

**IN THE MISSOURI DEPARTMENT OF INSURANCE,
FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION**

**In Re: RELIANCE STANDARD LIFE)
INSURANCE COMPANY)
SERFF TRACKING NUMBER) Case No. 13123611C
RSLI-129261900)**

ORDER DISAPPROVING FORM FILING

Upon review and consideration of the filing of Reliance Standard Life Insurance Company, SERFF Tracking Number RSLI-129261900, specifically Forms LRS-9498-0613 (MO), LRS-9497-0613 (MO), and LRS-9460-0211 (MO-HIP), the Deputy Director DISAPPROVES said forms for the reasons stated below.

FINDINGS OF FACT

1. John M. Huff is the Director of the Department of Insurance, Financial Institutions and Professional Registration, State of Missouri ("Director" of the "Department").
2. Reliance Standard Life Insurance Company ("Reliance"), NAIC Number 68381, is a foreign life and health insurance company organized pursuant to the laws of the state of Illinois and transacting insurance business in the state of Missouri pursuant to a Certificate of Authority issued by the Director.
3. Pursuant to §376.405,¹ insurance companies licensed to transact business in this state may not deliver or issue for delivery in this state a policy of group accident or group health insurance unless the form has been approved.
4. The Division of Market Regulation (the "Division") is designated pursuant to section 374.075 with the review of forms that are filed by insurance companies.
5. EXL, LLC, on behalf of Reliance, filed policy forms with the Director via the System for Electronic Rate and Form Filing ("SERFF") on October 24, 2013. The SERFF Tracking Number is RSLI-129261900 ("Filing").
6. The Filing contains forms: LRS-9498-0613 (MO), identified as the Group Fixed Indemnity Benefit Certificate ("Certificate"); LRS-9497-0613 (MO), identified as Group Fixed Indemnity Benefit Policy ("Group Policy"); and LRS-9460-0211 (MO-HIP), identified as Amendatory Rider ("Rider").

¹ All statutory citations are to RSMo (Supp. 2013) unless otherwise noted.

7. Reliance states it will use the application form LRS-9176-1103, which was previously approved by the Department in October, 2004. No reference was made to an enrollment form.
8. Reliance states that the policy is an accident and sickness insurance policy.
9. Reliance's Group Policy and Certificate primarily offer benefits that would be associated with an accident and sickness policy.
10. Reliance's Group Policy and Certificate also offer benefits that are not found within an accident and sickness policy.
11. Brackets ({...}) within a policy form reviewed by the Division indicate that the language within the brackets maybe be included or excluded in its entirety.
12. Potentially, all benefits or coverages in brackets could be included in an issued policy form.
13. Conversely, all benefits or coverages in brackets could be excluded from an issued policy.
14. On page 9 of the Certificate and Group Policy under the section, which begins on page 8, titled Hospital Confinement Daily Income Benefit and the bracketed subsection titled Limitations, Reliance states:

{Mental Illness Confinements - Benefits payable for Hospital confinements that result from mental or nervous disorders are limited to [10%-100% of the daily benefit otherwise payable and/or 5-90 days per Coverage Year].}

{Alcoholism & Substance Abuse Confinements - Benefits payable for Hospital confinements that result from alcoholism and/or substance abuse are limited to [10%-100% of the daily benefit otherwise payable and/or 5-90 days per Coverage Year].}

(Emphasis in original.)

15. On page 20 and 21 of the Certificate and Group Policy under the section titled Exclusions, Reliance states:

No benefits will be paid for loss caused by or resulting from:

{f) alcoholism or substance abuse{, except as noted in **Hospital Confinement Daily Income Benefit**}. }

(Emphasis in original.)

