



NEWS RELEASE

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OXENDINE REVOKES LIFE COMPANY'S LICENSE, FINES INSURER \$214,000

Atlanta – Insurance Commissioner John W. Oxendine announced today that he has revoked the certificate of authority of Trans World Assurance to operate in Georgia, and has fined the company \$214,000. In addition, the Commissioner has ordered the company to refund monies collected from active duty members of the United States Armed Forces related to products it has sold in Georgia since September 2007.

“Due to multiple violations of the state insurance code, I feel I have no option but to revoke Trans World’s license to operate in the state,” Oxendine said. “What makes these violations particularly egregious is that they targeted our men and women in uniform.”

The Commissioner held a hearing May 5 and 6 of this year to investigate allegations that the company sold a life insurance policy containing an illegal component to military personnel between September 2007 and March 2008. The product, called “Flexible Dollar Builder,” includes a provision known as an accumulation fund. The Commissioner found that provisions of the accumulation fund violated Georgia’s Military Sales Practices Regulation and the Unfair Trade Practices Act.

The company further violated regulations by selling life policies to service members already covered under Service Members Group Life Insurance (SGLI) without making the required assessment to determine whether the service member needed additional life insurance.

Although the company may not sell new policies in Georgia, it must continue to service existing contracts which were sold before September, 2007. The company must also honor the contracts issued subsequent to September 1, 2007, until it has made the refunds required by the order.

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