

DELAWARE DEPARTMENT OF INSURANCE
MARKET CONDUCT EXAMINATION REPORT

AXA Equitable Life Insurance Company
NAIC # 62944

1290 Avenue of the Americas
New York, NY 10104

As of

December 31, 2010

Karen Weldin Stewart, CIR-ML
Commissioner



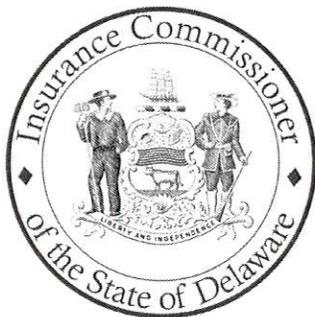
Delaware Department of Insurance

I, Karen Weldin Stewart, Insurance Commissioner of the State of Delaware, do hereby certify that the attached REPORT ON EXAMINATION, made as of December 31, 2010 on

AXA EQUITABLE LIFE INSURANCE COMPANY

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

Attest By: Judith K Nemes 6/27/12.



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

Karen Weldin Stewart, CIR-ML 6/27/12
Insurance Commissioner

Karen Weldin Stewart, CIR-ML
Commissioner



Delaware Department of Insurance

REPORT ON EXAMINATION
OF THE
AXA EQUITABLE LIFE INSURANCE COMPANY
AS OF
December 31, 2010

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.



Karen Weldin Stewart, CIR-ML
Insurance Commissioner

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Honorable Karen Weldin Stewart CIR-ML
Insurance Commissioner
State of Delaware
841 Silver Lake Boulevard
Dover, Delaware 19904

Dear Commissioner Stewart:

In compliance with the instructions contained in Certificate of Examination Authority Number 11.702, and pursuant to statutory provisions including 18 Del. C. §318-322, a market conduct examination has been conducted of the affairs and practices of:

AXA Equitable Life Insurance Company

The examination was performed as of December 31, 2010. AXA Equitable Life Insurance Company, hereinafter referred to as the "Company", was incorporated under the laws of New York. The examination consisted of two phases, an on-site phase and an off-site phase. The on-site phase of the examination was conducted at the following Company location:

1290 Avenue of the Americas
New York, NY 10104

The off-site examination phase 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 Company was incorporated on July 26, 1859, under the laws of the State of New York as a stock life insurance company and commenced business on July 28, 1859 under the name Equitable Life Assurance Society of the United States.

According to the Company's 2010 annual statement filed with the Department, AXA Equitable Life Insurance Company reported direct premium for ordinary life insurance in Delaware in the amount of \$13,467,915 and Annuity considerations in the amount of \$22,600,866. The Company's main administrative offices are located in New York, NY.

The examination was announced as part of a series of examinations on companies in the Individual Life Insurance marketplace in Delaware. The companies were chosen based on Delaware's market share, market analysis and the company's complaint index.

The purpose of the examination was to focus on the Company's compliance with past regulatory or litigation settlements related to the sales and marketing of life insurance, while additionally determining compliance with Delaware insurance laws and regulations.

In general, the examination focused on the Company's life insurance business in the following areas of operation: Company Operations/Management; Complaint Handling, Marketing/Sales, Producer Licensing, Producer Oversight and Policyholder Service.

No exceptions were noted in the areas of operation reviewed.

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, 2008, through December 31, 2010, unless otherwise noted. The purpose of the examination was to determine compliance by the Company with Delaware insurance laws and regulations related to the sales and marketing of life insurance.

The examination was a target market conduct examination of the Company's life insurance business in the following areas of operation: Company Operations/Management; Complaint Handling, Marketing/Sales, Producer Licensing, Producer Oversight and Policyholder Service.

METHODOLOGY

This examination was performed in accordance with Market Regulation standards established by the Department and examination procedures suggested by the NAIC.

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While the examiners' report on the errors found in individual files, the examination also focuses 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 exceptions identified during the examination and review written summaries provided on the exceptions found.

COMPANY HISTORY AND PROFILE

The Company was incorporated on July 26, 1859, under the laws of the State of New York as a stock life insurance company and commenced business on July 28, 1859 under the name Equitable Life Assurance Society of the United States. In 1917, the Company commenced the process to become a mutual life insurance company. The Company completed its conversion to a mutual company in 1925.

On July 22, 1992, the Company demutualized and converted back to a stock life insurance company and became a wholly-owned subsidiary of The Equitable Companies Incorporated (hereinafter referred to as "EQ"). In connection with the demutualization, the Company's eligible policyholders received cash, policy credits or common stock of EQ. At demutualization on July 22, 1992, AXA, a French holding company for an international group of insurance and related financial services companies, became the owner of 49% of EQ's common shares outstanding as well as the owner of convertible preferred stock in exchange for a \$1 billion investment.