16. Nowhere within the Group Policy or Certificate is there an offered benefit of coverage for outpatient treatment of chemical dependency of at least 26-days per policy benefit period.
17. On pages 10 through 11 of the Certificate and Group Policy under the bracketed subsection titled Therapeutic and Rehabilitative Care Visits Benefit, Reliance states:

We will pay the applicable daily benefit amount shown on the Schedule of Benefits for each day a Covered Person visits a Doctor for therapeutic and rehabilitative care if the visit is:

- a) Medically Necessary; and
- b) made while the Covered Person is not an Inpatient in a Hospital;
and
- c) made while such person is covered under the policy.

{ We will not pay more than one daily benefit {-- the highest --} if the Covered person has more than one therapeutic and rehabilitative care visit per day.} Daily benefits for therapeutic and rehabilitative care visits will be paid up to the maximum benefit, as shown on the Schedule of Benefits.

Additional Definitions - Wherever used in this benefit:

"Therapeutic and rehabilitative care" means:

* * *

c) spinal adjustments and manipulative treatments to improve joint and neurophysiological function[.]

18. On page 2 of the Certificate and Group Policy under the bracketed subsection titled Therapeutic and Rehabilitative Care Visits Benefit, Reliance states:

Daily benefit for physical and occupational therapies
(1-104 daily benefits per Coverage year) \$ 10-200 per day

19. On page 17 of the Certificate and Group Policy under the section titled Description of Benefits and the bracketed subsection titled Early Intervention Services Benefit, Reliance states:

We will pay, subject to the same terms and conditions as a Sickness covered under the policy, the applicable daily benefit

amount shown on the Schedule of Benefits for any covered event rendered to a Covered Person in connection with early intervention services as described below.

Early intervention services must be delivered by early intervention specialists who are health care professionals licensed by the state of Missouri and acting within the scope of their professions for children from birth to age three identified by the Part C early intervention system as eligible for services under Part C of the Individuals with Disabilities Education Act, 20 U.S.C. Section 1431, et seq. The Part C early intervention system, on behalf of its contracted regional Part C early intervention system centers and providers, will be considered the rendering provider of services for purposes of this benefit.

20. Nowhere within the Group Policy or the Certificate, particularly within the Schedule of Benefits is there a daily benefit for Early Intervention Services as referenced in the Description of Benefits.
21. On page 6 of the Certificate and Group Policy under the section, which begins on page 5, titled General Definitions, Reliance states:

“Sickness” means illness or disease of a Covered Person that:

- a) is treated by a Doctor while the person is covered under the policy; and
- b) results directly and independently of all other causes in loss covered by the policy.

22. On page 18 of the Certificate and Group Policy under the section titled Autism Spectrum Disorders Benefit, Reliance states:

We will pay, subject to the same terms and conditions as a Sickness covered under the policy, the applicable daily benefit amount shown on the Schedule of Benefits for any covered event rendered to a Covered Person in connection with the diagnosis and treatment of autism spectrum disorders as described below.

Coverage provided under this benefit is limited to Medically Necessary treatment that is ordered by the Covered Person’s treating licensed physician or licensed psychologist, pursuant to the powers granted under such licensed physician’s or licensed psychologist’s license, in accordance with a treatment plan that at a minimum provides a diagnosis, proposed treatment by type, frequency and duration of treatment, and goals. Coverage for applied behavior analysis is limited to covered children through 18

years of age; however, any other coverage required under this benefit is not subject to the age limitation.

23. Within the Rider, Reliance states "When elected by the Contract Holder, the following provision is added at the end of the Part titled DESCRIPTIONS OF BENEFITS: **Prosthetic Devices and Services Benefit**[" (Emphasis in original.)

24. Within the Filing, Reliance states:

We created a new Amendatory Rider form LRS-9460-0211 (MO-HIP) that provides this mandated offer benefit (§376.1232). The rider will be attached to the issued policy & certificate forms when the Contract Holder elects to include this optional mandated benefit.

25. On page 21 of the Certificate and Group Policy under the subsection titled Grace Period, Reliance states:

The Contract Holder has a 31-day grace period after each ensuing premium due date once the first premium has been paid. If a subsequent premium is not paid by the end of the grace period, coverage will end as of the premium due date. Valid claims will be paid during the grace period. The Contract Holder will still owe us all premiums then due, including any premium due for the grace period or for any part of the grace period through which claims were paid.

