



DEPARTMENT OF COMMERCE & INSURANCE

P.O. Box 690, Jefferson City, Mo. 65102-0690

In Re:)
)
BRIGHTHOUSE LIFE INSURANCE) **Market Conduct Examination**
COMPANY (NAIC #87726)) **No. 1712-80-TGT**

ORDER OF THE DIRECTOR

NOW, on this 02nd day of June, 2021, Director, Chlora Lindley-Myers, after consideration and review of the market conduct examination report of Brighthouse Life Insurance Company (hereinafter “Brighthouse”), examination report no. 1712-80-TGT, prepared and submitted by the Division of Insurance Market Regulation (hereinafter “Division”) pursuant to §374.205.3(3)(a)¹, does hereby adopt such report as filed. After consideration and review of the Stipulation of Settlement (“Stipulation”), relating to the market conduct examination no. 1712-80-TGT, the examination report, relevant work papers, and any written submissions or rebuttals, the findings and conclusions of such report are deemed to be the Director’s findings and conclusions accompanying this order pursuant to §374.205.3(4). The Director does hereby issue the following orders:

This order, issued pursuant to §374.205.3(4) and §374.046.15. RSMo, is in the public interest.

IT IS THEREFORE ORDERED that Brighthouse and the Division having agreed to the Stipulation, the Director does hereby approve and agree to the Stipulation.

IT IS FURTHER ORDERED that Brighthouse shall not engage in any of the violations of law and regulations set forth in the Stipulation, shall implement procedures to place it in full

¹ All references, unless otherwise noted, are to Missouri Revised Statutes 2016, as amended or to the Code of State Regulations, 2020, as amended.

compliance with the requirements in the Stipulation and the statutes and regulations of the State of Missouri, and to maintain those corrective actions at all times, and shall fully comply with all terms of the Stipulation.

IT IS SO ORDERED.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of my office in Jefferson City, Missouri, this 02nd day of June, 2021.



Chlora Lindley Myers

Chlora Lindley-Myers
Director

**IN THE DEPARTMENT OF COMMERCE AND INSURANCE
STATE OF MISSOURI**

In Re:)
)
BRIGHTHOUSE LIFE INSURANCE) **Market Conduct Examination**
COMPANY (NAIC #87726)) **No. 1712-80-TGT**

STIPULATION OF SETTLEMENT

It is hereby stipulated and agreed by the Division of Insurance Market Regulation (hereinafter “the Division”) and Brighthouse Life Insurance Company (NAIC #87726) (hereinafter “Brighthouse”), as follows:

WHEREAS, the Division is a unit of the Missouri Department of Commerce and Insurance (hereinafter “the Department”), an agency of the State of Missouri, created and established for administering and enforcing all laws in relation to insurance companies doing business in the State of Missouri;

WHEREAS, Brighthouse has been granted a certificate of authority to transact the business of insurance in the State of Missouri;

WHEREAS, the Division conducted a market conduct examination of Brighthouse, examination #1712-80-TGT; and

WHEREAS, based on the market conduct examination of Brighthouse, the Division alleges that:

1. In 100 instances, Brighthouse did not maintain documentation for delivery of annuities to contract owners or custodians in violation of §374.205.2 (2)¹ and 20 CSR 100-8.040 (2) & (3).

¹ All references, unless otherwise noted, are to Missouri Revised Statutes 2016, as amended or to the Code of State Regulations, 2020, as amended.

2. In 24 instances, Brighthouse did not provide complete life insurance policy files in response to a formal request in violation of §374.205.2 (2) and 20 CSR 100-8.040 (6) (A).

3. In 12 instances, Brighthouse did not provide all missing documentation in response to a formal request in violation of §374.205.2 (2) and 20 CSR 100-8.040 (6) (A).

4. In two instances, Brighthouse did not provide copies of the policies in response to a criticism in violation of §374.205.2 (2) and 20 CSR 100-8.040 (6) (A).

5. In one instance, Brighthouse did not provide appropriate claim forms along with an explanation for their use within 15 calendar days of a request implicating the provisions of §375.1007 (13) and violating 20 CSR 100-1.030 (3).

6. In six instances, Brighthouse did not send replacement notices within five calendar days of receipt of the applications in its offices in violation of 20 CSR 400-5.400 (7) (B) 2.

7. In two instances, Brighthouse did not notify the applicant within 60 days of the date of the application as to whether or not the application was accepted or gave the applicant the reason for further delay in violation of 20 CSR 400-1.010 (6).