On December 19, 1994, EQ exchanged all its outstanding redeemable preferred stock and substantially all of its convertible preferred stock for common stock, a new series of convertible preferred stock and convertible debentures. As a result, AXA's ownership

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percentage of EQ as of December 31, 1995 increased to 60.6%.

On September 3, 1999, EQ changed its name to AXA Financial, Inc. ("AXA Financial"). In 1999, AXA Client Solutions, LLC ("Client Solutions") was formed as a wholly-owned direct subsidiary of AXA Financial. At the same time, AXA Financial contributed to Client Solutions all of the Company's common stock, making Client Solutions the direct parent of the Company.

On August 30, 2000, AXA Financial received a proposal from AXA for the acquisition of all of the outstanding common shares of AXA Financial not owned by AXA. On January 2, 2001, AXA completed its acquisition of the remaining minority interest in AXA Financial.

On January 1, 2002, Client Solutions distributed all of the Company's common stock to AXA Financial, thereby making AXA Financial the direct parent of the Company. On April 22, 2002, Client Solutions changed its name to AXA Financial Services, LLC. Effective June 1, 2002, AXA Financial transferred ownership of the Company back to AXA Financial Services, LLC thereby making it once again the direct parent of the Company.

Effective September 7, 2004 the Company, formerly known as The Equitable Life Assurance Society of the United States, changed its name to AXA Equitable Life Insurance Company. Effective November 7, 2007 AXA Financial Services, LLC changed its name to AXA Equitable Financial Services, LLC.

According to the Company's 2010 annual statement filed with the Department, AXA Equitable Life Insurance Company reported direct premium for ordinary life insurance in Delaware in the amount of \$13,467,915 and Annuity considerations in the amount of \$22,600,866.

COMPANY OPERATIONS AND MANAGEMENT

A. Underwriting Guidelines

The Company was requested to provide all underwriting guidelines and policy and procedures utilized during the experience period. The guidelines and procedures were reviewed to ensure underwriting and policy guidelines were in place and being followed in a uniform and consistent manner and no underwriting practices or procedures were in place that could be considered discriminatory in nature, or specifically prohibited by statute or regulation.

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The following Guidelines were reviewed:

1. Free Look Procedures
2. NTO Procedures
3. Life 70 NTO Processing
4. Job Aid – New Business Retail declines
5. Underwriting Guideline procedures – Monthly updates (2007 to 2010)
6. Underwriting Memorandums

No exceptions were noted.

B. Internal Audit and Compliance Procedures

The Company was requested to provide copies of their internal audit and compliance procedures. The audits and procedures were reviewed to ensure the Company provided for the evaluation of compliance with all statutes and regulations dealing with sales methods, advertising, and filing and approval requirements for life insurance.

No exceptions were noted.

GROUP UNDERWRITING

A. Group Policies Issued

The Company reported no group policies issued during the experience period therefore no exceptions were noted.

INDIVIDUAL UNDERWRITING

The Underwriting file review was sorted and conducted in five (5) general segments.

- A. Life Policies Issued
- B. Term Life Policies Issued
- C. Life Policies Declined
- D. Life Policies Not-Taken
- E. Term Conversions

Each segment was reviewed for compliance with the following Delaware laws and regulations pertaining to: sales and marketing, disclosures, illustrations, underwriting practices, forms approval and producer licensing and oversight. Issues relating to forms

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or producer licensing and oversight appear in those respective sections of the Report and are not duplicated in the Underwriting portion of the Report.

18 Del. C. §320. Conduct of examination; access to records; correction.
18 Del. C. §1703. Producer License Requirements.
18 Del. C. §1715. Producer Appointment Requirements
18 Del. C. §2300. Unfair Insurance Practices.
18 Del. C. §2708. Consent of insured; life, health insurance.
18 Del. C. §2709. Alteration of application, life and health insurance.
18 Del. C. §2712, Filing, approval of forms.
18 Del. Admin. Code 202 §2.0 Company Producer Licensing Responsibility
18 Del. Admin. Code 1203 Life Insurance Solicitation
18 Del. Admin. Code 1203 §4.0 Definitions-Policy Summary, Buyers Guide
18 Del. Admin. Code 1203 §5.0 Disclosure Requirements
18 Del. Admin. Code 1203 §6.0 General Rules of Disclosure
18 Del. Admin. Code 1204 §§5.1-5.3 Replacement of Life Insurance-Duties of Producers
18 Del. Admin. Code 1204 §6.1 Replacement of Life Insurance- Duties of all Insurers
18 Del. Admin. Code 1204 §§7.1-7.4 Replacement of Life Insurance-Duties of Replacing Insurer
18 Del. Admin. Code 1204 §8.0 Insurer Duties with Respect to Direct Response Sales
18 Del. Admin. Code 1210 §5.0 Policies to be Illustrated
18 Del. Admin. Code 1210 §6.0 Life Insurance Illustrations *Rules and Prohibitions*
18 Del. Admin. Code 1210 §§7.0-7.5 Standards for Basic Illustrations
18 Del. Admin. Code 1210 §8.0 Standards for Supplemental Illustrations
18 Del. Admin. Code 1210 §9.0 Delivery of Illustration and Record Retention
18 Del. Admin. Code 1210 §10.0 Annual Report; Notice to Policy Owners
18 Del. Admin. Code 1210 §11.0 Annual Illustration Certifications

A. Life Policies Issued

The Company identified a universe of 160 life policies issued during the experience period. A random sample of 50 policy files was requested, received and reviewed. The files were reviewed to determine compliance to issuance, underwriting, and replacement statutes and regulations.