26. On page 21 of both the Group Policy and the Certificate under the section titled Notice of Claim, Reliance states:

Written notice of claim must be given to us within 30 days after a loss occurs, or as soon as reasonably possible. Notice should include information that identifies the claimant and the policy.

CONCLUSIONS OF LAW

27. The Director shall approve only those policy forms that are in compliance with Missouri insurance laws, and "which contain such words, phraseology, conditions, and provisions which are specific, certain and unambiguous and reasonably adequate to meet needed requirements for the protection of those insured," pursuant to §376.405.
28. The Director may disapprove a form filed with the Department, and in doing so must state the reasons for the disapproval in writing, pursuant to §376.405.

Reliance's Filing Qualifies as a Health Benefit Plan

29. Section 376.1350 states in relevant part:

For purposes of sections 376.1350 to 376.1390, the following terms mean:

* * *

(18) "Health benefit plan", a policy, contract, certificate or agreement entered into, offered or issued by a health carrier to provide, deliver, arrange for, pay for, or reimburse any of the costs of health care services...;

* * *

(21) "Health care service", a service for the diagnosis, prevention, treatment, cure or relief of a health condition, illness, injury or disease;

(22) "Health carrier", an entity subject to the insurance laws and regulations of this state that contracts or offers to contract to provide, deliver, arrange for, pay for or reimburse any of the costs of health care services, including a sickness and accident insurance company, a health maintenance organization, a nonprofit hospital and health service corporation, or any other entity providing a plan of health insurance, health benefits or health service[.]

30. Pursuant to 376.1350, Reliance is a "health carrier" and Reliance's Filing is a "health benefit plan" for the following reasons:

- a. Reliance is an entity subject to the insurance laws of this state that contracts to pay for or reimburse any of the costs of services to treat, cure or relieve a health condition, illness, injury, or disease.
- b. The Filing is a policy and a certificate to be entered into, offered, or issued by Reliance, as a "health carrier," to pay for or reimburse any of the costs of services to treat, cure or relieve a health condition, illness, injury, or disease.

**Reliance's Health Plan Does Not Provide the Mandated Coverage for
Treatment of Alcoholism**

31. Section 376.779 states in relevant part:

1. All health plans or policies that are individually underwritten or provide for such coverage for specific individuals and the members of their families, which provide for hospital treatment, shall provide coverage, while confined in a hospital or in a residential or nonresidential facility certified by the department of mental health, for treatment of alcoholism on the same basis as coverage for any other illness, except that coverage may be limited to thirty days in any policy or contract benefit period. All Missouri individual contracts issued on or after January 1, 2005, shall be subject to this section. Coverage required by this section shall be included in the policy or contract and payment provided as for other coverage in the same policy or contract notwithstanding any construction or relationship of interdependent contracts or plans affecting coverage and payment of reimbursement prerequisites under the policy or contract.

5. This section shall not apply to a supplemental insurance policy, including a life care contract, accident-only policy, specified disease policy, hospital policy providing a fixed daily benefit only, Medicare supplement policy, long-term care policy, hospitalization-surgical care policy, short-term major medical policy of six months or less duration, or any other supplemental policy as determined by the director of the department of insurance, financial institutions and professional registration.

(Emphasis added.)

32. Both Reliance's Group Policy and Certificate are not compliant with Missouri insurance laws. Section 376.779 requires Reliance's health plan to have the same coverage for treatment of alcoholism as for other hospital treatments, "except that coverage may be limited to thirty days." The Group Policy and Certificate, within a bracketed section, limit coverage for alcoholism confinement to between five and 90 days per coverage year. Because the time frame provided by the Group Policy and Certificate is between a potential five and 90 days, the covered period may be less than the 30 day limitation allowed by §376.779. The coverage limitation for alcoholism would be acceptable if the time frame is 30 or more days. However, because of the bracketed range, the time frame could be less than 30 days and, therefore,

does not comply §376.799. As such, the Group Policy and Certificate do not comply with the laws of this state as required by §376.405.