8. In one instance, Brighthouse did not maintain a completed replacement form in its files in violation of 20 CSR 400-5.400 (7) (C).

WHEREAS, the Division and Brighthouse have agreed to resolve the issues raised in the market conduct examination as follows:

A. **Scope of Agreement.** This Stipulation of Settlement (hereinafter “Stipulation”) embodies the entire agreement and understanding of the signatories with respect to the subject matter contained herein. The signatories hereby declare and represent that no promise, inducement or agreement not herein expressed has been made, and acknowledge that the terms and conditions of this agreement are contractual and not a mere recital.

B. Remedial Action. Brighthouse agrees to enhance its processes and procedures to ensure that it is in compliance with the statutes and regulations of Missouri and agrees to maintain such enhanced processes and procedures at all times, to reasonably ensure that the issues raised in the market conduct examination and in this Stipulation are resolved. Such remedial actions shall consist of the following:

1. Brighthouse agrees to maintain documentation for delivery of Missouri annuity contracts to contract owners or custodians.
2. Brighthouse agrees to provide full and complete records in response to future document requests made by the Department in market conduct examinations or investigations.
3. Brighthouse agrees that it will provide forms necessary to present claims, along with an explanation for their use, within 15 calendar days of receiving a request.
4. Brighthouse agrees that it will send replacement notices within five calendar days of receipt of applications.
5. Brighthouse agrees to notify applicants within 60 days of the date of the application whether or not the application was accepted or give the applicant the reason for any further delay.

C. Compliance. Brighthouse agrees to file documentation with the Division, in a format acceptable to the Division, within 30 days of the entry of a final order of any remedial action taken pursuant to Paragraph B to implement compliance with the terms of this Stipulation. Such documentation is provided pursuant to §374.205.

D. Ongoing Examination. Brighthouse agrees to pay any reasonable examination fees expended by the Division in conducting its review of the documentation provided by Brighthouse pursuant to Paragraph C of this Stipulation.

E. **Non-Admission.** Nothing in this Stipulation shall be construed as an admission by Brighthouse that it violated the statutes and regulations of Missouri, this Stipulation being part of a compromise settlement to resolve disputed factual and legal allegations arising out of the above-referenced market conduct examination.

F. **Waivers.** Brighthouse, after being advised by legal counsel, does hereby voluntarily and knowingly waive any and all rights for procedural requirements, including notice and an opportunity for a hearing, and review or appeal by any trial or appellate court, which may have otherwise applied to the above-referenced market conduct examination.

G. **Changes.** No changes to this Stipulation shall be effective unless made in writing and agreed to by representatives of the Division and Brighthouse.

H. **Governing Law.** This Stipulation shall be governed and construed in accordance with the laws of the State of Missouri.

I. **Authority.** The signatories below represent, acknowledge, and warrant that they are authorized to sign this Stipulation, on behalf of the Division and Brighthouse respectively.

J. **Counterparts.** This Stipulation may be executed in multiple counterparts, each of which shall be deemed an original and all of which taken together shall constitute a single document. Execution and delivery of this Stipulation by facsimile or by an electronically transmitted signature shall be fully and legally effective and binding.

K. **Effect of Stipulation.** This Stipulation shall become effective only upon entry of a Final Order by the Director of the Department (hereinafter "Director") approving this Stipulation.

L. **Request for an Order.** The signatories below request that the Director issue an Order approving this Stipulation and ordering the relief agreed to in the Stipulation, and consent to the issuance of such Order.

DATED: 05/27/2021

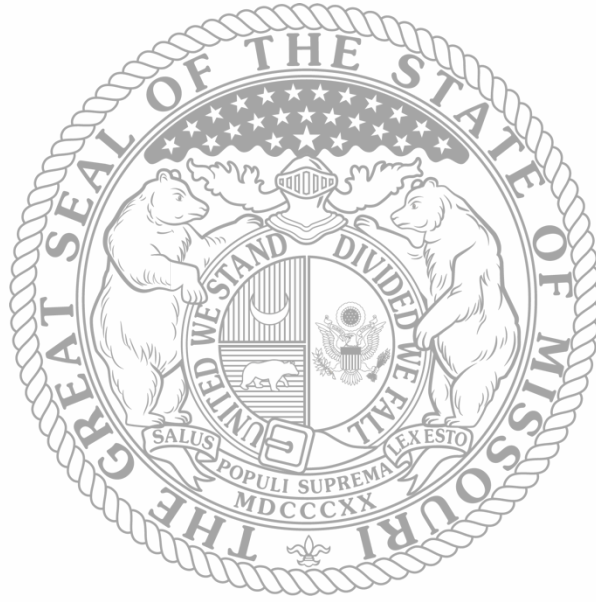


Stewart Freilich
Chief Market Conduct Examiner and
Senior Counsel
Division of Insurance Market Regulation