No exceptions were noted.

B. Term Life Policies Issued

The Company identified a universe of 277 term life policies issued during the experience period. A random sample of 75 policy files was requested, received and reviewed. The files were reviewed to determine compliance to issuance, underwriting, and replacement statutes and regulations.

No exceptions were noted.

C. Life Policies Declined

The Company identified a universe of 47 life policies declined during the experience period. A random sample of 25 policy files was requested, received and reviewed. The files were reviewed to ensure declinations were not the result of any discriminatory underwriting practice and the proper return of any unearned premium.

No exceptions were noted.

D. Life Policies Not-Taken

The Company identified a universe of 15 individual life policies not-taken during the experience period. All 15 not-taken policy files were requested for review. Of the 15 policy files requested, 2 policies were determined to be active, in-force policies, the remaining 13 policy files were received and reviewed. A not-taken policy by definition is a contract that is issued and the insured requests cancellation. The files were reviewed to ensure compliance with the 10 day premium refund provision of the contract.

No exceptions were noted.

E. Term Conversions

The Company identified a universe of 11 Individual term life conversions during the experience period. All 11 policy files were requested, received and reviewed to determine compliance to issuance and underwriting, statutes and regulations.

No exceptions were noted.

FORMS

The Company was requested to provide a list and copies of all policy and/or member forms, conversion contracts, applications, riders, amendments and endorsements used during the experience period. The forms provided and forms reviewed in various underwriting sections of the exam were reviewed to ensure compliance with 18 Del. C. §2712, Filing, approval of forms.

No exceptions were noted.

CONSUMER COMPLAINTS

The Company was requested to identify all consumer complaints received during the experience period and provide copies of consumer complaint logs. The Company identified 26 consumer complaints received during the experience period. All 26 complaint files were requested, received, and reviewed. The company also provided complaint logs as requested. The Department's list of written consumer complaints that were forwarded to the Company during the experience period was compared to the Company's complaint log.

The complaint files and complaint logs were reviewed for compliance with 18 Del. C. §2304 (17). This Section of the Code requires maintenance of a complete record of all complaints received since the date of its last examination. The record shall indicate the total number of complaints, their classification by line of insurance, the nature of each complaint, the disposition of the complaint and the time it took to process each complaint. Written complaint files involving claims were also reviewed for compliance with 18 Del. Admin. Code 902 §1.2.1.2.

No exceptions were noted.

ADVERTISING

The Company was requested to provide a list of all Advertising and Marketing Material utilized during the experience period. In addition, the Company was requested to provide a copy of the advertising certificate of compliance submitted to the Department during the experience period. The Company provided a list of 2124 pieces of Company generated advertising material and 1668 pieces of producer generated advertising material utilized in the State. The advertising consisted of: Letters, Direct Mailers, Brochures, Presentations, Telephone Scripts, Cards, Illustrations, Product Guides, Product Manuals and the Company's web page. A sample of 75 pieces of advertising was requested, received and reviewed.

The 75 pieces of advertising materials and the Company's web site were reviewed to ascertain compliance with 18 Del. C. §2303, Unfair Methods of Competition and Unfair or Deceptive Acts or Practices.

No exceptions were noted.

PRODUCER LICENSING & OVERSIGHT

The Company was requested to provide a list of all producers active and terminated during the experience period in addition to the Company's oversight policies and procedures regarding the following activities:

Appointment Procedures
Product Training & Compliance
Allegations of Misconduct Reports
Producer Terminations
Monitoring Producer Replacement Activity

The policies and procedures were received and reviewed. The Company provided a list of 629 active producers and 491 terminated producers. Random samples of 150 active producers and 50 terminated producers were compared to departmental records of producers to verify appointments, terminations and licensing. In addition, a comparison was made on the producers identified on applications reviewed in the policy issued sections of the exam.

No exceptions were noted.

CONCLUSION

No exceptions were noted in the areas of operation reviewed, therefore no recommendations are warranted.

The examination conducted by Daniel Stemcosky, Brian Tinsley, Ron Poplos, Stephen Misenheimer and Heather Harley is respectfully submitted.



Brian Tinsley, AIE, MCM
Examiner-in-Charge
Market Conduct
Delaware Department of Insurance