33. Both Reliance's Group Policy and Certificate are not compliant with Missouri insurance laws. Section 376.779 requires Reliance's health plan to have the same coverage for treatment of alcoholism as for other hospital treatments, "except that coverage may be limited to thirty days." The Group Policy and Certificate, within a bracketed section, limit coverage for treatment of alcoholism by hospital confinement to between 10 percent and 100 percent of the daily benefit otherwise payable. Because the percentage of daily benefits is contained within a bracketed range, the percentage of coverage may be less than 100 percent as required by the mandate; therefore, the Group Policy and Certificate are not in compliance with §376.779. As such, neither the Group Policy nor the Certificate comply with the laws of this state as required by §376.405.
34. Both Reliance's Group Policy and Certificate are not compliant with Missouri insurance laws. Section 376.779 requires Reliance's health plan to have coverage for alcoholism. While the Group Policy and Certificate addresses the scope of services required under §376.779, the provisions of coverage are bracketed, indicating that the language within the brackets may be included or excluded from the issued policy form. Coverage for the treatment of alcoholism is mandated under §376.779 and, thus, may not be bracketed. As such, neither the Group Policy nor the Certificate comply with the laws of this state as required by §376.405.
35. Pursuant to §376.779.5, the mandated coverage under §376.779 does not apply to supplemental insurance policies including, most relevantly, accident-only policies. Reliance has stated, and the benefits within the policy show, that this is an accident and sickness policy. As such, this policy exceeds the exceptions provided within §376.779.5, and the filing must comply with the statutory mandate.

Reliance's Health Benefit Plan Does Not Provide the Mandated Offer of Coverage for Chemical Dependency and Mental Health Treatment

36. Section 376.811 provides in relevant part:

1. Every insurance company and health services corporation doing business in this state *shall offer* in all health insurance policies benefits or coverage for chemical dependency meeting the following minimum standards:

(1) Coverage for outpatient treatment through a nonresidential treatment program, or through partial- or full-day program services, of *not less than twenty-six days* per policy benefit period;

(2) Coverage for residential treatment program of *not less than twenty-one days* per policy benefit period; [and]

(3) *Coverage for medical or social setting detoxification of not less than six days per policy benefit period*[.]

* * *

4. *Every insurance company, health services corporation and health maintenance organization doing business in this state shall offer* in all health insurance policies mental health benefits or coverage as part of the policy or as a supplement to the policy. *Such mental health benefits or coverage shall include at least two sessions per year* to a licensed psychiatrist, licensed psychologist, licensed professional counselor, licensed clinical social worker, or, subject to contractual provisions, a licensed marital and family therapist, acting within the scope of such license and under the following minimum standards:

(1) Coverage and benefits in this subsection shall be *for the purpose of diagnosis or assessment*, but not dependent upon findings[.]

* * *

6. This section shall not apply to a supplemental insurance policy, including a life care contract, accident-only policy, specified disease policy, hospital policy providing a fixed daily benefit only, Medicare supplement policy, long-term care policy, hospitalization-surgical care policy, short-term major medical policy of six months or less duration, or any other supplemental policy as determined by the director of the department of insurance, financial institutions and professional registration.

(Emphasis added.)

37. Both Reliance's Certificate and Group Policy are not compliant with Missouri insurance laws. Section 376.811.1 requires Reliance to offer coverage for treatment of chemical dependency for not less than 21 days of residential care. The Certificate and Group Policy limit coverage for substance abuse to between five and 90 days for Hospital confinements. The Certificate and Group Policy do not comply with §376.811 because Hospital confinement cannot be limited to less than 21 days. As such, the Certificate and Group Policy do not comply with the laws of this state as required by §376.405.

