

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

**In Re: STANDARD LIFE AND ACCIDENT )  
INSURANCE COMPANY )  
SERFF TRACKING NUMBER ) Case No. 14036278C  
ANTX-129432560 )**

**ORDER DISAPPROVING FORM FILING**

Upon review and consideration of the filing of Standard Life and Accident Insurance Company, SERFF Tracking Number ANTX-129432560, specifically Form SL-EXCHBC-14-MO the Director DISAPPROVES said form 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. Standard Life and Accident Insurance Company ("Standard Life"), NAIC Number 86355, is a foreign life and health insurance company organized pursuant to the laws of the state of Texas and transacting insurance business in this state pursuant to a Certificate of Authority issued by the Director.
3. Pursuant to §376.405,<sup>1</sup> 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. Standard Life filed forms with the Director via the System for Electronic Rate and Form Filing ("SERFF") on February 26, 2014. The SERFF Tracking Number is ANTX-129432560 ("Filing").
6. The Filing contains, in pertinent part, form SL-EXCHBC-14-MO, identified as the Group Limited Benefit Indemnity Only Accident and Sickness Insurance Certificate of Coverage ("Certificate").
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.

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<sup>1</sup> All statutory citations are to RSMo (Supp. 2013).

8. Standard Life filed the Certificate within SERFF as Group Blanket Accident and Sickness Policy.
9. The Group Master Policy was also within the Filing, but was only included in the Supporting Documentation section of the Filing and has not been submitted for approval. The Department does not review the documents in the Supporting Documentation section for approval.
10. On page 7 of the Certificate under the section titled Definitions-General, the Certificate defines Preexisting Condition as:

[A] condition not otherwise excluded by name or specific description:

1. for which medical advice, testing, care, treatment or medication was given or was recommended by, or received from, a Physician within [6 – 12] months before the Certificate Effective Date; or
2. that would have caused a reasonable person to seek medical diagnosis or treatment within [6 – 12] months before the Certificate Effective Date.

11. On page 15 of the Certificate under the section titled Premium and the subsection titled Misstatement of Age, the form states:

If premiums for the Covered Person are based on age and the Covered Person's age has been misstated, there will be an adjustment of premiums based on his or her true age. If the benefits for which the Covered Person is insured are based on age and the Covered Person's age has been misstated, there will be an adjustment of said benefit based on his or her true age. The Company may require satisfactory proof of age before paying any claim.

12. On page 16 of the Certificate under the section titled Claim Provisions and the subsection Notice of Claim, the form states:

The Insured must give the Company written notice of a claim. It should be given within 60 days after the occurrence or commencement of any loss covered by the Policy, or as soon thereafter as is reasonably possible. Notice given by the Insured or on behalf of the Insured to Us at our Home Office, or to any authorized agent of the Company, with information sufficient to identify the Covered Person, will be deemed notice to the Company.



13. On page 16 of the Certificate under the section titled Claim Provisions and the subsection Proof of Loss, the form states:

The Insured must give the Company written proof of loss within 90 days after such loss. If it is not reasonably possible to do so, the Company will not reduce or deny the Insured's claim for being late if proof is given as soon as reasonably possible. It must, however, be given within 15 months from the date of loss, unless the Insured is not legally capable.

14. On page 9 of the Certificate under the section titled Termination and Continuation, the form states "[c]overage under the Policy for a Covered Person ends on the earliest of: 1. the date the Policy is terminated by the Company or the Policyholder[.]"
15. Nowhere within the Certificate does Standard Life notify the insured that the policy cannot be terminated prior to the first anniversary year of the date of coverage.

#### CONCLUSIONS OF LAW

16. 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.
17. 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.

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

18. 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...:

\* \* \*

(5) *A provision specifying the additional exclusions or limitations, if any, applicable under the policy with respect to a disease or physical condition of a person, not otherwise excluded from the person's coverage by name or specific description effective on the date of the person's loss, which existed prior to the effective date of the person's coverage*

*under the policy. Any such exclusion or limitation may only apply to a disease or physical condition for which medical advice or treatment was received by the person during the twelve months prior to the effective date of the person's coverage.....;*

*(6) If the premiums or benefits vary by age, there shall be a provision specifying an equitable adjustment of premiums or of benefits, or both, to be made in the event the age of the covered person has been misstated, such provision to contain a clear statement of the method of adjustment to be used;*

\* \* \*

*(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;*

\* \* \*

*(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;*

\* \* \*

*(15) A provision specifying the conditions under which the policy may be terminated. Such provision shall state that except for nonpayment of the required premium or the failure to meet continued underwriting standards, the insurer may not terminate the policy prior to the first anniversary date of the effective date of the policy[.]*

(Emphasis added.)



