

IT IS FURTHER ORDERED that GTLIC shall pay, and the Department of Commerce and Insurance, State of Missouri, shall accept, the Voluntary Forfeiture of \$1,500.00, 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 2nd day of June, 2021.



Chlora Lindley-Myers

Chlora Lindley-Myers
Director

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

In Re:)
)
GUARANTEE TRUST LIFE) **Market Conduct Investigation**
INSURANCE COMPANY (NAIC #64211)) **No. 347220**

STIPULATION OF SETTLEMENT AND VOLUNTARY FORFEITURE

It is hereby stipulated and agreed by the Division of Insurance Market Regulation (hereinafter “the Division”) and Guarantee Trust Life Insurance Company (NAIC # 64211) (hereinafter GTLIC”), 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, GTLIC 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 GTLIC, investigation #347220; and

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

1. GTLIC omitted to disclose to policyholders their right to elect to continue coverage under their existing contracts in violation of §375.936 (6) (a)¹ and §375.934.
2. GTLIC misinformed policyholders that in order to maintain coverage they would

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

have to rewrite their existing policies to individual contracts in violation of §375.936 (6) (f) and §375.934.

WHEREAS, the Division and GTLIC 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.** GTLIC agrees to take remedial action to assure compliance with the statutes and regulations of Missouri and agrees to maintain such remedial actions at all times, to reasonably ensure that the allegations noted in the market conduct investigation and in this Stipulation do not occur in the future. Such remedial actions shall consist of the following:

1. GTLIC agrees to amend policy form G0330, and any similar forms for family plans that contain a Return of Premium (ROP) Rider, and the ROP Rider itself, to eliminate any ambiguity as to the premium amount a surviving spouse is required to pay in order to continue coverage under the policy upon the death of the deceased spouse. GTLIC shall make such filing through the System for Electronic Rate and Form Filing (“SERFF”) and include a statement indicating that as a result of a Missouri market conduct investigation this filing is being made.

2. GTLIC agrees to fully inform primary insureds of their options under policy form G0330 upon the death of their dependent spouse. Such options will include the right of the primary insureds to continue their existing Family Plan policy and premium amount in order to retain the original ROP rider benefit maturity date. Alternatively, the primary insureds will have the option

to reduce their premium by converting to an Individual Plan policy, whereby the calculation of the ROP benefit rider maturity date will extend from the effective date of the new Individual Plan policy.

3. GTLIC agrees to fully inform dependent spouses of their options under policy form G0330 upon the death of the primary insured and to correct any internal programming issues that prevent a dependent spouse from continuing Family Plan coverage under the continuation of insurance provision of the policy and the rider to the policy. Such options will include the right of the dependent spouse to continue their existing Family Plan policy and premium amount in order to retain the original ROP rider benefit maturity date. Alternatively, the dependent spouses will have the option to reduce their premium by converting to an Individual Plan policy, whereby the calculation of the ROP benefit rider maturity date will extend from the effective date of the new Individual Plan policy.

4. GTLIC agrees to review all policies with a ROP rider benefit which were converted at any time since 2015 to determine if the conversion was appropriately processed under the terms of the policy or if the policy should have continued based on the policy's continuation of coverage provision. If the policy should have continued based on the continuation of coverage provision, GTLIC will:

- a. Communicate to policyholders that they had the right to continue Family Plan coverage under their previous policy with the original effective date;
- b. Offer policyholders the option to reinstate the previous Family Plan policy. However, allow premium to be paid at their current Individual Plan rate. This would return the ROP rider back to its maturity date under the original policy effective date.

- c. Issue any payment owed to the insured under the ROP rider benefit, less any claims, if the insured chooses to reinstate the previous Family Plan policy.

5. GTLIC agrees to review all policies with a ROP rider benefit which were converted at any time since 2015 in which the primary insured was requesting the removal of a deceased spouse. For all such policies, GTLIC will:

- a. Communicate to policyholders that they had a right to continue coverage under their previous Family Plan policy with the original effective date.
- b. Offer policyholders the option to reinstate the previous Family Plan policy. However, allow premium to be paid at their current Individual Plan rate. This would return the ROP rider back to its maturity date under the original policy effective date.
- c. Issue any payment owed to the insured under the ROP rider benefit, less any claims, if the insured chooses to reinstate the previous Family Plan policy.

C. **Compliance.** GTLIC agrees to file documentation with the Division, in a format acceptable to the Division, within 120 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. **Ongoing Investigation.** GTLIC agrees to pay any reasonable investigation fees expended by the Division in conducting its review of the documentation provided by GTLIC pursuant to Paragraph C of this Stipulation.

E. **Voluntary Forfeiture.** GTLIC agrees, voluntarily and knowingly, to surrender and forfeit the sum of \$1,500.00 such sum payable to the Missouri State School Fund, in accordance with §374.049.11 and §374.280.2.

F. **Non-Admission.** GTLIC does not admit any fault as part of entering into this Stipulation. Nothing in this Stipulation shall be construed as an admission by GTLIC, 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.** GTLIC, 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 above-referenced market conduct investigation.

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

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 GTLIC 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 become effective only upon entry of a Final Order by the Director approving this Stipulation.

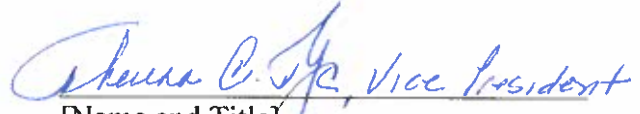
M. **Request for an Order.** The signatories below request that the Director issue an Order approving this Stipulation and ordering the relief agreed to in the Stipulation, and consent to the issuance of such Order.

DATED: 5/17/2021



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

DATED: May 13, 2021



[Name and Title]
Guarantee Trust Life Insurance Company