38. Both Reliance's Certificate and Group Policy are not compliant with Missouri insurance laws. Section 376.811.1 requires Reliance to offer coverage for treatment of chemical dependency for outpatient care. The Certificate and Group Policy limit coverage for substance abuse to Hospital confinement. No coverage for outpatient care is offered. The Certificate and Group Policy do not comply with §376.811 because outpatient coverage of at least 26 days must be offered. As such, the Certificate and Group Policy do not comply with the laws of this state as required by §376.405.
39. Both Reliance's Certificate and Group Policy are not compliant with Missouri insurance laws. Section 376.811.4 requires Reliance to offer coverage for mental health treatment that "shall include at least two sessions per year with a licensed psychiatrist, licensed psychologist, licensed professional counselor, [or] licensed clinical social worker." The Certificate and Group Policy limit benefits for mental illness to Hospital confinement and does not offer coverage for at least two sessions per year to a licensed provider listed in §376.811.4. The Certificate and Group Policy are not in compliance with the requirements of §376.811 because they do not offer coverage for two mental illness sessions per year. As such, the Certificate and Group Policy do not comply with the laws of this state as required by §376.405.
40. Pursuant to §376.811.6, the mandated coverage under §376.811 does not apply to supplemental insurance policies including, most relevantly, accident-only policies. Reliance has stated, and the benefits within the policy show, that this is an accident and sickness policy. As such, this policy exceeds the exceptions provided within §376.811.6, and the filing must comply with the statutory mandate.

Reliance's Health Benefit Plan Does Not Provide the Mandated Coverage for Chiropractic Care

41. Section 376.1230 states in relevant part:

1. Every policy issued by a health carrier, as defined in section 376.1350, shall provide coverage for chiropractic care delivered by a licensed chiropractor acting within the scope of his or her practice as defined in chapter 331. The coverage shall include initial diagnosis and clinically appropriate and medically necessary services and supplies required to treat the diagnosed disorder, subject to the terms and conditions of the policy. ... An enrollee may access chiropractic care within the network for a total of twenty-six chiropractic physician office visits per policy period, but may be required to provide the health carrier with notice prior to any additional visit as a condition of coverage. ... The certificate of coverage for any health benefit plan issued by a health carrier

shall clearly state the availability of chiropractic coverage under the policy and any limitations, conditions, and exclusions.

* * *

5. The provisions of this section shall not apply to a supplemental insurance policy, including a life care contract, accident-only policy, specified disease policy, hospital policy providing a fixed daily benefit only, Medicare supplement policy, long-term care policy, short-term major medical policy of six months' or less duration, or any other similar supplemental policy.

(Emphasis added.)

42. Both Reliance's Group Policy and Certificate are not compliant with Missouri insurance laws. Section 376.1230.1 requires all health carriers to provide coverage for 26 physician office visits per year for chiropractic care. The Group Policy and Certificate do provide benefits covering the scope of services required under §376.1230 because therapeutic and rehabilitative care is defined to include spinal adjustments and manipulative treatments, which would include chiropractic care. However, the Group Policy and Certificate limit office visits to between one and 104 visits. Pursuant to §376.1230 chiropractic coverage must include at least 26 office visits. As such, neither the Group Policy nor the Certificate comply with the laws of this state as required by §376.405.
43. Both Reliance's Group Policy and Certificate are not compliant with Missouri insurance laws. Section 376.1230 requires all health carriers to provide coverage for chiropractic care. That coverage is only allowed to be limited with respect to the total number of visits permitted, which is 26 physician office visits per year, Reliance limits office visits for therapeutic and rehabilitative care to one visit per day. The Group Policy and Certificate are not in compliance with §376.1230 because office visits may only be limited to a total number of visits, it may not utilize a per-day limit. As such, neither the Group Policy nor the Certificate comply with the laws of this state as required by §376.405.
44. Both Reliance's Group Policy and Certificate are not compliant with Missouri insurance laws. Section 376.1230 requires all health carriers to provide coverage for chiropractic care. While the Group Policy and Certificate address the scope of services required under §376.1230, the provisions of coverage are bracketed, indicating that the language within the brackets may be included or excluded from the issued policy form. Chiropractic coverage under §376.1230 is mandated and, thus, may not be bracketed. As such, neither the Group Policy nor the Certificate comply with the laws of this state as required by §376.405.

