



Globe Life – Case Study: Grula

The Insurance Department of Pennsylvania has identified more fraud at Arias agencies.



PLEASE READ IMPORTANT DISCLAIMER – PAGE 4

May 10, 2024 – Viceroy’s report – [The Main Course](#) – was the result of investigation of the company and its subsidiary American Income Life (AIL) which included an extensive review more 11,000 documents at the time and is now approaching 15,000.

Without detracting from the abhorrent behavior that is systemic within AIL, Viceroy is focused on directing the attention of both shareholders and regulators to the pervasive fraud across the company’s operations.

On April 29, 2024, immediately prior to publication of The Main Course, the Insurance Department of Pennsylvania issued a Consent Order that AIL agent Jenna Grula submitted thirteen fraudulent life insurance application, of which 3 were to fictitious customers¹.

Respondent, between November 14, 2018, and June 27, 2023, submitted thirteen (13) fraudulent life insurance policy applications. Three (3) of those applications involved fictitious Pennsylvania consumers.

Figure 1 – In re Jenna Grula

Grula’s admission to submitting fraudulent applications to meet performance quotas and receive the associated bonus exemplifies the pattern of dishonest, unethical, and often criminal conduct ingrained within AIL. She attained the rank of MGA at Arias Agencies in November 2016.

(g) Respondent, between November 14, 2018, and June 27, 2023, created fictitious applicant signatures using computer software to simulate handwritten signatures for the life insurance policy applications identified in finding 3(c).

Figure 2 – In re Jenna Grula

Grula created several fraudulent policies using personal information from prior acquaintances, friends and family members. These were made “impossible” to verify by altering details such as names, addresses, social security numbers and contact information.

¹ [Jenna Grula Consent Order](#)



(e) Respondent intentionally altered the applicant names, addresses, telephone phone numbers, social security numbers, dates of births, and bank information on the life insurance policy applications identified in finding 3(c) to circumvent the Insurance Company, American Income Life's internal processes, making it impossible to contact the individuals or verify the application information.

Figure 3 – In re Jenna Gula

This directly contradicts claims made in Globe Life's recent earnings call where they claimed to conduct "quality assurance calls to verify new applications". The scheme occurred for almost 5 years, from November 2018 to June 2023, and Gula was only terminated by AIL in October 2023.

American Income has controls to validate the identity and legitimacy of the sale to the customer, including conducting quality assurance calls to verify new applications. And when complaints are raised, including complaints alleging fraud, deceit, unethical business practices, or other misconduct, American Income has a dedicated group responsible for investigating these allegations.

Figure 4 – Globe Life Q1 2024 Earnings Call

This plan presumably backfired as a policyholder got wind of the situation.

(f) Respondent, on June 27, 2023, submitted a fictitious life insurance policy application under the name of Allen Kline with a date of birth of June 27, 1989. The Department's investigation substantiated that the personal identifiable information contained in the application corresponds with a prior acquaintance of hers, who has not been in contact with her since on or about 2009 and denies applying for or having knowledge of any insurance related policies through her.

Figure 5 – In re Jenna Gula

The consent order contains the same language used in Erica Robertson's case mandating cooperation with regulators in their investigation. We believe that this is another indicator of an ongoing investigation against AIL by state insurance regulators².

² [Erica Robertson Consent Order](#)



- (g) Respondent shall assist to the best of her ability the Pennsylvania Insurance Department in conducting investigations and prosecution of any licensed or unlicensed entity performing the business of insurance including, but not limited to, any public adjuster, insurance producer, company, etc., their employees and officers, including but not limited to testifying as a witness relative to any of the aforesaid entities, their employees and officers in any civil or administrative action involving same.

Figure 6 – In re Jenna Gula

A full copy of the Pennsylvania Insurance Department's consent order against Jenna Gula is enclosed in this document.



Attention: Whistleblowers

Viceroy encourage any parties with information pertaining to misconduct within Globe Life, AIL, their sales agents, their affiliates, or any other entity to file a report with the appropriate regulatory body.

We also understand first-hand the retaliation whistleblowers sometimes face for championing these issues. Where possible, Viceroy is happy act as intermediaries in providing information to regulators and reporting information in the public interest in order to protect the identities of whistleblowers.

You can contact the Viceroy team via email on viceroy@viceroyresearch.com.

About Viceroy

Viceroy Research is an investigative financial research group. As global markets become increasingly opaque and complex – and traditional gatekeepers and safeguards often compromised – investors and shareholders are at greater risk than ever of being misled or uninformed by public companies and their promoters and sponsors. Our mission is to sift fact from fiction and encourage greater management accountability through transparency in reporting and disclosure by public companies and overall improve the quality of global capital markets.

