



**DEPARTMENT OF COMMERCE & INSURANCE**

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

*In Re:* )  
 )  
MANHATTANLIFE ASSURANCE ) Market Conduct Investigation No. 346800  
COMPANY OF AMERICA (NAIC #61883) )

**ORDER OF THE DIRECTOR**

NOW, on this 11<sup>th</sup> day of March, 2022, 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 ManhattanLife Assurance Company of America (NAIC #61883) (hereinafter “ManhattanLife”), relating to the market conduct investigation no. 346800, does hereby issue the following orders:

This order, issued pursuant to §374.046.15<sup>1</sup> and §374.280 is in the public interest.

**IT IS THEREFORE ORDERED** that ManhattanLife and the Division having agreed to the Stipulation, the Director does hereby approve and agree to the Stipulation.

**IT IS FURTHER ORDERED** that ManhattanLife 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.

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<sup>1</sup> All references, unless otherwise noted, are to Revised Statutes of Missouri 2016.

**IT IS FURTHER ORDERED** that ManhattanLife shall pay, and the Department of Commerce and Insurance, State of Missouri, shall accept, the Voluntary Forfeiture of \$4,250.00, 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 14<sup>th</sup> day of March, 2022.



*Chlora Lindley Myers*

Chlora Lindley-Myers, Director  
Missouri Department of Commerce and Insurance

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

*In Re:* )  
 )  
MANHATTANLIFE ASSURANCE ) **Market Conduct Investigation No. 346800**  
COMPANY OF AMERICA (NAIC #61883) )

**STIPULATION OF SETTLEMENT AND VOLUNTARY FORFEITURE**

It is hereby stipulated and agreed by the Division of Insurance Market Regulation (hereinafter the “Division”), and ManhattanLife Assurance Company of America (NAIC #61883) (hereinafter “ManhattanLife”), 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**, the Department issued ManhattanLife a certificate of authority to transact the business of insurance in the State of Missouri;

**WHEREAS**, the Division conducted a market conduct investigation of ManhattanLife, investigation no. 346800; and

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

1. ManhattanLife utilized unfiled rates for its excepted health benefit plans in violation of §376.465.5<sup>1</sup> and 20 CSR 100-9.100(3).
2. ManhattanLife incorrectly charged policyholders different rates in rates charged for plans issued under policy form AFC18-MO in violation of §§375.936(11)(b) and 375.934.
3. ManhattanLife distributed contracts with incorrect benefit information regarding the

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

surgical maximum benefit in violation of §§375.936(6)(a) and 375.934.

4. ManhattanLife provided marketing materials to Apex Management Group and US Insurance Solutions, who were not licensed in the state Missouri, which were used to solicit insurance in the state of Missouri in violation of §375.145.1, §375.076, and 375.014.

5. ManhattanLife used two unlicensed and unappointed producers for less than one month to solicit applications the AFC18-MO policy form in violation of §375.022.1 and 20 CSR 700-1.130(1)(A).

**WHEREAS**, the Division and ManhattanLife 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.** ManhattanLife agrees to take remedial action bringing it into compliance with the statutes and regulations of Missouri and agrees to maintain those remedial actions at all times, to reasonably ensure that the errors noted in the market conduct investigation and in this Stipulation do not recur. Such remedial actions shall consist of the following:

1. ManhattanLife agrees to timely file rates in accordance with §376.465 and to only implement rates after said rates have been filed with the Department in accordance with the provisions of §376.465.

2. ManhattanLife agrees that it will only deliver, issue for delivery, continue or renew health benefit plans in the State of Missouri if rates are filed in accordance with §376.465.

3. ManhattanLife agrees, to the extent it has not already done so, to provide a refund of

the excess premium charged, plus interest in accordance with §374.191, for the ground/air ambulance benefit for all terminated and existing policyholders who were issued Classic, Classic Plus, Elite and Elite Plus plans under policy form AFC18-MO. ManhattanLife shall include a letter with the payments stating that “as a result of a Missouri market conduct investigation, a refund was found to be payable.”