45. Pursuant to §376.1230.5, the mandated coverage under §376.1230 does not apply to supplemental insurance policies including, most relevantly, accident-only policies. Reliance has stated, and the benefits within the policy show, that this is an accident and sickness policy. As such, this policy exceeds the exceptions provided within §376.1230.5, and the filing must comply with the statutory mandate.

Reliance's Health Benefit Plan Does Not Comply With the Mandated Coverage for Early Intervention Services

46. Section 376.1218 states in relevant part:

1. *Any health carrier or health benefit plan that offers or issues health benefit plans, other than Medicaid health benefit plans, which are delivered, issued for delivery, continued, or renewed in this state on or after January 1, 2006, shall provide coverage for early intervention services* described in this section that are delivered by early intervention specialists who are health care professionals licensed by the state of Missouri and acting within the scope of their professions *for children from birth to age three* identified by the Part C early intervention system as eligible for services under Part C of the Individuals with Disabilities Education Act, 20 U.S.C. Section 1431, et seq. *Such coverage shall be limited to three thousand dollars* for each covered child per policy per calendar year, with a maximum of nine thousand dollars per child.

2. *As used in this section, "health carrier" and "health benefit plan" shall have the same meaning as such terms are defined in section 376.1350.*

* * *

4. For purposes of this section, *"early intervention services" means medically necessary speech and language therapy, occupational therapy, physical therapy, and assistive technology devices for children from birth to age three* who are identified by the Part C early intervention system as eligible for services under Part C of the Individuals with Disabilities Education Act, 20 U.S.C. Section 1431, et seq. Early intervention services shall include services under an active individualized family service plan that enhance functional ability without effecting a cure. An individualized family service plan is a written plan for providing early intervention services to an eligible child and the child's family that is adopted in accordance with 20 U.S.C. Section 1436. The Part C early intervention system, on behalf of its contracted

regional Part C early intervention system centers and providers, shall be considered the rendering provider of services for purposes of this section.

* * *

8. This section shall not apply to a supplemental insurance policy, including a life care contract, specified disease policy, hospital policy providing a fixed daily benefit only, Medicare supplement policy, hospitalization-surgical care policy, policy that is individually underwritten or provides such coverage for specific individuals and members of their families, long-term care policy, or short-term major medical policies of six months or less duration.

(Emphasis added.)

47. Both Reliance's Group Policy and Certificate are not compliant with Missouri insurance laws. Section 376.1218 requires all health benefit plans to provide coverage for early intervention services for children. Coverage for early intervention service is addressed within the Group Policy and Certificate under the Description of Benefits; however, it is unclear how such services are provided to comply with the mandate. Both the Group Policy and Certificate state coverage for early intervention services will be provided under the applicable daily benefit amount shown on the Schedule of Benefits. However, there is no category within the Schedule of Benefits that addresses Early Intervention Services. By setting out the coverage within the Description of Benefits and referencing that said coverage will be provided pursuant to a category within the Schedule of Benefits that does not exist, the coverage for Early Intervention Services is not specific, certain or unambiguous. Therefore, neither the Group Policy nor the Certificate have provided the benefits mandated under §376.1218. As such, neither the Group Policy nor the Certificate comply with the laws of this state as required by §376.405.
48. Pursuant to §376.1218.8, the mandated coverage under §376.1218 does not apply to supplemental insurance policies including, most relevantly, accident-only policies. Reliance has stated, and the benefits within the policy show, that this is an accident and sickness policy. As such, this policy exceeds the exceptions provided within §376.1218.8, and the filing must comply with the statutory mandate.

