



DEPARTMENT OF COMMERCE & INSURANCE

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

In Re:)
)
Globe Life and Accident Insurance Company) Market Conduct Investigation No. 359083
(NAIC #91472))

ORDER OF THE DIRECTOR

NOW, on this 24th day of May, 2023, 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 Globe Life and Accident Insurance Company (NAIC #91472) (hereinafter “Globe”), relating to the market conduct investigation no. 359083, 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 Globe and the Division having agreed to the Stipulation, the Director does hereby approve and agree to the Stipulation.

IT IS FURTHER ORDERED that Globe 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.

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

IT IS FURTHER ORDERED that Globe shall pay, and the Department of Commerce and Insurance, State of Missouri, shall accept, the Voluntary Forfeiture of \$9,500.00, 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 24th day of MAY, 2023.



Chlora Lindley Myers
Chlora Lindley-Myers
Director

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

In Re:)
)
Globe Life And Accident Insurance Company) Market Conduct Investigation No. 359083
(NAIC #91472))

STIPULATION OF SETTLEMENT AND VOLUNTARY FORFEITURE

It is hereby stipulated and agreed by the Division of Insurance Market Regulation (hereinafter the “Division”), and Globe Life And Accident Insurance Company (NAIC #91472) (hereinafter “Globe”), 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, Globe 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 Globe, investigation no. 359083; and

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

1. In 5 instances,¹ Globe failed to sufficiently investigate or decide claims after receiving completed proof of loss statements in violation of sections 375.1005(2) and 375.1007(3) and (7) RSMo.²

¹ Globe provided a listing of all contestable death claims received between January 1, 2018, and December 31, 2020, in connection with Missouri life insurance policies. From the list, the examiners selected 18 claim files to review. These alleged errors were found in 5 of the 18 claim files reviewed by the examiner.

² All statutory references, unless otherwise noted, are to the 2016 Revised Statutes of Missouri.

2. In 2 instances,³ Globe offered life insurance claimants the option to rescind life insurance contracts in violation of sections 375.445.1(2), 375.934(2), 375.936(13), 375.1005(2), and 375.1007(3).

3. In 4 instances,⁴ Globe failed to send notice every 45 days to advise claimants that it needed more time to investigate the claim and the reason why more time was needed in violation of sections 375.1005(2) and 375.1007(3) and 20 CSR 100-1.050(1)(C).

4. Globe generally permitted its third party medical records collection vendor to delete certain written claim communication to medical providers after 30 days in violation of 20 CSR 100-8.040(2) and (3)(B).

5. In 1 instance, Globe provided incomplete or inaccurate information to the Department in connection with a market conduct investigation in violation of section 374.210.1(2), though the Department does not allege that Globe intentionally or knowingly provided false information.

WHEREAS, Globe denies each of these allegations;

WHEREAS, the Division and Globe 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.

³ The examiner requested that Globe provide call records for the claim files referenced in footnote 1. The Division alleges that a Globe representative offered rescission in 2 of the claims.

⁴ This alleged error was found in 4 of the 18 claim files referenced in footnote 1 reviewed by the examiner.

B. Remedial Action. Globe agrees to take remedial action in compliance with the statutes and regulations of Missouri and agrees to maintain those remedial actions at all times with respect to Missouri life insurance policies. Such remedial actions shall include the following:

1. Globe agrees to render a decision to either affirm or deny coverage of claims within a reasonable time after proof of loss statements have been completed and communicated to Globe in compliance with sections 375.1005(2) and 375.1007(3) and (7). As used herein, “proof of loss statements” means a written Proofs of Death – Claimant’s Statement and a death certificate (which must be certified if the face amount is \$15,000 or higher), or any other substantiated written showing or evidence that contains the same information as would be included in a death certificate.

2. Globe agrees that if more time is needed to determine whether a claim should be accepted or denied after the submission of all forms necessary to establish the nature and extent of any claim, Globe shall notify the first-party claimant as required by 20 CSR 100-1.050(1)(C). Globe further agrees that if the investigation remains incomplete, Globe, within 45 days from the date of the initial notification and within every 45 days after, shall send the claimant a letter setting forth the reasons additional time is needed for investigation as required by 20 CSR 100-1.050(1)(C).

3. Globe agrees to cease the suspension of claims where all forms necessary to establish the nature and extent of any claim have been completed and communicated to Globe. If a claim is suspended because the claimant fails to provide such forms, Globe agrees to notify the claimant of the suspension.

