

(11) A provision that *all benefits payable under the policy ... shall be payable not more than thirty days* after receipt of proof and that, subject to due proof of loss...;

* * *

(14) A provision that no action at law or in equity shall be brought to recover on the policy prior to the expiration of sixty days after proof of loss has been filed in accordance with the requirements of the policy and that no such action shall be brought at all unless brought within three years from the expiration of the time within which proof of loss is required by the policy;

(15) A provision specifying the conditions under which the policy may be terminated. Such provision shall state that except for nonpayment of the required premium or the failure to meet continued underwriting standards, *the insurer may not terminate the policy prior to the first anniversary date of the effective date of the policy...*;

(16) A provision stating that if a policy provides that *coverage of a dependent child terminates upon attainment of the limiting age for dependent children* specified in the policy, such policy, so long as it remains in force, shall be deemed to provide that attainment of *such limiting age does not operate to terminate the hospital and medical coverage of such child while the child is and continues to be both incapable of self-sustaining employment by reason of mental or physical handicap and chiefly dependent upon the certificate holder for support and maintenance. Proof of such incapacity and dependency must be furnished to the insurer by the certificate holder at least thirty-one days after the child's attainment of the limiting age.* The insurer may require at reasonable intervals during the two years following the child's attainment of the limiting age subsequent proof of the child's incapacity and dependency. After such two-year period, the insurer may require subsequent proof not more than once each year. This subdivision shall apply only to policies delivered or issued for delivery in this state on or after one hundred twenty days after September 28, 1985[.]

(Emphasis added.)

26. Freedom Life's Certificate is not compliant with Missouri insurance laws. Under the section titled Premium and the subsection Grace Period, the Certificate states:

[A] grace period of thirty-one (31) days from such due date is given for the late payment of the **Premium** due. If **You** make payment of the required **Premium** during such grace period, then this **Certificate** will remain in force for **Benefit** claims arising during such grace period and prior to the **Expiration Date**.

Section 376.426(1) requires the policy to stay in force during the grace period; this includes payment of claims. An insured may be liable for the payment of premium incurred during a grace period, but Freedom Life may not withhold claim payments. Because the policy is not effectively in force during the grace period, the Certificate does not meet the substantive requirements of §376.426(1). As such, the Certificate does not comply with the laws of this state as required by §376.405.

27. Freedom Life's Certificate is not compliant with Missouri insurance laws. Under the section titled Uniform Provisions and the subsection Time Limit on Certain Defenses, the Certificate's provision is not substantially similar to §376.426(2). The Certificate provides that "[a]fter two (2) years from the effective date of coverage, only fraudulent misstatements in the enrollment application may be used to void this certificate or deny any claim for a loss occurring after the two (2) year period." This is not substantially similar to or more favorable than §376.426(2), which states:

that the validity of the policy shall not be contested, except for nonpayment of premiums, after it has been in force for two years from its date of issue, and that no statement made by any person covered under the policy relating to insurability shall be used in contesting the validity of the insurance with respect to which such statement was made after such insurance has been in force prior to the contest for a period of two years during such person's lifetime nor unless it is contained in a written instrument signed by the person making such statement; except that, no such provision shall preclude the assertion at any time of defenses based upon the person's ineligibility for coverage under the policy or upon other provisions in the policy[.]

(Emphasis added.) Because the Certificate's provision is not substantially similar to or more favorable than §376.426(2), the Certificate is not in compliance. As such, the Certificate does not comply with the laws of this state as required by §376.405.

28. Freedom Life's Certificate is not compliant with Missouri insurance laws. Under the section titled Uniform Provisions and the subsection called Nondisclosed Medical History, Medical Conditions and Related Information, Freedom Life states that if it discovers a medical condition was not previously

disclosed, it reserves the right to issue an endorsement excluding the condition from coverage. Because Freedom Life excludes and limits coverage under its policy for certain conditions, it is required to also provide a provision that is similar to or more favorable than the provision stated within §376.426(5), which requires disclosure that

any such exclusion or limitation may only apply to a disease or physical condition for which medical advice or treatment was received by the person during the twelve months prior to the effective date of the person's coverage.

However, the Certificate does not provide such a notice provision. As such, the Certificate does not comply with the laws of this state as required by §376.405.

29. Freedom Life's Certificate is not compliant with Missouri insurance laws. Under the section titled Uniform Provisions and the subsection Misstatement of Age, the Certificate states that benefits vary by age and that Freedom Life will adjust those benefits if there is a misstatement of age; however, the Certificate does not contain a clear statement of the method of adjustment to be used. Section 376.426(6) requires such a clear statement. As such, the Certificate does not comply with the laws of this state as required by §376.405.
30. Freedom Life's Certificate and Endorsement are not compliant with Missouri insurance laws. Within each form's section or subsection titled Claim Procedures, the Certificate and Endorsement exclude a required substantive notice provision. While the Certificate and Endorsement do provide the appropriate time frame to provide notice of a claim, they do not notify the insured that failure to give notice within the time frame "shall not invalidate nor reduce any claim" if it was not reasonably possible to do so, as required by §376.426(8). As such, neither the Certificate nor the Endorsement comply with the laws of this state as required by §376.405.
31. Freedom Life's Certificate is not compliant with Missouri insurance laws. Under the section titled Claim Procedures, Investigations and Payment and the subsection Claim Forms and Additional Information to be Provided, the Certificate states that if a claim form is not provided within fifteen days of Freedom Life's "timely receipt of written notice of the claim," the insured will not be required to complete a written claim form. This provision is not substantially similar to or more favorable than the required provision under §376.426(9), which does not require that the initial notice be timely for the claim form provision to be applicable. As such, the Certificate does not comply with the laws of this state as required by §376.405.

