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

In Re: COMPANION LIFE	)	
INSURANCE COMPANY	)	
SERFF TRACKING NUMBER	)	**Case No. 140312302C**
CMLX-G129453433	)	

ORDER DISAPPROVING FORM FILING

Upon review and consideration of the filing of Companion Life Insurance Company, SERFF Tracking Number CMLX-G129453433, specifically Forms LBHC 3260 DE-MO and LBHP-AS-3250 Amend DE-MO, the 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. Companion Life Insurance Company ("Companion Life"), NAIC Number 77828, is a foreign life and health insurance company organized pursuant to the laws of the state of South Carolina and transacting insurance business in this state 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 §374.075 with the review of forms that are filed by insurance companies.

5. Companion Life filed forms with the Director via the System for Electronic Rate and Form Filing ("SERFF") on March 12, 2014. The SERFF Tracking Number is CMLX-G129453433 ("Filing").

6. The Filing contains, in pertinent part, form LBHC 3260 DE-MO, identified as the Group Certificate Providing Limited Benefit Accident and Health Benefits ("Certificate") and form LBHP-AS-3250 Amend DE-MO, identified as the Policy Amendment Missouri Association Members ("Amendment").

[1] All statutory citations are to RSMo (Supp. 2013).

7. Brackets ([…]) within a form reviewed by the Division indicate that the language within the brackets may be included or excluded from the form, or the brackets may indicate a numeric range.

8. Potentially, all benefits, coverages, or terms in brackets could be included in an issued form.

9. Conversely, all benefits, coverages, or terms in brackets could be excluded from an issued form.

10. Based upon the bracketing within this filing, the forms could offer almost no benefits whatsoever.

11. Companion Life filed the Certificate and Amendment within SERFF as Group Health - Sickness insurance.

12. On page 20 of the Certificate under the section titled General Provisions and the subsection titled Proof of Loss, the form states:

    > Proof of loss for which the Policy provides any periodic payment contingent upon continuing loss must be given to the Company within 90 days after termination of the period for which the Company is liable. For any other loss, proof of loss must be given to the Company within 90 days after such loss. Late proof may be accepted if:
    >
    > (a) it was not reasonably possible to give proof in that time; and
    >
    > (b) the proof is given within one year from the date proof of loss was otherwise required. This one year limit will not apply in the absence of legal capacity.

13. On page 20 of the Certificate under the section titled General Provisions and the subsection titled Time of Payment of Claims and on the second page of the Amendment under the section titled Time of Payment of Claims, the forms state:

    > All benefits payable under the Policy will be paid not more than 31 days after receipt of written proof of loss. Any balance not paid when liability ends will be paid immediately upon receipt of written proof.

CONCLUSIONS OF LAW

14. 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.

15. 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.

Companion Life's Filing Does Not Substantively Provide All Provisions Required In All Group Policies Under Section 376.426

16. 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…:
>
> * * *
>
> (10) ***A provision*** that in the case of claim for loss of time for disability, written proof of such loss must be furnished to the insurer within ninety days after the commencement of the period for which the insurer is liable, and that subsequent written proofs of the continuance of such disability must be furnished to the insurer at such intervals as the insurer may reasonably require, and that in the case of claim for any other loss, written proof of such loss must be furnished to the insurer within ninety days after the date of such loss. ***Failure to furnish such proof within such time shall not invalidate nor reduce any claim if it was not reasonably possible to furnish such proof within such time, provided such proof is furnished as soon as reasonably possible and in no event, except in the absence of legal capacity of the claimant, later than one year from the time proof is otherwise required***;
>
> (11) ***A provision*** that ***all benefits payable under the policy other than benefits for loss of time shall be payable not more than thirty days after receipt of proof*** and that, subject to due proof of loss, all accrued benefits payable under the policy for loss of time shall be paid not less frequently than monthly during the continuance of the period for which the insurer is liable, and that any balance remaining unpaid at the termination of such period shall be paid as soon as possible after receipt of such proof[.]

(Emphasis added.)

17. Companion Life's Certificate is not compliant with Missouri insurance laws. Under the section titled General Provisions and the subsection titled Proof of Loss, the Certificate excludes a required substantive notice provision. While the Certificate does provide the appropriate time frame to provide proof of loss, it does not notify the insured that failure to provide proof of loss 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(10). As such, the Certificate does not comply with the laws of this state as required by §376.405.

18. Neither Companion Life's Certificate nor its Amendment is compliant with Missouri insurance laws. Within the Certificate under the section titled General Provisions and the subsection titled Payment of Claims and within the Amendment under the section titled Time of Payment of Claims, the forms state that "[a]ll benefits payable under the Policy will be paid not more than 31 days after receipt of written proof of loss." Section 376.426(11) requires benefits to be payable within 30 days. Therefore, Companion Life's Certificate and Amendment are not in compliance with §376.426(11). As such, the Certificate and Amendment are not compliant with the laws of this state as required by §376.405.

19. After review and consideration of the forms included in the Companion Life Filing, the company has failed to demonstrate its compliance with Missouri law as enumerated herein.

20. While there may be additional reasons as to why the forms do not comply with Missouri's insurance laws, the reasons stated herein are sufficient to disapprove the forms.

21. Each reason stated herein for disapproval of the forms is a separate and sufficient cause to disapprove such forms.

22. Companion Life's Certificate and Amendment do not comply with Missouri law. As such, said forms are not in the public interest.

23. This Order is in the public interest.

IT IS THEREFORE ORDERED that Forms LBHC 3260 DE-MO and LBHP-AS-3250 Amend DE-MO are hereby **DISAPPROVED.** Companion 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 25th day of April, 2014.

JOHN M. HUFF
DIRECTOR

NOTICE

TO: Companion 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 25th day of April, 2014, a copy of the foregoing Order and Notice was

1) Served via certified mail addressed to:

   Trescott Newton Hinton Jr.
   President
   Companion Life Insurance Company
   7909 Parklane Rd. Suite 200
   Columbia, SC 29223

   Vivian Frederic
   Contracts Compliance Specialist
   Companion Life Insurance Company
   7909 Parklane Rd.
   Columbia, SC 29223