



**DEPARTMENT OF COMMERCE & INSURANCE**

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

*In Re:* )  
 )  
CMFG LIFE INSURANCE COMPANY ) Market Conduct Investigation No. 356638  
(NAIC #62626) )

**ORDER OF THE DIRECTOR**

NOW, on this 31<sup>st</sup> day of March, 2022, 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 CMFG Life Insurance Company (NAIC #62626) (hereinafter “CMFG”), relating to the market conduct investigation no. 356638, does hereby issue the following orders:

This order, issued pursuant to §374.046.15<sup>1</sup> and §374.280 is in the public interest.

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

**IT IS FURTHER ORDERED** that CMFG shall not engage in any of the violations of statutes 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.

**IT IS FURTHER ORDERED** that CMFG shall pay, and the Department of Commerce and Insurance, State of Missouri, shall accept, the Voluntary Forfeiture of \$1,000.00, payable to

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<sup>1</sup> All references, unless otherwise noted, are to Revised Statutes of Missouri 2016.

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 31<sup>st</sup> day of March, 2022.



*Chloria Lindley Myers*

Chloria Lindley-Myers, Director  
Missouri Department of Commerce and Insurance

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

*In Re:* )  
 )  
CMFG LIFE INSURANCE COMPANY ) **Market Conduct Investigation No. 356638**  
(NAIC #62626) )

**STIPULATION OF SETTLEMENT AND VOLUNTARY FORFEITURE**

It is hereby stipulated and agreed by the Division of Insurance Market Regulation (hereinafter, the “Division”), and CMFG Life Insurance Company (NAIC #62626) (hereinafter “CMFG”) 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**, the Department has issued CMFG a certificate of authority to transact the business of insurance in the State of Missouri;

**WHEREAS**, the Division conducted a market conduct investigation of CMFG, investigation no. 356638;

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

1. CMFG provided misinformation to Missouri policyholders about the availability of increases to existing coverage implicating the provisions of §375.936(6)(a)<sup>1</sup>.
2. CMFG provided misinformation to Missouri policyholders about the Future Purchase Option (hereinafter “FPO”) in violation of §§375.936(6)(a) and 375.934(2).
3. CMFG provided misinformation to Missouri policyholders about its history of long-

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<sup>1</sup> All references, unless otherwise noted, are to Missouri Revised Statutes 2016.

term care rate increases in violation of §§375.936(4) and 375.934(2).

4. CMFG continued to collect premium from policyholders who had the FPO rider (97-LTCR-FPO) after the expiration date of the rider implicating the provisions of §375.936(6)(a).

**WHEREAS**, the Division and CMFG 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 this market conduct investigation no. 356638. 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.** CMFG 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. Such remedial actions shall consist of the following:

1. CMFG agrees to revise the Long-Term Care rate increase notification letter(s) sent to policyholders whose contracts contained the FPO provision, to remove the phrase "or increase to existing coverage."

2. CMFG agrees to revise the FPO offer letters to disclose that the policyholder has up to 30 days after the option date to make a FPO election.

3. CMFG agrees to revise the Long-Term Care rate increase script and Long Term Care – Customer Contact Center Standard Operating Procedure Scripting Section to remove any language that states or implies that CMFG sold the 1997, 2002, and 2006 products for almost 20 years before increasing the rates.

4. CMFG agrees to conduct a review of all Missouri policies that were in effect from January 1, 2018 through January 1, 2022 that had the FPO rider to determine if CMFG continued to collect the FPO rider premium after the date when the policyholder ceased being eligible for additional benefit increases under the FPO rider. For all Missouri policies for which CMFG continued to collect the FPO rider premium after the date when the policyholder ceased being eligible for additional benefit increases under the FPO rider, CMFG agrees to reimburse the policyholder, any beneficiary of the policyholder, or the estate of the policyholder, as applicable, all FPO rider premium received after the expiration date of the FPO rider. Interest shall be included with the restitution payments in an amount in accordance with §374.191. CMFG shall include a letter with the payment stating that “as a result of a Missouri market conduct investigation, a refund was found to be payable.”

5. CMFG agrees to implement an administrative process or procedure to ensure that upon the expiration date of the FPO rider the policyholder will be informed that the FPO has expired and that their total premium has been reduced by the FPO rider. CMFG further agrees to cease collecting FPO rider premium from Missouri residents who are no longer eligible for additional benefit increases under the FPO rider.

C. **Compliance.** CMFG agrees to file documentation pursuant to §374.190 with the Division, in a format acceptable to the Division, within 90 days of the entry of an Order approving this Stipulation, of any remedial action taken pursuant to implement compliance with the terms of this Stipulation or to document the payment of restitution required by this Stipulation.

D. **Voluntary Forfeiture.** CMFG agrees, voluntarily and knowingly, to surrender and forfeit the sum of \$1,000, such sum payable to the Missouri State School Fund, in accordance with §§374.049.11 and 374.280.2.

E. **Non-Admission.** Nothing in this Stipulation shall be construed as an admission by CMFG, this Stipulation being part of a compromise settlement to resolve disputed factual and legal allegations arising out of the above referenced market conduct investigation. CMFG does not agree with certain findings in the market conduct investigation and it is the position of CMFG that this Stipulation is a compromise of disputed facts and legal allegations. The signing of this Stipulation and CMFG's consent to pay the voluntary forfeiture does not constitute an admission of wrongdoing or liability by CMFG and is done to fully, finally and completely resolve all the matters encompassed within the scope of this Stipulation and the market conduct investigation no. 356638 without further regulatory or administrative process or any actions, requirements or monetary payments beyond those enumerated herein.

F. **Waivers.** CMFG, 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. 356638.

G. **Amendments.** No amendments to this Stipulation shall be effective unless made in writing and agreed to by representatives of the Division and CMFG.

H. **Governing Law.** This Stipulation shall be governed by 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 CMFG, 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 by facsimile or by electronically transmitted signature shall be fully and legally effective

and binding.

K. **Effective Date.** This Stipulation shall not become effective until entry of an Order by the 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: 3/23/22

  
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Teresa Kroll  
Chief Market Conduct Examiner  
Division of Insurance Market Regulation

DATED: 3/22/22

  
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Emily Gnam  
Vice President and Chief Compliance Officer  
CMFG Life Insurance Company