32. Freedom Life's Certificate is not compliant with Missouri insurance laws. Under the section titled Claim Procedures, Investigations and Payment and the subsection Payment of Claims, the Certificate provides that covered expenses will be paid. This is not substantially similar to or more favorable than the required provision under §376.426(11), which provides that payment will be made not more than 30 days after the receipt of proof. Freedom Life's provision fails to inform the insured as to the timing of payment. As such, the Certificate does not comply with the laws of this state as required by §376.405.
33. Freedom Life's Certificate is not compliant with Missouri insurance laws. Under the section titled Uniform Provisions and the bracketed subsection Legal Action, the Certificate provides the required substantive provision that no legal action can be brought to recover on the policy before 60 days or after three years. However, this required provision is bracketed, which means that the provision may be included or excluded when the policy is delivered. Since this provision is required pursuant to §376.426(14), it cannot be bracketed because it must be included in the policy. As such, the Certificate does not comply with the laws of this state as required by §376.405.
34. Freedom Life's Certificate is not compliant with Missouri insurance laws. Under the section titled When Coverage Begins and Ends and the subsection Termination of Coverage, Freedom Life states that it can terminate coverage with 31 days written notice. However, pursuant to §376.426(15) Freedom Life must provide a provision that substantively notifies the insured that, except for nonpayment of premium, coverage cannot be terminated by Freedom Life until the first anniversary date of the policy. Because Freedom Life's provision allows for termination of the policy prior to the first anniversary date irrespective of premium payments, it is not substantially similar to or more favorable than §376.426(15). As such, the Certificate does not comply with the laws of this state as required by §376.405.
35. Freedom Life's Certificate is not compliant with Missouri insurance laws. Under the section titled When Coverage Begins and Ends and the subsection Termination of Coverage, Freedom Life states that, with respect to children over a limiting age with a mental or physical handicap that makes them dependent upon the certificate holder for support, proof of handicap must be submitted to Freedom Life *within 31 days prior to* the child reaching the limiting age. However, pursuant to §376.426(16) the Certificate must substantively provide that such proof of handicap must be provided *at least 31 days after* the child reaches the limiting age. Because Freedom Life's Certificate requires the proof to be provided sooner than §376.426(16) allows, the provision is not substantially similar to or more than the statutory provision. As such, the Certificate does not comply with the laws of this state as required by §376.405.

36. After review and consideration of the policy forms included in the Freedom Life Filing, the company has failed to demonstrate its compliance with Missouri law as enumerated herein.
37. While there may be additional reasons as to why these policy forms do not comply with Missouri's insurance laws, the reasons stated herein are sufficient to disapprove the forms.
38. Each reason stated herein for disapproval of a policy form is a separate and sufficient cause to disapprove such form.
39. Neither Freedom Life's Certificate nor its Endorsement comply with Missouri law. As such, said forms are not in the public interest.
40. This Order is in the public interest.

IT IS THEREFORE ORDERED that Forms STMMGPEHP-2013-CFLIC and STMMGPEHP-2013-AE-MO-FLIC are hereby **DISAPPROVED**. Freedom Life Insurance Company of America is hereby prohibited from delivering or issuing for delivery any policies of group health insurance utilizing said forms.

SO ORDERED, SIGNED AND OFFICIAL SEAL AFFIXED THIS 10-7-14
day of January, 2014.


JOHN M. HUFF
DIRECTOR



NOTICE

TO: Freedom Life Insurance Company of America and any unnamed persons aggrieved by this Order:

You may request a hearing on the disapproval of these forms. You may do so by filing a pleading with the Director of the Department of Insurance, Financial Institutions and Professional Registration, P.O. Box 690, Jefferson City, MO 65102, within 30 days after the mailing of this notice pursuant to 20 CSR 800-1.030.

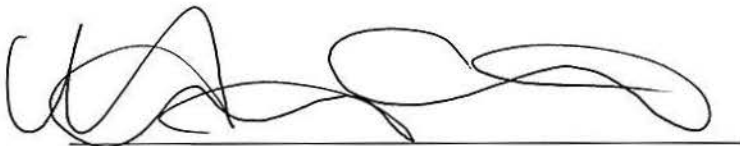
CERTIFICATE OF SERVICE

I hereby certify that on this 10th day of January, 2014, a copy of the foregoing Order and Notice was

1) Served via certified mail addressed to:

Benjamin Cutler
President
Freedom Life Insurance Company of America
801 Cherry Street, Unit 33
Fort Worth, TX 76102

Erica Gibbs
Product Analyst
Freedom Life Insurance Company of America
801 Cherry Street, Unit 33
Fort Worth, TX 76102

A handwritten signature in black ink, appearing to be "Erica Gibbs", written over a horizontal line.