

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

In Re:)
)
 INDIVIDUAL ASSURANCE COMPANY) **Market Conduct Investigation**
 LIFE, HEALTH and ACCIDENT) **No. 238571**
 (NAIC #81779))

ORDER OF THE DIRECTOR

NOW, on this 13th day of November, 2019, Director, Chlora Lindley-Myers, after consideration and review of the Stipulation of Settlement (hereinafter “Stipulation”) entered into by the Division of Insurance Market Regulation (hereinafter “Division”), and Individual Assurance Company Life, Health and Accident (NAIC #81779) (hereinafter “IAC”), 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 IAC and the Division having agreed to the Stipulation, the Director does hereby approve and agree to the Stipulation.

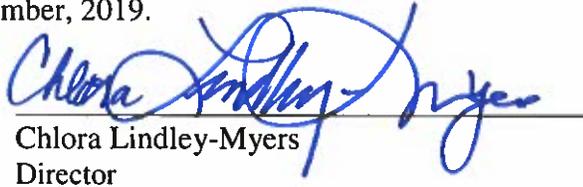
IT IS FURTHER ORDERED that IAC shall not engage in any of the violations of law and regulations set forth in the Stipulation, shall implement procedures to place it in full compliance with the requirements in the Stipulation and the statutes and regulations of the State of Missouri, and to maintain those corrective actions at all times, and shall fully comply with all terms of the Stipulation.

IT IS FURTHER ORDERED that IAC shall pay, and the Department of Commerce and Insurance, State of Missouri, shall accept, the Voluntary Forfeiture of \$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 13th day of November, 2019.




Chlora Lindley-Myers
Director

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

**IN THE DEPARTMENT OF COMMERCE AND INSURANCE
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In Re:)
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INDIVIDUAL ASSURANCE COMPANY) Market Conduct Investigation No. 238571
LIFE, HEALTH and ACCIDENT)
(NAIC #81779))

STIPULATION OF SETTLEMENT

It is hereby stipulated and agreed by the Division of Insurance Market Regulation (hereinafter, the "Division"), and Individual Assurance Company, Life, Health and Accident (NAIC #81779) (hereinafter "IAC"), 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, IAC 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 IAC, Investigation No. 238571;

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

1. IAC applied higher tobacco rates to eight Missouri Medicare Supplement policyholders during the open enrollment or guaranteed issue period in violation of §375.936 (11) (b)¹ and §375.934.

WHEREAS, the Division and IAC have agreed to resolve the issues raised in the Market

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

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.** IAC 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. IAC agrees to issue interest on refunds IAC made to the eight impacted policyholders. Interest will be calculated from the date the incorrect premium amount was charged to the date the refund was issued. The rate of interest will be calculated pursuant to §374.191 RSMo. Supp. 2017.

2. IAC agrees to provide documentation to the Division that the refund for policyholder 3983976 was received by the policyholder's next of kin, estate or was escheated.

3. IAC agrees not to unfairly discriminate in the premium charged or rates applied to Medicare Supplement policyholders of the same class and essentially the same hazard and to develop and adopt written policies and procedures to ensure that individuals of the same class and essentially the same hazard are charged the same premium for Medicare Supplement coverage. .

C. **Compliance.** IAC 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. Such documentation is provided pursuant to §374.205.

D. **Voluntary Forfeiture.** IAC agrees, voluntarily and knowingly, to surrender and forfeit the sum of \$500 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 IAC, other than those agreed to in this Stipulation, in connection with Market Conduct Investigation No. 238571.

F. **Non-Admission.** Nothing in this Stipulation shall be construed as an admission by IAC, 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.** IAC, 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. 238571.

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

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 IAC respectively.

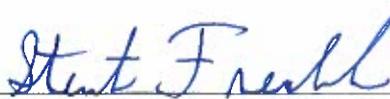
K. **Counterparts.** This Stipulation may be executed in multiple counterparts, each of which shall be deemed an original and all of which taken together shall constitute a single document. Execution by facsimile or by electronically transmitted signature shall be fully and legally effective

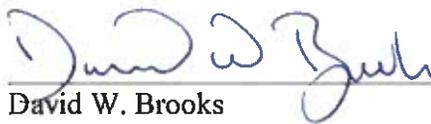
and binding.

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: 11/12/2019 
Angela L. Nelson, Director
Division of Insurance Market Regulation

DATED: 11/12/2019 
Stewart Freilich
Chief Market Conduct Examiner and Senior Counsel
Division of Insurance Market Regulation

DATED: 10/30/2019 
David W. Brooks
President
Individual Assurance Company,
Life, Health and Accident