

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

In Re:)
)
COMBINED INSURANCE COMPANY) **Market Conduct Investigation**
OF AMERICA (NAIC #62146)) **No. 273695**

ORDER OF THE DIRECTOR

NOW, on this 28th day of October, 2019, 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 Combined Insurance Company of America (NAIC #62146) (hereinafter "Combined"), relating to the market conduct investigation set out in the caption above, 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 Combined and the Division having agreed to the Stipulation, the Director does hereby approve and agree to the Stipulation.

IT IS FURTHER ORDERED that Combined 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.

IT IS FURTHER ORDERED that Combined shall pay, and the Department of Commerce and Insurance, State of Missouri, shall accept, the Voluntary Forfeiture of \$4,500.00, 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 28th day of October, 2019.



Chlora Lindley-Myers
Chlora Lindley-Myers
Director

¹ All references, unless otherwise noted, are to Missouri Revised Statutes 2016, as amended.

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STIPULATION OF SETTLEMENT AND VOLUNTARY FORFEITURE

It is hereby stipulated and agreed by the Division of Insurance Market Regulation (hereinafter, the "Division"), and Combined Insurance Company of America (NAIC #62146) (hereinafter "Combined"), 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, Combined 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 Combined, investigation #273695;

WHEREAS, based on the Market Conduct Investigation of Combined, the Division alleges that:

1. Combined violated §374.210.1 (2)¹ by representing in a form filing made with the Department that the newly filed form would replace a previously filed form, but then continued to utilize the old form.
2. Combined violated §375.934(2), 375.936 (6) (a) and §376.590 by incorrectly stating

in automatic premium loan non-forfeiture letters that the policyholder would have to pay “the back premium...along with paying back the Automatic Loan Premium amount,” and by incorrectly stating the amount of premium which would be required to continue the policy as the premiums came due.

3. Combined issued policies containing suicide provisions which were not fully compliant with §376.620 RSMo 2000, in that the provisions did not clearly provide that Combined must demonstrate to a court or jury that an insured intended suicide at the time of the application, and which were not fully compliant with §376.620 RSMo 2016, in that the provisions allow Combined to restrict liability if death occurs as a result of attempted suicide or intentionally self-inflicted injury.

4. Combined applied premium loans in excess of the amount allowed by its contract implicating the provisions of §375.445.1 (2).

WHEREAS, the Division and Combined 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.** Combined agrees to take remedial action bringing it into compliance with the statutes and regulations of Missouri and agree to maintain those remedial actions at all times. Such remedial actions shall include, but are not limited to, the following:

1. Combined agrees that it will provide full and truthful information in filings and

¹ All references, unless otherwise noted, are to Revised Statutes of Missouri 2016, as amended.

attachments to filings made with the Department.

2. Combined agrees that it will cease representing to policyholders who incur an automatic premium loan that they are required to pay back both the automatic premium loan and the back premium, and will accurately represent to such policyholders the amount of premium required to continue the policy.

3. Combined agrees to refile Form 33055-MO-1015 removing the language in the Suicide provision allowing for a suicide exclusion if death occurs as a result of “attempted suicide or intentionally self-inflicted injury.” Combined further agrees to refile any other form that includes the same suicide exclusion for “attempted suicide or intentionally self-inflicted injury.”

4. Combined agrees not to apply premium loans in excess of what is allowed by and disclosed in its insurance contract.

C. **Compliance.** Combined agrees to file documentation with the Division, in a format acceptable to the Division, within 90 days of the entry of a final order of any remedial action taken to implement compliance with the terms of this Stipulation. Such documentation is provided pursuant to §374.190.

D. **Fees.** Combined agrees to pay any reasonable investigation fees expended by the Division in conducting its review of the documentation provided by the Company pursuant to Paragraph C of this Stipulation.

E. **Voluntary Forfeiture.** Combined agrees, voluntarily and knowingly, to surrender and forfeit the sum of \$4,500.00 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 Combined, other than those agreed to in this Stipulation, in connection with Market Conduct

Investigation #273695.

G. **Non-Admission.** Nothing in this Stipulation shall be construed as an admission by Combined, this Stipulation being part of a compromise settlement to resolve disputed factual and legal allegations arising out of the above referenced market conduct investigation.

H. **Waivers.** Combined, 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 #273695.

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

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

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

L. **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 an electronically transmitted signature shall be fully and legally effective and binding.

M **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.

N. **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: 10/23/2019

Angela L. Nelson
Angela L. Nelson, Director
Division of Insurance Market Regulation

DATED: 10/23/2019

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

DATED: 10/14/2019

James P. Home Jr., AVP, Compliance Director
[NAME and TITLE] MTV
Combined Insurance Company of America