Admin. C.* § 1204-7.1.1 Duties of Insurers That Use Agents or Brokers.

The Company did not require with or as a part of each completed application for life insurance or annuity, a statement signed by the agent or broker as to whether he or she knows replacement is or may be involved in the transaction.

Recommendation: It is recommended that the Company require with or as a part of each completed application for life insurance or annuity, a statement signed by the agent or broker as to whether he or she knows replacement is or may be involved in the transaction as required by 18 *Del. Admin. C.* § 1204-7.1.1.

D. Individual Variable Annuities New Issues

Jackson National identified a universe of 596 variable annuities issued as new during the experience period of January 1, 2018 through September 30, 2020. A random sample of 86 policy files was requested. The files were reviewed to determine compliance with the State of Delaware Laws and Regulations.

There were no exceptions noted.

E. Individual Variable Annuities Replacements

Jackson National Life Insurance Company identified a universe of 294 variable annuities issued as replacements during the experience period of January 1, 2018 through September 30, 2020. A random sample of 76 policy files was requested. The files were reviewed to determine compliance with the State of Delaware Laws and Regulations.

There were no exceptions noted.

CLAIMS

A. Claims Policies and Procedures

Jackson National was requested to provide documentation related to claim policies and procedures. This included claim procedure and processing manuals, calculation of claim interest documentation and claim monitoring reports that were in use during the examination period of January 1, 2018 to September 30, 2020.

The policies, procedures and documentation were reviewed for compliance with applicable Delaware Department of Insurance statutes and regulations.

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There were no exceptions noted.

B. Life Paid Claims

Jackson National was requested to provide a listing of all claims received during the examination period of January 1, 2018 through September 30, 2020. The Company identified 104 claims paid. A random sample of 76 claim files was selected for review.

The files were reviewed for compliance with the State of Delaware Insurance statutes and regulations.

There were no exceptions noted.

C. Annuities Paid Claims

Jackson National was requested to provide a listing of all claims received during the examination period of January 1, 2018 through September 30, 2020. The Company identified 237 annuity claims received. A random sample of 76 claim files were requested, received and reviewed.

The files were reviewed for compliance with the State of Delaware statutes and regulations. The following exceptions were noted:

4 Exceptions - 18 *Del. Admin. C.* § 902–1.2.1.2 Authority for Regulation; Basis for Regulation.

The Company failed to acknowledge the claims within 15 working days.

Recommendation: It is recommended that the Company acknowledge and respond within 15 working days to communications with respect to claims as required by 18 *Del. Admin. C.* § 902 – 1.2.1.2.

1 Exception - 18 *Del. Admin C.* § 902 – 1.2.1.5 Authority for Regulation; Basis for Regulation.

The Company failed to affirm or deny the claim within 30 days after proof of loss was received.

Recommendation: It is recommended that the Company affirm or deny coverage or a claim or advise the person presenting the claim, in writing within 30 days after proof of loss was received as required by 18 *Del. Admin. C.* § 902 – 1.2.1.5.

CONCLUSION

The recommendations made below identify corrective measures the Department finds necessary as a result of the Exceptions noted in the Report. Location in the Report is referenced in parenthesis.

1. It is recommended that the Company provide a copy of notification to producers whose appointment was terminated as required by 18 *Del. C.* § 1716(d). (Producer Licensing- Appointed Producers)(Producer Licensing- Terminated Producers).
2. It is recommended that the Company not effectuate a contract upon an individual unless at the time of the making of the contract the individual insured, being of competent legal capacity to contract, applies therefor or has consented thereto in writing as required by 18 *Del. C.* § 2708. (Policyholder Services- Individual Variable Annuities Surrendered)(Underwriting and Rating- Individual Fixed Annuities New Issues)(Underwriting and Rating- Individual Fixed Annuities Replacements).
3. It is recommended that the Company require with or as a part of each application a statement signed by the applicant as to whether the replacement of existing life insurance or annuities are involved in the transaction as required by 18 *Del. Admin. C.* § 1204-5.1.1. (Underwriting and Rating- Individual Fixed Annuities New Issues) (Underwriting and Rating- Individual Fixed Annuities Replacements).
4. It is recommended that the Company require with or as a part of each application a statement signed by the agent as to whether the replacement of existing life insurance or annuities are involved in the transaction as required by 18 *Del. Admin. C.* § 1204-5.1.2. (Underwriting and Rating- Individual Fixed Annuities New Issues) (Underwriting and Rating- Individual Fixed Annuities Replacements).
5. It is recommended that the agent or broker present to the applicant, not later than at the time of taking the application, a "Notice Regarding Replacement" (Delaware Insurance Form R, attached as Exhibit A), or other substantially similar form approved by the Commissioner as required by 18 *Del. Admin. C.* § 1204-5.2.1. (Underwriting and Rating- Individual Fixed Annuities Replacements).
6. It is recommended that the Company require with or as a part of each completed application for annuity, a statement signed by the applicant as to whether he or she knows replacement is or may be involved in the transaction as required by 18 *Del. Admin. C.* § 1204-6.1.2. (Underwriting and Rating- Individual Fixed Annuities Replacements).
7. It is recommended that the Company require with or as a part of each completed application for life insurance or annuity, a statement signed by the agent or broker as to whether he or she knows replacement is or may be involved in the transaction

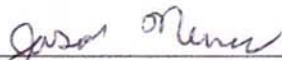
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Jackson National Life Insurance Company

as required by 18 *Del. Admin. C.* § 1204-7.1.1. (Underwriting and Rating- Individual Fixed Annuities Replacements)

8. It is recommended that the Company acknowledge and respond within 15 working days to communications with respect to claims as required by 18 *Del. Admin. C.* § 902 – 1.2.1.2. (Claims- Annuity Paid Claims).
9. It is recommended that the Company affirm or deny coverage or a claim or advise the person presenting the claim, in writing within 30 days after proof of loss was received as required by 18 *Del. Admin. C.* § 902 – 1.2.1.5. (Claims- Annuity Paid Claims).

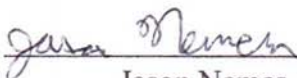
**Delaware Market Conduct Examination Report
Jackson National Life Insurance Company**

The examination conducted by Joseph Krug, Jason Nemes, Jack Rucidlo, and Gwen Douglas is respectfully submitted.



Jason Nemes, CIE, MCM
Examiner-in-Charge
Market Conduct
Delaware Department of Insurance

I, Jason Nemes, hereby verify and attest, under penalty of perjury, that the above is a true and correct copy of the examination report and findings submitted to the Delaware Department of Insurance pursuant to examination authority 65056-20-ANN-712.



Jason Nemes, CIE, MCM