19. Standard Life's Certificate is not compliant with Missouri insurance laws. Under the section titled Definitions - General, the Certificate defines preexisting conditions to include conditions "[t]hat would have caused a reasonable person to seek medical diagnosis or treatment within [6 - 12] months before the Certificate Effective Date." Section 376.426(5) defines a pre-existing condition as one for which the insured received medical advice or treatment; it does not include conditions for which the insured should have sought medical advice or treatment. The Certificate's definition does not comply with §376.426(5) in that the language is neither substantially similar to the statutory language nor is it more favorable to the insured. As such, the Certificate does not comply with the laws of this state as required by §376.405.
20. Standard Life's Certificate is not compliant with Missouri insurance laws. Under the section titled Misstatement of Age, the form provides that if there is a misstatement of age "there will be an adjustment of said benefit based on his or her true age;" however, the Certificate does not contain a clear statement of the method of adjustment to be used. Section 376.426(6) requires such a clear statement. As such, the Certificate does not comply with the laws of this state as required by §376.405.
21. Standard Life's Certificate is not compliant with Missouri insurance laws. Under the section titled Claim Provisions and the subsection Notice of Claim, the Certificate excludes a required substantive notice provision. While the Certificate does provide a more favorable 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 any claim" if it was not reasonably possible to do so, as required by §376.426(8). As such, the Certificate does not comply with the laws of this state as required by §376.405.
22. Standard Life's Certificate is not compliant with Missouri insurance laws. Under the section titled Claim Provisions and the subsection titled Proof of Loss, the Certificate states proof of loss must "be given within 15 months from the date of loss, unless the Insured is not legally capable." Section 376.426(10) requires proof of loss to be given within one year "except in the absence of legal capacity." Standard Life's provision is neither substantially similar to nor more favorable than the requirements of §376.426(10) in that the reason for untimely notice need only be due to the absence of legal capacity, not whether or not the insured was legally capable. As such, the Certificate does not comply with the laws of this state as required by §376.405.
23. Standard Life's Certificate is not compliant with Missouri insurance laws. Under the section titled Termination and Continuation, the Certificate states that Standard Life can terminate the policy, but the Certificate fails to substantively notify the insured that such a termination cannot occur until the

first anniversary date of the policy, as required by §376.426(15). Because the Certificate fails to substantively include such a statement, the form is not in compliance with §376.426(15). As such, the Certificate does not comply with the laws of this state as required by §376.405.

24. After review and consideration of the form included in the Standard Life Filing, the company has failed to demonstrate its compliance with Missouri law as enumerated herein.
25. While there may be additional reasons as to why this form does not comply with Missouri's insurance laws, the reasons stated herein are sufficient to disapprove the form.
26. Each reason stated herein for disapproval of a form is a separate and sufficient cause to disapprove such form.
27. Standard Life's Certificate does not comply with Missouri law. As such, said form is not in the public interest.
28. This Order is in the public interest.

**IT IS THEREFORE ORDERED** that Form SL-EXCHBC-14-MO is hereby **DISAPPROVED**. Standard Life and Accident Insurance Company is hereby prohibited from delivering or issuing for delivery any policies of group health insurance utilizing said form.

**SO ORDERED, SIGNED AND OFFICIAL SEAL AFFIXED THIS** 25<sup>th</sup> day of April, 2014.



  
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**JOHN M. HUFF**  
**DIRECTOR**

NOTICE

**TO: Standard Life and Accident 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 25<sup>th</sup> day of April, 2014, a copy of the foregoing Order and Notice was

1) Served via certified mail addressed to:

Steven Harvey Schouweiler  
President  
Standard Life and Accident Insurance Company  
One Moody Plaza  
Galveston, TX 77550

Deborah Biediger  
Compliance Analyst  
Standard Life and Accident Insurance Company  
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