DATED: 5/27/21



Jeffrey P. Halperin
Vice President and Chief Compliance Officer
Brighthouse Life Insurance Company



**FINAL MARKET CONDUCT EXAMINATION REPORT
Life and Annuity Business of**

**Brighthouse Life Insurance Company
NAIC #87726**

MISSOURI EXAMINATION #1712-80-TGT

NAIC MATS #MO-HICKSS1-90

May 27, 2021

**Home Office
11255 North Community House Road
Charlotte, NC 28277**

**STATE OF MISSOURI
DEPARTMENT OF COMMERCE & INSURANCE**

JEFFERSON CITY, MISSOURI

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May 27, 2021

Honorable Chlora Lindley-Myers, Director
Missouri Department of Commerce and Insurance
301 West High Street, Room 530
Jefferson City, Missouri 65101

Director Lindley-Myers:

In accordance with your market conduct examination warrant, a targeted market conduct examination has been conducted of the specified lines of business and business practices of

Brighthouse Life Insurance Company (NAIC #87726)

hereinafter referred to as Brighthouse or as the Company. This examination was conducted as a desk examination at the offices of the Missouri Department of Commerce and Insurance (DCI).

FOREWORD

This examination report is a report by exception. However, failure to criticize specific practices, procedures, products, or files does not constitute approval thereof by the DCI.

During this examination, the examiners cited errors considered potential violations made by the Company. Statutory citations were as of the examination period unless otherwise noted.

When used in this report:

- “Company” refers to the Brighthouse Life Insurance Company
- “CSR” refers to the Missouri Code of State Regulations
- “DCI” refers to the Missouri Department of Commerce and Insurance
- “Director” refers to the Director of the Missouri Department of Commerce and Insurance
- “NAIC” refers to the National Association of Insurance Commissioners
- “RSMo” refers to the Revised Statutes of Missouri

SCOPE OF EXAMINATION

The DCI has authority to conduct this examination pursuant to, but not limited to, §§374.110, 374.190, 374.205, 375.938, 375.1009, RSMo., and conducted in accordance with §374.205.

The purpose of this examination was to determine if the Company complied with Missouri statutes and DCI regulations. The primary period covered by this review is January 1, 2014 through June 30, 2017, unless otherwise noted. Errors found outside of this time period may also be included in the report.

The examination was a targeted examination involving the following lines of business and business functions: Life Insurance and Annuities in the areas of Operations/Management, Complaint Handling, Marketing and Sales, Producer Licensing, Policyholder Service, Underwriting and Rating, and Claims.

The examination was conducted in accordance with the standards in the NAIC's *Market Regulation Handbook*. As such, the examiners utilized the benchmark error rate guidelines from the NAIC *Market Regulation Handbook* when conducting reviews that applied a general business practice standard. The NAIC benchmark error rate for claims practices is seven percent (7%) and for other trade practices it is ten percent (10%). Error rates exceeding these benchmarks are presumed to indicate a general business practice. The benchmark error rates were not utilized, however, for reviews not applying the general business practice standard.

In performing this examination, the examiners only reviewed a sample of the Company's practices, procedures, products and files. Therefore, some noncompliant practices, procedures, products and files may not have been found. As such, this report may not fully reflect all of the practices and procedures of the Company.

COMPANY PROFILE

The Company is a foreign insurer domiciled in the State of Delaware and licensed as a life insurance company in Missouri pursuant to Chapters 375 and 376, RSMo. The Company is licensed to transact insurance business in, and is subject to regulation by, 49 states, the District of Columbia, Guam, Puerto Rico, the U.S. Virgin Islands and the Bahamas. Originally incorporated in 1863 in the State of Connecticut as Travelers Insurance Company, the Company was part of the 1998 merger with Citicorp to form Citigroup. The Company was subsequently acquired by MetLife, Inc. (MetLife) in 2005. MetLife merged the Company with several affiliates, redomesticated it to Delaware, and changed its name to MetLife Insurance Company USA in 2014.

