

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

In Re:)
)
FREEDOM LIFE INSURANCE) **Market Conduct Investigation No. 341415**
COMPANY OF AMERICA)
(NAIC #62324))

ORDER OF THE DIRECTOR

NOW, on this 15th day of January, 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 Freedom Life Insurance Company of America (NAIC #62324) (hereinafter “Freedom Life”), relating to the market conduct investigation no. 341415, 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 Freedom Life and the Division having agreed to the Stipulation, the Director does hereby approve and agree to the Stipulation.

IT IS FURTHER ORDERED that Freedom Life 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 Freedom Life shall pay, and the Department of Commerce and Insurance, State of Missouri, shall accept, the Voluntary Forfeiture of \$3,000.00, 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 15th day of January, 2021.



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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 FREEDOM LIFE INSURANCE) **Market Conduct Investigation No. 341415**
 COMPANY OF AMERICA)
 (NAIC #62324))

STIPULATION OF SETTLEMENT AND VOLUNTARY FORFEITURE

It is hereby stipulated and agreed by the Division of Insurance Market Regulation (hereinafter, the "Division"), and Freedom Life Insurance Company of America (NAIC #62324) (hereinafter "Freedom Life"), 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, Freedom Life has been granted a certificate of authority to transact the business of insurance in the State of Missouri;

WHEREAS, the Division conducted a market conduct investigation of Freedom Life, investigation no. 341415; and

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

1. Freedom Life used forms which have not been filed and approved by the Department in violation of 20 CSR 100-9.100, and specifically that it used questionnaires and an internal verification call script, which is a script for a call that is conducted after an application for insurance has been submitted to the Company, as part of its underwriting process, without first filing the same

with the Division.

2. Freedom Life did not fully and accurately disclose to the Department the use of verification transcripts and call recordings, the type of information contained on the recordings and the use made of such information in violation of §374.210.1 (2)¹.

WHEREAS, Freedom Life denies these allegations, and contends that the internal verification call script is not a form of insurance, and hence is not required to be filed with the Division.

WHEREAS, the Division and Freedom Life 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.** Without admitting liability or fault, and in order to bring resolution to the disputed factual and legal allegations, Freedom Life agrees to take remedial action to ensure full compliance with the statutes and regulations of Missouri and agrees to maintain those remedial actions at all times. Such remedial actions shall include, but are not limited to, the following:

1. Freedom Life agrees that it will file with the Department all forms and documents, as defined in 20 CSR 100-9.100 (2) (J) and (2) (G), utilized to enroll Missouri residents in coverage including, but not limited to, internal verification call scripts and questionnaires that are used in the underwriting process.

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

2. Freedom Life asserts that when providing information to the Department, it has fully responded to the Department's inquiries. Freedom Life agrees that going forward it will likewise provide complete and accurate responses to the Department's inquiries.

C. **Compliance.** Freedom Life 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 to implement compliance with the terms of this Stipulation.

D. **Voluntary Forfeiture.** Freedom Life agrees, voluntarily and knowingly, to contribute the sum of \$3,000 as a forfeiture, such sum payable to the Missouri State School Fund, in accordance with §374.049.11 and §374.280.2.

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

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

G. **Waivers.** Freedom Life, 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. 341415.

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

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 Freedom Life 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 by facsimile or by 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.

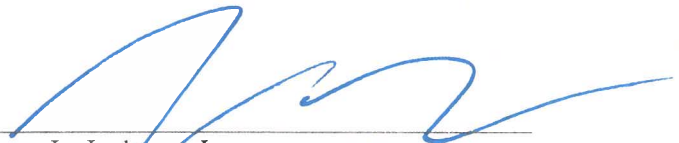
M. **Request for an Order.** The signatories below request that the Director issue an Order approving this Stipulation and ordering the relief agreed to in the Stipulation, and consent to the issuance of such Order.

DATED: 1-7-2021



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

DATED: 1-6-21



James L. Jackson, Jr.
Senior Associate General Counsel
Freedom Life Insurance Company of America