4. ManhattanLife agrees, to the extent it has not already done so, to provide a refund of the excess premium charged, plus interest in accordance with §374.191, for the Ambulatory/OP Facility benefit for all terminated and existing policyholders who were issued Elite and Elite Plus plans under policy form AFC18-MO. ManhattanLife shall include a letter with the payments stating that “as a result of a Missouri market conduct investigation, a refund was found to be payable.”

5. ManhattanLife agrees that at renewal of any active policy with Classic Plus, Elite or Elite Plus plans that were issued between April 2019 and July 2019 using generic rates, ManhattanLife will update the rates with the current rates and rate chart MO\_AFC18Rates\_2019 filed under System for Electronic Rate and Form Filing (hereinafter “SERFF”) CEUL-131712985. ManhattanLife shall send a letter to each policyholder explaining the rate increase.

6. ManhattanLife agrees to issue an amendment to policy form AFC18-MO’s Elite Plus plan providing correct Surgical Benefit Max Benefit amounts. Said filing shall be submitted through SERFF within 60 days from the date of the Order approving this Stipulation. The SERFF filing will include a statement indicating that “as a result of a Missouri market conduct investigation, the attached amendment is being filed with the Department.” Upon approval of the amendment by the Department, ManhattanLife further agrees to issue a copy of the amendment to all existing Elite Plus policyholders within 30 days of the date the Department approves the amendment.

7. ManhattanLife agrees to remediate the Surgical Benefit Max Benefit amount for policy form AFC18-MO’s Classic policyholders by allowing the policyholders to keep their current

Classic plan at the current rates while continuing to receive coverage of \$50,000 in Surgical Benefit Maximum Benefit.

8. To the extent not already performed, ManhattanLife agrees to conduct a claims audit for all terminated and existing Classic and Elite Plus policyholders to ascertain if any claims were denied or had claim payments reduced due to the incorrect benefit amount being listed in the contract. Benefits should be paid to these insureds at the rate represented in their policies (e.g. Surgical Benefit Maximum of \$75,000 for Elite Plus and \$50,000 for Classic).

9. ManhattanLife agrees to provide interest at the rate of 5% for years 2019 and 2020 and at the rate of 3% for 2021 compounded annually for all Classic plan policyholders who were previously provided a refund for overcharged premium. ManhattanLife shall include a letter with the payments stating that “as a result of a Missouri market conduct investigation, a refund was found to be payable.”

10. ManhattanLife agrees to cease marketing products to Missouri consumers through unlicensed business entity producers.

11. ManhattanLife agrees to put policies and procedures in place to ensure a producer or business entity producer is licensed and appointed before allowing the producer to solicit, negotiate or sell ManhattanLife products to Missouri residents or groups.

C. **Compliance.** ManhattanLife agrees to file documentation pursuant to §374.190 with the Division, in a format acceptable to the Division, within 90 days of the entry of an Order of any remedial action taken pursuant to implement compliance with the terms of this Stipulation or to document the payment of restitution required by this Stipulation. Such documentation shall include information on all premium refunds provided by the Company during the investigation or as part of this Stipulation, including but not limited to the policy number, policyholder, plan, amount of refund, interest, rate of interest utilized, and correspondence sent to the policyholder.

D. **Voluntary Forfeiture.** ManhattanLife agrees, voluntarily and knowingly, to surrender and forfeit the sum of \$4,250 such sum payable to the Missouri State School Fund, in accordance with §374.049.11 and §374.280.2.

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

F. **Waivers.** ManhattanLife, 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. 346800.

G. **Amendments.** No amendments to this Stipulation shall be effective unless made in writing and agreed to by representatives of the Division and ManhattanLife.

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

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

J. **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.

K. **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.

L. **Request for an Order.** The signatories below request that the Director issue an Order approving this Stipulation and order the relief agreed to in the Stipulation, and consent to the

issuance of such Order.

DATED: February 23, 2022



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Teresa Kroll  
Chief Market Conduct Examiner  
Division of Insurance Market Regulation

DATED: Feb 18, 2022



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Lee Ann Blakey, Chief of Staff  
ManhattanLife Assurance Company of America