Important Disclaimer – Please read before continuing

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RECEIVED

By Admin Hearings, Ins Dept at 8:31 am, Apr 29, 2024

BEFORE THE INSURANCE COMMISSIONER
OF THE
COMMONWEALTH OF PENNSYLVANIA

IN RE:	:	VIOLATIONS:
	:	
JENNA S. GRULA	:	40 P.S. § 310.11(6), (7), (9), (17)
83 Columbia Avenue	:	and (20)
Hanover Township, PA 18706	:	
	:	
	:	
	:	
	:	
Respondent.	:	Docket No. CO24-04-018

CONSENT ORDER

AND NOW, this 29th day of April, 2024, this Order is hereby issued by the Insurance Department of the Commonwealth of Pennsylvania pursuant to the statutes cited above and in disposition of the matter captioned above.

1. Respondent hereby admits and acknowledges that she has received proper notice of her rights to a formal administrative hearing pursuant to the Administrative Agency Law, 2 Pa.C.S. §§ 101, et seq., or other applicable law.

2. Respondent hereby waives all rights to a formal administrative hearing in this matter, and agrees that this Consent Order, and the Findings of Fact and Conclusions of Law contained herein, shall have the full force and effect of an Order duly entered in accordance with the adjudicatory procedures set forth in the Administrative Agency Law, supra, or other applicable law.

FINDINGS OF FACT

3. The Pennsylvania Insurance Department (“Department”) finds true and correct each of the following Findings of Fact:

- (a) Respondent is Jenna S. Grula and maintains a record of her address with the Pennsylvania Insurance Department as 83 Columbia Avenue, Hanover Township, PA 18706.
- (b) Respondent is, and at all times relevant hereto has been, a licensed Resident Producer Individual.
- (c) Respondent, between November 14, 2018, and June 27, 2023, submitted thirteen (13) fraudulent life insurance policy applications. Three (3) of those applications involved fictitious Pennsylvania consumers.
- (d) Respondent, during her Departmental interview alleged that she used friends and family members personal information to submit the life insurance policy applications identified in finding 3(c), with their permission.
- (e) Respondent intentionally altered the applicant names, addresses, telephone phone numbers, social security numbers, dates of births, and bank information on the life insurance policy applications identified in finding 3(c) to circumvent the Insurance Company, American Income

Life's internal processes, making it impossible to contact the individuals or verify the application information.

- (f) Respondent, on June 27, 2023, submitted a fictitious life insurance policy application under the name of Allen Kline with a date of birth of June 27, 1989. The Department's investigation substantiated that the personal identifiable information contained in the application corresponds with a prior acquaintance of hers, who has not been in contact with her since on or about 2009 and denies applying for or having knowledge of any insurance related policies through her.
- (g) Respondent, between November 14, 2018, and June 27, 2023, created fictitious applicant signatures using computer software to simulate handwritten signatures for the life insurance policy applications identified in finding 3(c).
- (h) Respondent, on October 3, 2023, was terminated for cause by American Income Life Insurance Company for knowingly submitting numerous applications containing fraudulent applicant and bank information identified in finding 3(c).
- (i) Respondent, during her Departmental interview, admitted to submitting the fraudulent applications identified in finding 3(c) to meet her employer's, Arias Organization LLC ("Arias Agencies") quotas and to avoid her ranking and associated bonus compensation from being negatively impacted.

CONCLUSIONS OF LAW

4. In accord with the above Findings of Fact and applicable provisions of law, the Insurance Department concludes and finds the following Conclusions of Law:

- (a) Respondent is subject to the jurisdiction of the Pennsylvania Insurance Department.
- (b) 40 P.S. § 310.11(6) prohibits a licensee or an applicant from committing any unfair insurance practice or fraud.
- (c) Respondent's activities described in paragraphs 3(c) through 3(i) violate 40 P.S. § 310.11(6).
- (d) 40 P.S. § 310.11(7) prohibits a licensee or an applicant from using fraudulent, coercive or dishonest practices or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of doing business.
- (e) Respondent's activities described in paragraphs 3(c) through 3(i) violate 40 P.S. § 310.11(7).
- (f) 40 P.S. § 310.11(9) prohibits a licensee or an applicant from forging another person's name on an insurance application or any document related to an insurance or financial service transaction.

- (g) Respondent's activities described in paragraph 3(g) violate 40 P.S. § 310.11(9).
- (h) 40 P.S. § 310.11(17) prohibits a licensee or an applicant from committing fraud, forgery, dishonest acts or an act involving a breach of fiduciary duty.
- (i) Respondent's activities described in paragraphs 3(c) through 3(i) violate 40 P.S. § 310.11(17).
- (j) 40 P.S. § 310.11(20) prohibits a licensee or an applicant from demonstrating a lack of general fitness, competence or reliability sufficient to satisfy the Department that the licensee is worthy of licensure.
- (k) Respondent's activities described in paragraphs 3(c) through 3(i) violate 40 P.S. § 310.11(20).
- (l) Respondent's violations of 40 P.S. § 310.11(6), (7), (9), (17) and (20) are punishable by the following, under 40 P.S. § 310.91:
 - (i) suspension, revocation or refusal to issue the license;
 - (ii) imposition of a civil penalty not to exceed five thousand dollars (\$5,000.00) for every violation of the Act;

(iii) an order to cease and desist; and

(iv) any other conditions as the Commissioner deems appropriate.

