

DEPARTMENT OF COMMERCE & INSURANCE

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

In Re:)
)
BRIGHTHOUSE LIFE INSURANCE) **Market Conduct Investigation No. 345863**
COMPANY (NAIC #87726))

ORDER OF THE DIRECTOR

NOW, on this 20th day of May, 2021, Director, Chlora Lindley-Myers, after consideration and review of the Stipulation of Settlement and Voluntary Forfeiture (hereinafter “Stipulation”) entered into by the Division of Insurance Market Regulation (hereinafter “Division”), and Brighthouse Life Insurance Company (NAIC #87726) (hereinafter “Brighthouse”), relating to the market conduct investigation no. 345863, does hereby issue the following orders:

This order, issued pursuant to §374.046.15¹ and §374.280 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 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.

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

IT IS FURTHER ORDERED that Brighthouse shall pay, and the Department of Commerce and Insurance, State of Missouri, shall accept, the Voluntary Forfeiture of \$7,500.00, payable to the Missouri State School Fund.

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 20th day of May, 2021.



Chlora Lindley Myers
Chlora Lindley-Myers
Director

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

<i>In Re:</i>)	
)	
BRIGHTHOUSE LIFE INSURANCE)	Market Conduct Investigation
COMPANY (NAIC #87726))	No. 345863

STIPULATION OF SETTLEMENT AND VOLUNTARY FORFEITURE

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; and

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

WHEREAS, the Division conducted a market conduct investigation of Brighthouse, investigation #345863; and

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

1. Brighthouse misrepresented relevant facts and policy provisions regarding coverage for non-confined home health care implicating the provisions of §375.1007(1).¹
2. Brighthouse improperly denied a claim without conducting a reasonable investigation

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

in violation of §375.1005 and §375.1007(6).

3. Brighthouse did not attempt to effectuate prompt, fair and equitable settlement of a claim in which liability had become reasonably clear in violation of §375.1005 and §375.1007(4).

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

A. **Scope of Agreement.** This Stipulation of Settlement and Voluntary Forfeiture (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 take remedial action bringing it into compliance with the statutes and regulations of Missouri and agrees to maintain those remedial actions at all times, to reasonably ensure that the errors noted in the market conduct investigation do not recur. Such remedial actions shall include, but are not limited to, the following:

1. Brighthouse agrees to file an amendment with the Department through the System for Electronic Rate and Form Filing (“SERFF”) to amend policy forms H-LTC2J and H-LTC2J-32 to make their home health care provision comply with §197.405 and the Missouri Department of Health and Senior Services’ (“DHSS”) guidance on care in the home and licensing requirement. The SERFF filing will include a statement indicating that “as a result of a Missouri market conduct investigation, the attached amended policy forms are being filed with the Department.”

2. Within thirty (30) days after approval by the Department of the amended policy forms, Brighthouse agrees to issue the filed amendments to all inforce policyholders insured under policy forms H-LTC2J and H-LTC2J-32.

3. Brighthouse agrees to amend its internal claims processing guideline, referenced in this investigation as the Missouri Technical Tip, to comply with the provisions of §197.405. Within thirty (30) days of the date of the Order approving this Stipulation, Brighthouse agrees to submit for approval the amended Missouri Technical Tip to the Division, prior to implementation.

4. Brighthouse agrees to reimburse the member referenced in this investigation the interest for the claims for services provided by licensed nurses. Interest shall be calculated pursuant to §374.191 from December 15, 2017 to May 18, 2018. A letter should be included with said payment indicating that as a result of a Missouri market conduct investigation, it was discovered that a refund was due.

5. Brighthouse agrees to conduct a review of all home healthcare claims from January 1, 2016 to February 2, 2018 to determine if any claims were improperly denied under policy forms H-LTC2J and H-LTC2J-32 for the provider's lack of licensure. If claims were improperly denied, Brighthouse agrees to reprocess the claim and issue any payments that are due to the claimant or provider. Such payment shall include the additional payment of interest calculated pursuant to §374.191. A letter should be included with any payment indicating that as a result of a Missouri market conduct investigation, it was discovered that a claim payment is due to the member or provider, as appropriate.

C. **Compliance.** Brighthouse agrees to file documentation with the Division, in a format acceptable to the Division, within 60 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 §374.190.

D. **Fees.** Brighthouse agrees to pay any reasonable fees expended by the Division in conducting its review of the documentation provided by the Company pursuant to Paragraphs B and

C of this Stipulation.

E. **Voluntary Forfeiture.** Brighthouse agrees, voluntarily and knowingly, to surrender and forfeit the sum of \$7,500.00, such sum payable to the Missouri State School Fund, in accordance with §374.049.11 and §374.280.2.

F. **Other Penalties.** The Division agrees that it will not seek penalties against Brighthouse, other than those agreed to in this Stipulation, in connection with the above referenced market conduct investigation.

G. **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 market conduct investigation no. 345863.

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

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

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

K. **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.

L. **Effect of Stipulation.** This Stipulation shall not become effective until entry of a

Final Order by the Director of the Department (hereinafter the "Director") approving this Stipulation.

M. **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.

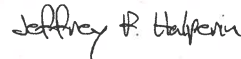
DATED: 5/13/21



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

05/13/21

DATED: _____



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