In 2016, MetLife announced plans to separate a substantial portion of its retail life and annuity business by spinning off its U.S. retail unit to become Brighthouse Financial, Inc. Through a series of corporate transactions, MetLife accomplished this spin-off by fully divesting itself of all its interest in Brighthouse Financial, Inc. and its subsidiaries. The Company is now a wholly owned subsidiary of Brighthouse Holdings, LLC, which is a wholly owned subsidiary of Brighthouse Financial, Inc. The Company currently offers individual annuities and individual life insurance products, including universal and term life insurance, as well as fixed, index-linked and variable, and deferred and immediate annuities. The Company historically offered certain group products, which included institutional pensions, guaranteed interest contracts, payout annuities and group annuities sold to employer-sponsored retirement and savings plans, structured settlements and funding agreements. While the Company has some direct life business from its time with MetLife, it currently offers its products only through a diverse network of independent distribution partners. Brighthouse Financial, Inc. is a publicly held company trading on the Nasdaq Exchange under the symbol "BHF".

EXECUTIVE SUMMARY

The DCI conducted a targeted market conduct examination of Brighthouse Life Insurance Company. The examiners found the following areas of concern:

OPERATIONS/MANAGEMENT

- The Company failed to maintain documentation for delivery of annuities to contract owners or custodians. Reference: §374.205.2(2), RSMo, and 20 CSR 100-8.040(2) and (3).
- The Company failed to provide complete life insurance policy files for multiple files in response to formal requests from examiners. Reference: §374.205.2(2), RSMo, and 20 CSR 100-8.040(6) (A).

COMPLAINT HANDLING

- The Company failed to provide all forms necessary to present a claim within 15 calendar days of a request with reasonable explanations regarding use of the forms. Reference: §375.1007(13), RSMo, and 20 CSR 100-1.030(3).

MARKETING AND SALES

- The Company failed to send replacement notices within the required five calendar days and failed to maintain copies of replacement notices in policy files. Reference: 20 CSR 400-5.400(7)(B)2 and (C).
- The Company failed to notify applicants within 60 days of their applications as to whether or not the applications were accepted. Reference: 20 CSR 400-1.010(6).

EXAMINATION FINDINGS

I. OPERATIONS/MANAGEMENT

The operations/management portion of the examination provides a review of what the Company is and how it operates.

A. NAIC Operations/Management Standard 7: Records are adequate, accessible, consistent and orderly, and comply with state record retention requirements.

To test for this standard, the examiners reviewed the sufficiency of the records supplied in the other reviews conducted for this examination. The examiners found the following errors in this review.

Finding 1: The Company failed to maintain documentation for delivery of annuities to contract owners or custodians for the 100 annuity contract files supplied for the “Underwriting and Rating” review.

Reference: §374.205.2(2), RSMo, and 20 CSR 100-8.040(2) and (3).

B. NAIC Operations/Management Standard 8: The regulated entity is licensed for the lines of business that are being written.

Under Missouri law, an insurance company is limited to writing the types of insurance authorized by its certificate of authority. To test for this standard, the examiners reviewed all of the types of insurance coverage currently being written by the Company and compared these to the lines of insurance in the Company's certificate of authority. No errors were noted in this review.

C. NAIC Operations/Management Standard 9: The regulated entity cooperates on a timely basis with examiners performing the examinations.

Pursuant to §374.205.2(2), RSMo, and 20 CSR 100-8.040(6), insurance companies being examined are required to respond to formal requests and criticisms within 10 calendar days of receipt unless an extension of time has been requested and granted. The examiners tracked the response time for all criticisms and formal requests during the course of the examination. The examiners found the following errors in this review.

Finding 2: The Company failed to provide complete life insurance policy files for five files in response to a formal request in the "Marketing and Sales" review.

Reference: §374.205.2(2), RSMo, and 20 CSR 100-8.040(6)(A).

Finding 3: The Company failed to provide complete life insurance policy files for 19 files in response to a formal request in the "Underwriting and Rating" review, failed to provide all of the missing documentation for 12 of the 19 files in response to a second formal request, and failed to provide copies of two policies in response to a criticism.

Reference: §374.205.2(2), RSMo, and 20 CSR 100-8.040(6)(A).