ORDER

5. In accord with the above Findings of Fact and Conclusions of Law, the Insurance Department orders and Respondent consents to the following:

- (a) Respondent shall cease and desist from engaging in the activities described herein in the Findings of Fact and Conclusions of Law.
- (b) All licenses of Respondent to do the business of insurance are hereby revoked.
- (c) Respondent's licenses may be immediately suspended by the Department following its investigation and determination that (i) any terms of this Order have not been complied with, or (ii) any confirmed complaint against Respondent is accurate and a statute or regulation has been violated. The Department's right to act under this section is limited to a period of ten (10) years from the date of this Order.
- (d) Respondent specifically waives her right to prior notice of said suspension, but will be entitled to a hearing upon written request received by the Department no later than thirty (30) days after the date the Department mailed to Respondent by certified mail, return receipt

requested, notification of said suspension, which hearing shall be scheduled for a date within sixty (60) days of the Department's receipt of Respondent's written request.

- (e) At the hearing referred to in paragraph 5(d) of this Order, Respondent shall have the burden of demonstrating that she is worthy of a license.
- (f) In the event Respondent's licenses are suspended pursuant to paragraph 5(c) above, and Respondent either fails to request a hearing within thirty (30) days or at the hearing fails to demonstrate that she is worthy of a license, Respondent's suspended licenses shall be revoked.
- (g) Respondent shall assist to the best of her ability the Pennsylvania Insurance Department in conducting investigations and prosecution of any licensed or unlicensed entity performing the business of insurance including, but not limited to, any public adjuster, insurance producer, company, etc., their employees and officers, including but not limited to testifying as a witness relative to any of the aforesaid entities, their employees and officers in any civil or administrative action involving same.

6. In the event the Insurance Department finds that there has been a breach of any of the provisions of this Order, based upon the Findings of Fact and Conclusions of Law contained herein, the Department may pursue any and all legal remedies available, including but not limited to the following: The Department may enforce the provisions of this Order in an administrative action pursuant to the Administrative

Agency Law, supra, or other relevant provisions of law; or, if applicable, the Department may enforce the provisions of this Order in any other court of law or equity having jurisdiction.

7. Alternatively, in the event the Insurance Department finds there has been a breach of any of the provisions of this Order, the Department may declare this Order to be null and void and, thereupon, reopen the entire matter for appropriate action pursuant to the Administrative Agency Law, supra, or other relevant provision of law.

8. In any such enforcement proceeding, Respondent may contest whether a breach of the provisions of this Order has occurred but may not contest the Findings of Fact and Conclusions of Law contained herein.

9. Respondent hereby expressly waives any relevant statute of limitations and application of the doctrine of laches for purposes of any enforcement of this Order.

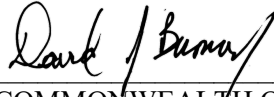
10. This Order constitutes the entire agreement of the parties with respect to the matters referred to herein, and there are no other terms, obligations, covenants, representations, statements or conditions, or otherwise, of any kind whatsoever concerning this agreement. This Order may not be amended or modified except by an amended order signed by all the parties hereto.

11. This Order shall be final upon execution by the Insurance Department. Only the Insurance Commissioner or a duly authorized delegee is authorized to bind the Insurance Department with respect to the settlement of the alleged violations of law

contained herein, and this Consent Order is not effective until executed by the Insurance Commissioner or duly authorized delegee.

BY: Jenna M. Grula Apr 26, 2024

JENNA S. GRULA, Respondent



COMMONWEALTH OF PENNSYLVANIA
By: DAVID J. BUONO JR.
Deputy Insurance Commissioner

Signature: Jenna M. Grula
Jenna M. Grula (Apr 26, 2024 10:19 EDT)

Email: jmg5341@gmail.com

BEFORE THE INSURANCE COMMISSIONER
OF THE
COMMONWEALTH OF PENNSYLVANIA

IN RE: The Act of April 9, 1929, P.L. 177, No. 175, known as The
Administrative Code of 1929

AND NOW, this __31st__ day of __March____, 2022, David J. Buono, Jr.,
Deputy Insurance Commissioner, is hereby designated as the Commissioner's duly
authorized representative for purposes of entering in and executing Consent Orders. This
delegation of authority shall continue in effect until otherwise terminated by a later Order
of the Insurance Commissioner.



Michael Humphreys
Acting Insurance Commissioner