4. Globe agrees to conduct a review of all claims under Missouri life insurance policies which have been suspended on or after January 1, 2018 to determine if Globe has received proof of loss statements but may have been unable to obtain, from the claimant, information about the deceased insured’s medical history. If Globe has received proof of loss statements, Globe agrees

to unsuspend the claim, provide notification to the claimant, continue its investigation if appropriate, and render a decision based on accessible and available information to either affirm or deny coverage. Documentation of this review will be provided to the Division. If Globe decides to affirm coverage, Globe shall issue payment to the appropriate party(ies), under the policy, and pay interest in accordance with 20 CSR 100-1.050(1)(H).

5. Globe agrees not to offer mutual rescission of a life insurance contract unless (1) Globe has completed its investigation and determined that a material misrepresentation was made in obtaining or securing a policy of life insurance, per section 376.580; and (2) the beneficiary or claimant is also the owner of the life insurance contract. Nothing in this paragraph shall affect Globe's right to unilaterally rescind insurance policies following its claims determination of a material misrepresentation made in obtaining or securing a policy of life insurance, per section 376.580. Nothing in this paragraph shall affect Globe's right to accept a request for mutual rescission initiated by the owner of a life insurance contract.

6. Globe agrees to maintain all written claim communication, including communication to or from its third party vendors related to the handling of a life insurance claim, for the calendar year in which the claim is closed plus three years, pursuant to 20 CSR 100-8.040(3)(B)1. Globe further agrees to issue a bulletin to its third party vendors advising them that all written communication related to the handling of a life insurance claim shall be maintained in the claim file pursuant to 20 CSR 100-8.040(3)(B)1.

7. Globe agrees it will provide complete and accurate information to the Department in response to future inquiries, investigations, or examinations.

C. Compliance. Globe agrees to file documentation pursuant to section 374.190 with the Division, in a format acceptable to the Division, within 120 days of the entry of an Order approving

this Stipulation, of any remedial action taken to implement compliance with the terms of this Stipulation or to document the payment of restitution required by this Stipulation.

D. Scope of Settlement. This Stipulation serves as full and final settlement of the issues addressed in the Market Conduct Investigation no. 359083. The Division agrees that, if Globe fully complies in all respects with this Stipulation, the Division will not bring any further action or seek any other forfeiture, penalty, or other relief against Globe in connection with this Investigation no. 359083, either individually or in concert with any other Department of Insurance, except as agreed to in this Stipulation. Nothing in this Stipulation shall be construed as limiting the Division or the Department from enforcing this Stipulation or an Order entered by the Director of the Department.

E. Forfeiture. Globe agrees, voluntarily and knowingly, and without any admission of liability or wrongdoing, to surrender and forfeit the sum of \$9,500, such sum payable to the Missouri State School Fund, in accordance with sections 374.049.11 and 374.280.2.

F. Non-Admission. Nothing in this Stipulation shall be construed as an admission by Globe, 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. Globe, after being advised by legal counsel, does hereby voluntarily and knowingly waive any and all rights to 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. 359083.

H. Amendments. No amendments to this Stipulation shall be effective unless made in writing and agreed to by authorized representatives of the Division and Globe.

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 Globe, respectively.

K. Confidentiality. This investigation, including the Investigation Findings and all work papers and communications, will be maintained as confidential pursuant to Missouri law, including section 374.071 RSMo, and the records will remain closed pursuant to 20 CSR 10-2.400(3), unless opened by court order. This Stipulation, and any Order issued by the Director of the Department in connection with this Stipulation, shall be public records.

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 electronically transmitted signature shall be fully and legally effective and binding.

M. Effect of Stipulation. This Stipulation shall not become effective until entry of an Order by the Director of the Department (hereinafter "Director") approving this Stipulation.

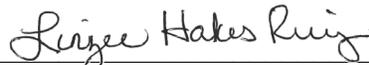
N. Request for an Order. The signatories below request that the Director issue an Order approving this Stipulation and ordering the relief agreed to in the Stipulation, and consent to the issuance of such Order.

DATED: May 5, 2023



Teresa Kroll
Chief Market Conduct Examiner
Division of Insurance Market Regulation

DATED: April 28, 2023



Linzee Hakes Ruiz
Vice President, Chief Compliance Officer
Globe Life And Accident Insurance Company