II. COMPLAINT HANDLING

The complaint handling portion of the examination provides a review of the Company's complaint handling practices. The examiners reviewed how the Company handled complaints to ensure it was performing according to its own guidelines as well as Missouri statutes and regulations.

A. NAIC Complaint Handling Standard 1: All complaints are recorded in the required format on the regulated entity's complaint register.

Pursuant to §375.936(3), RSMo, and 20 CSR 100-8.040(3)(D), insurance companies are required to maintain a log or register of all written complaints received for the last three years. The log or register must include all Missouri complaints, including those sent to the DCI and those sent directly to the company. The examiners requested and reviewed the Company's complaint log as to content and format. The examiners also checked to see that all DCI complaints were listed in the log. The examiners found no errors in this review.

B. NAIC Complaint Handling Standard 2: The regulated entity has adequate complaint handling procedures in place and communicates such procedures to policyholders.

To test for this standard, the examiners requested and reviewed a copy of the Company's complaint handling procedure manual. The examiners found no errors in this review.

C. NAIC Complaint Handling Standard 3: The regulated entity takes adequate steps to finalize and dispose of the complaint in accordance with applicable statutes, rules and regulations and contract language.

To test for this standard, the examiners reviewed three complaints filed directly with the DCI and 41 complaints filed with the Company to assess the Company's handling of these complaints. This included a review of the nature, disposition, and the time taken to process the complaint. The examiners found the following errors in this review.

Finding 1: For an annuity death claim in one complaint, the Company failed to provide the appropriate claim forms along with explanations for their use within 15 calendar days of a request.

Reference: §375.1007(13), RSMo, and 20 CSR 100-1.030(3).

III. MARKETING AND SALES

The marketing and sales portion of the examination evaluates the representations made by the Company about its product(s) or services. This may include reviews of all advertising and sales material and all producer sales training materials to determine compliance with Missouri statutes and regulations.

For the purposes of this examination, the review was limited to the Company's practices regarding internal and external replacement of existing annuity contracts and life insurance policies. The review focused on the application of suitability criteria to ensure that replacement annuity contracts or life insurance policies were appropriate and in the best interests of the contract owners or policyholders.

A. NAIC Life and Annuity Examination Marketing and Sales Standard 3: The insurer's rules pertaining to replacement are in compliance with applicable statutes, rules and regulations.

To test for this standard, the examiners requested listings of all annuity contracts and life insurance policies replaced during the scope of the examination. From these two listings, the examiners selected a random sample of 34 annuity contracts and a random sample of 66 life insurance policies for review. The results of these reviews are summarized below.

1. Annuity Contract Replacements

Field Size	406
Sample Size	34
Type of Sample	Random
Number of Errors	0
Error Ratio	0%

The examiners found no errors in this review.

2. Life Insurance Policy Replacements

Field Size	804
Sample Size	66
Type of Sample	Random
Number of Errors	6
Error Ratio	9%

Finding 1: For two policies, the Company failed to send replacement notices within five calendar days of receipt of the applications in the Company's office. The Company also failed to notify the applicants within 60 days of the dates of the applications as to whether or not the applications were accepted or give the applicants the reason for further delay.

Reference: 20 CSR 400-1.010(6) and 20 CSR 400-5.400(7)(B)2.

Finding 2: For four policies, the Company failed to send replacement notices within five calendar days of receipt of the applications in the Company's office. For one of the four policies, the Company also failed to maintain a completed replacement form in its files.

Reference: 20 CSR 400-5.400(7)(B)2 and (C).

IV. PRODUCER LICENSING

The producer licensing portion of the examination reviews a regulated entity's compliance with Missouri producer licensing laws and regulations.

A. NAIC Producer Licensing Standard 2: The producers are properly licensed and appointed and have appropriate continuing education (if required by state law) in the jurisdiction where the application was taken.

The examiners tested for this standard by checking the licensing status of producers appearing on applications in policy files reviewed in the various other reviews of the examination. The examiners found no errors in this review.

V. POLICYHOLDER SERVICE

The policyholder service portion of the examination reviews the Company's compliance with Missouri statutes and regulations regarding notice/billing, delays/no response, and premium refund and coverage questions.

A. NAIC Policyholder Service Standard 5: Policy transactions are processed accurately and completely.

NAIC Life and Annuity Examination Policyholder Service Standard 2: Nonforfeiture options are communicated to the policyholder and contract holder and correctly applied in accordance with the policy contract.