Reliance's Health Benefit Plan Does Not Provide the Mandated Coverage for Autism Spectrum Disorders

49. Section 376.1224 states in relevant part:

1. *For the purposes of this section, the following terms shall mean:*

* * *

(6) *“Health benefit plan”, shall have the same meaning ascribed to it as in section 376.1350;*

(7) *“Health carrier”, shall have the same meaning ascribed to it as in section 376.1350[.]*

* * *

2. *All group health benefit plans that are delivered, issued for delivery, continued, or renewed on or after January 1, 2011, if written inside the state of Missouri, or written outside the state of Missouri but insuring Missouri residents, shall provide coverage for the diagnosis and treatment of autism spectrum disorders to the extent that such diagnosis and treatment is not already covered by the health benefit plan.*

* * *

14. The provisions of this section shall not apply to a supplemental insurance policy, including a life care contract, accident-only policy, specified disease policy, hospital policy providing a fixed daily benefit only, Medicare supplement policy, long-term care policy, short-term major medical policy of six months or less duration, or any other supplemental policy.

(Emphasis added.)

50. Both Reliance’s Group Policy and Certificate are not compliant with Missouri insurance laws. Section 376.1224 requires all health benefit plans to provide coverage for diagnosis and treatment of autism spectrum disorders. Coverage for diagnosis and treatment of autism spectrum disorders is addressed within the Group Policy and Certificate under the Description of Benefits; however, it is unclear how such services are provided to comply with the mandate. Both the Group Policy and Certificate state coverage for diagnosis and treatment of autism spectrum disorders will be provided under the applicable daily benefit amount shown on the Schedule of Benefits. However, there is no category within the Schedule of Benefits that addresses diagnosis and treatment of autism spectrum disorders. By setting out the coverage within the Description of Benefits and referencing that said coverage will be provided pursuant to a category within the Schedule of Benefits that does not exist, the coverage for diagnosis and treatment of autism spectrum disorders is not

specific, certain or unambiguous. Therefore, neither the Group Policy nor the Certificate have provided the benefits mandated under §376.1224. As such, neither the Group Policy nor the Certificate comply with the laws of this state as required by §376.405.

51. Pursuant to §376.1224.14, the mandated coverage under §376.1224 does not apply to supplemental insurance policies including, most relevantly, accident-only policies. Reliance has stated, and the benefits within the policy show, that this is an accident and sickness policy. As such, this policy exceeds the exceptions provided within §376.1224.14, and the filing must comply with the statutory mandate.

Reliance's Health Benefit Plan Does Not Provide the Mandated Offer for Prosthetic Devices and Services

52. Section 376.1232 states in relevant part:

1. *Each health carrier or health benefit plan that offers or issues health benefit plans which are delivered*, issued for delivery, continued, or renewed in this state on or after January 1, 2010, *shall offer coverage for prosthetic devices and services*, including original and replacement devices, as prescribed by a physician acting within the scope of his or her practice.

2. *For the purposes of this section, health carrier and health benefit plan shall have the same meaning as defined in section 376.1350.*

* * *

4. The provisions of this section shall not apply to a supplemental insurance policy, including a life care contract, accident-only policy, specified disease policy, hospital policy providing a fixed daily benefit only, Medicare supplement policy, long-term care policy, short-term major medical policies of six months or less duration, or any other supplemental policy as determined by the director of the department of insurance, financial institutions and professional registration.

(Emphasis added.)

53. Reliance's Rider is not compliant with Missouri insurance laws. Section 376.1232.1 requires all health benefit plans that were delivered, issued, continued, or renewed in Missouri on or after January 1, 2010, offer coverage for prosthetic devices and services. Reliance submitted a Rider that may provide coverage for prosthetic devices. Within the Filing, Reliance stated that

the Rider will be attached to the issued policy when the insured elects to include the benefit. Within the Filing, Reliance stated that it intends to use an application form that was previously approved by the Department in October of 2004. Section 376.1232 was passed in 2009. It is unclear why Reliance believes that an application that was created prior to the passage of the applicable law would offer a coverage that was not then mandated. Reliance did not submit a copy of the application. It is unclear how an insured would be able to select an optional Rider that was created after the application to be used for selecting coverage was created. By creating a Rider that cannot be offered or selected because the application was created prior to the coverage and thus does not exist, the coverage for prosthetic devices is not specific, certain, or unambiguous. Therefore, the Rider unable to be utilized to provide the mandated offer as required §376.1232. As such, the Rider does not comply with the laws of this state as required by §376.405.