To test for these two standards, the examiners requested a listing of annuity contracts surrendered during the examination period. From that listing, the examiners selected a random sample of 31 surrenders for review. The results of this review are summarized below.

Field Size	5,578
Sample Size	31
Type of Sample	Random
Number of Errors	0
Error Ratio	0%

The examiners found no errors in this review.

B. NAIC Policyholder Service Standard 7: Unearned premiums are correctly calculated and returned to the appropriate party in a timely manner and in accordance with applicable statutes, rules and regulations.

To test for this standard, the examiners requested a listing of all annuity contracts where the applicant exercised their right to return the contract for a full refund (i.e., the "free look" period) during the examination period and reviewed all of the files listed. The results of this review are summarized below.

Field Size	19
Type of Sample	Census
Number of Errors	0
Error Ratio	0%

The examiners found no errors in this review.

VI. UNDERWRITING AND RATING

The underwriting and rating portion of the examination provides a review of the Company's compliance with Missouri statutes and regulations regarding underwriting and rating practices

such as the use of policy forms, adherence to underwriting guidelines, assessment of premium, and procedures to decline or terminate coverage.

A. NAIC Underwriting and Rating Standard 5: All forms, including policies, contracts, riders, amendments, endorsement forms and certificates are filed with the insurance department, if applicable.

The examiners tested for this standard by reviewing policy forms concurrently with the various file samples provided as part of the complaint handling, marketing and sales, policyholder service, and underwriting and rating reviews. The examiners noted no errors in this review.

B. NAIC Underwriting and Rating Standard 6: Policies, contracts, riders, amendments and endorsements are issued or renewed accurately, timely and completely.

1. Annuity Contracts

To test for this standard, the examiners requested a listing of all annuity contracts inforce during the examination period. From that listing, the examiners selected a random sample of 100 for review.

Field Size	23,440
Sample Size	100
Type of Sample	Random
Number of Errors	0
Error Ratio	0%

While the examiners noted no errors for which this standard is applicable, errors were noted under Operations/Management Standard 7 above.

2. Life Insurance Policies

To test for this standard, the examiners requested a listing of all life insurance policies inforce during the examination period. From that listing, the examiners selected a random sample of 50 for review.

Field Size	26,467
Sample Size	50
Type of Sample	Random
Number of Errors	0
Error Ratio	0%

While the examiners noted no errors for which this standard is applicable, errors were noted under Operations/Management Standard 9 above.

C. NAIC Underwriting And Rating Standard 8: Cancellation/nonrenewal, discontinuance and declination notices comply with policy and contract provisions, state laws and the regulated entity’s guidelines.

1. Annuity Contracts

To test for this standard, the examiners requested a listing of all annuity contracts declined during the examination period and reviewed the files for all the contracts listed.

Field Size	3
Type of Sample	Census
Number of Errors	0
Error Ratio	0%

The examiners noted no errors in this review.

2. Life Insurance Policies

To test for this standard, the examiners requested a listing of life insurance policies declined during the examination period. From that listing, the examiners selected a sample of 47 declined life insurance policies for review.

Field Size	1,743
Sample Size	47
Type of Sample	Random
Number of Errors	0
Error Ratio	0%

The examiners noted no errors in this review.

VII. CLAIMS

The claims portion of the examination provides a review of the Company’s compliance with Missouri statutes and regulations regarding claims handling practices such as the timeliness of handling, accuracy of payment, adherence to contract provisions, and compliance with Missouri statutes and regulations.

A. NAIC Claims Examination Standard 1: The initial contact by the regulated entity with the claimant is within the required time frame.

From the data supplied by the Company, the examiners extracted a set of annuity claims shown in the data as having payments or withdrawals and a set of life insurance claims shown as either paid or denied. From these two sets of claims, the examiners selected a random sample of 50 paid annuity claims and a random sample of 50 paid or denied life insurance claims. The examiners requested claim files for the two samples to review for compliance with the

acknowledgment time standards in 20 CSR 100-1.030. The examiners also requested claim manuals for review. The results of this review are summarized below.

1. Acknowledgement Time for Paid Annuity Claims

Field Size	1,746
Sample Size	50
Type of Sample	Random
Number of Errors	0
Error Ratio	0%

The examiners noted no errors in this review.

2. Acknowledgement Time for Paid or Denied Life Insurance Claims

Field Size	595
Sample Size	50
Type of Sample	Random
Number of Errors	0
Error Ratio	0%

The examiners noted no errors in this review.

B. NAIC Claims Examination Standard 2: Timely investigations are conducted.

The same random samples of 50 paid annuity claims and 50 paid or denied life insurance claims noted above in “NAIC Claims Examination Standard 1” were reviewed for compliance with the claim investigation standards in 20 CSR 100-1.050(1)(C) and (4). Claim manuals were also reviewed for claim investigation processes. The results of this review are summarized below.

1. Investigation Time for Paid Annuity Claims

Field Size	1,746
Sample Size	50
Type of Sample	Random
Number of Errors	0
Error Ratio	0%

No errors were found in this review.

2. Investigation Time for Paid or Denied Life Insurance Claims

Field Size	595
Sample Size	50
Type of Sample	Random
Number of Errors	0
Error Ratio	0%

No errors were found in this review.

C. NAIC Claims Examination Standard 3: Claims are resolved in a timely manner.

The same random samples of 50 paid annuity claims and 50 paid or denied life insurance claims noted above in “NAIC Claims Examination Standard 1” were reviewed for compliance with the claim determination standards in 20 CSR 100-1.050(1)(A). Claim manuals were also reviewed for claim determination processes. The results of this review are summarized below.

1. Determination Time for Paid Annuity Claims

Field Size	1,746
Sample Size	50
Type of Sample	Random
Number of Errors	0
Error Ratio	0%

No errors were found in this review.

2. Determination Time for Paid or Denied Life Insurance Claims

Field Size	595
Sample Size	50
Type of Sample	Random
Number of Errors	0
Error Ratio	0%

No errors were found in this review.

D. NAIC Claims Examination Standard 4: The regulated entity responds to claims correspondence in a timely manner.

The same random samples of 50 paid annuity claims and 50 paid or denied life insurance claims noted above in “NAIC Claims Examination Standard 1” were reviewed for compliance with the communication standards in 20 CSR 100-1.030(2). Claim manuals were also reviewed for claim communication processes. The results of this review are summarized below.

1. Claim Communication Time for Annuity Claims

Field Size	1,746
Sample Size	50
Type of Sample	Random
Number of Errors	0
Error Ratio	0%

No errors were found in this review.

2. Claim Communication Time for Paid or Denied Life Insurance Claims

Field Size	595
Sample Size	50
Type of Sample	Random
Number of Errors	0
Error Ratio	0%

No errors were found in this review.

VIII. CRITICISMS AND FORMAL REQUESTS TIME STUDY

This study is based upon the time required by the Company to provide the examiners with the requested material or to respond to criticisms. Missouri statutes and regulations require companies to respond to criticisms and formal requests within ten calendar days. In the event an extension of time was requested by the Company and granted by the examiners, the response was deemed timely if it was received within the subsequent time frame. If the response was not received within the allotted time, the response was not considered timely.

A. Criticism Time Study

Number of Calendar Days to Respond	Number of Criticisms	Percentage of Total
0 to 10 days	2	14%
Over 10 days with extension	12	86%
Over 10 days without extension or after extension due date	0	0%
Totals	14	100%

B. Formal Request Time Study

Number of Calendar Days to Respond	Number of Requests	Percentage of Total
0 to 10 days	32	29%
Over 10 days with extension	72	67%
Over 10 days without extension or after extension due date	3	2%
Totals	107	100%

Finding 1: As noted above in “Operations/Management Standard 9,” the Company failed to provide complete files within ten days or the extended due date for three formal requests.

Reference: §374.205.2(2), RSMo, and 20 CSR 100-8.040(6)(A).

EXAMINATION REPORT SUBMISSION

Attached hereto is the Division of Insurance Market Regulation's Final Report of the examination of Brighthouse Life Insurance Company, Examination Number #1712-80-TGT. This examination was conducted by Gary Bird, CIE, EIC; Bunlue Ushupun, CIE, John Clubb, CIE, Randy Kemp, CIE, Donald Wilson, CIE, and Gretchen Gaynor, AIE. The findings in the Final Report were extracted from the Market Conduct Examiner's Draft Report, dated January 6, 2021. Any changes from the text of the Market Conduct Examiner's Draft Report reflected in this Final Report were made by the Chief Market Conduct Examiner or with the Chief Market Conduct Examiner's approval.



Stewart Freilich
Chief Market Conduct Examiner

05/27/2021

Date