54. Pursuant to §376.1232.4, the mandated coverage under §376.1232 does not apply to supplemental insurance policies including, most relevantly, accident-only policies. Reliance has stated, and the benefits within the policy show, that this is an accident and sickness policy. As such, this policy exceeds the exceptions provided within §376.1232.4, and the filing must comply with the statutory mandated offer.

**Reliance's Filing Does Not Substantively Provide All Provisions
Required In a Group Policy Under Section 376.426**

55. Section 376.426 states in relevant part:

No policy of group health insurance shall be delivered in this state unless it contains in substance the following provisions, or provisions which ... are more favorable...:

(1) A provision that the policyholder is entitled to a grace period of thirty-one days for the payment of any premium due except the first, during which grace period the policy shall continue in force, unless the policyholder shall have given the insurer written notice of discontinuance in advance of the date of discontinuance and in accordance with the terms of the policy. The policy may provide that the policyholder shall be liable to the insurer for the payment of a pro rata premium for the time the policy was in force during such grace period;

* * *

(8) A provision that written notice of claim must be given to the insurer within twenty days after the occurrence or commencement of any loss covered by the policy. Failure to give notice within such time shall not

invalidate nor reduce any claim if it shall be shown not to have been reasonably possible to give such notice and that notice was given as soon as was reasonably possible[.]


(Emphasis added.)

56. Reliance's Certificate is not compliant with Missouri insurance laws. Under the subsection titled "Grace Period," the Certificate provides the statutorily required grace period but adds the phrase "coverage will end as of the premium due date." By adding that phrase, the Grace Period provision is not substantially similar to or more beneficial to the consumer as in §376.426(1). The statute is more beneficial to the policyholder because §376.426(1) requires the policy to remain in force during the grace period and not end on the premium due date. The coverage under §376.426(1) is required and must be substantially similar or more beneficial to the policyholder. As such, the Certificate and Group Policy do not comply with the laws of this state as required by §376.405.
57. Both Reliance's Group Policy and Certificate are not compliant with Missouri insurance laws. Under the subsection titled "Notice of Claim," neither the Group Policy nor the Certificate contain a required substantive notice provision. While the Group Policy and Certificate do provide for the appropriate time frame to provide notice, it does not notify the insured that failure to give notice within the time frame "shall not invalidate nor reduce and claim" if it was not reasonably possible to do so as required by §376.426(8). As such, the Group Policy and Certificate do not comply with the laws of this state as required by §376.405.
58. After review and consideration of the policy forms included in the Reliance's Filing, the company has failed to demonstrate its compliance with Missouri law as enumerated herein.
59. 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.
60. Each reason stated herein for disapproval of a policy form is a separate and sufficient cause to disapprove such form.
61. Reliance's Group Policy and Certificate do not comply with Missouri law. As such, said forms are not in the public interest.
62. This Order is in the public interest.

IT IS THEREFORE ORDERED that Forms LRS-9498-0613(MO), LRS-9497-0613(MO), and LRS-9460-0211 (MO-HIP), are hereby **DISAPPROVED**. Reliance Standard Life Insurance Company 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 9th day of December, 2013.





JAMES R. McADAMS
DEPUTY DIRECTOR

NOTICE

TO: Reliance Standard Life Insurance Company 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 9th day of December, 2013, a copy of the foregoing Order and Notice was

- 1) Delivered via electronic mail to:

Jeff Sheats
jsheats@exlllc.com

- 2) Served via certified mail addressed to:

Lynne Mack
Assistant Vice President, Reliance Standard Life Insurance Company
2001 Market Street, Suite 1500
Philadelphia, PA 19103

