

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

In Re:)
)
SUN LIFE ASSURANCE COMPANY) **Market Conduct Investigation No. 338882**
OF CANADA (NAIC #80802))

ORDER OF THE DIRECTOR

NOW, on this 12th 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 Sun Life Assurance Company of Canada (NAIC #80802) (hereinafter “Sun Life”), relating to the market conduct investigation no. 338882, 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 Sun Life and the Division having agreed to the Stipulation, the Director does hereby approve and agree to the Stipulation.

IT IS FURTHER ORDERED that Sun 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 Sun Life shall pay, and the Department of Commerce and Insurance, State of Missouri, shall accept, the Voluntary Forfeiture of \$2,000.00, 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 12th 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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In Re:)
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SUN LIFE ASSURANCE COMPANY) **Market Conduct Investigation No. 338882**
OF CANADA (NAIC #80802))

STIPULATION OF SETTLEMENT AND VOLUNTARY FORFEITURE

It is hereby stipulated and agreed by the Division of Insurance Market Regulation (hereinafter, the “Division”), and Sun Life Assurance Company of Canada (NAIC #80802) (hereinafter “Sun 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, Sun 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 Sun Life, investigation no. 338882; and

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

1. Sun Life failed to renew group LTD and STD coverage with guaranteed renewable policy language after representing it would do so in violation of §375.144¹.
2. Sun Life used forms which were not filed and approved by the Department in

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violation of 20 CSR 400-8.200 (1), 20 CSR 400-8.200 (2) (A), 20 CSR 400-8.200 (2) (C), 20 CSR 400-8.200 (3) (A) (rescinded September 30, 2019) and 20 CSR 100-9.100.

WHEREAS, the Division and Sun 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.** Sun Life 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. Such remedial actions shall include, but are not limited to, the following:

1. Sun Life agrees that it will cease issuing unfiled versions of policy forms.
2. Sun Life agrees that it will cease using policy form 15-GP-01(ADD) with certificate form 16-DI-C-01 and endorsement form 16-DI-E-01.
3. Sun Life agrees that, for the contracts it represented as guaranteed renewable, it will issue to all impacted policyholders the necessary forms approved by the DCI to align all text with a guaranteed renewable product.
4. Sun Life agrees that if Sun Life terminated coverage for any Missouri group which should have been offered guaranteed renewable coverage, it will offer to reinstate that group’s coverage.
5. Sun Life agrees that it will replace the unfiled versions of the policy forms issued to inforce Missouri groups and certificate holders with the versions of the policy, certificate and

endorsement forms approved by the DCI.

6. Sun Life agrees to file all necessary form revisions that are required to provide guaranteed renewable forms.

C. **Compliance.** Sun Life agrees to file documentation with the Division, in a format acceptable to the Division, detailing any remedial action taken to comply with the terms of this Stipulation. The documentation shall be submitted within 90 days of the receipt by Sun Life of the final form approval necessary to instigate the Remedial Action commitments.

D. **Voluntary Forfeiture.** Sun Life agrees, voluntarily and knowingly, to surrender and forfeit the sum of \$2,000 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 Sun 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 Sun 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.** Sun 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. 338882.

H. **Changes.** No changes to this Stipulation shall be effective unless made in writing and agreed to by representatives of the Division and Sun 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 Sun 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 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: 12/16/2020

DocuSigned by:

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Scott M. Davis
Senior Vice President and General Counsel
Sun Life Assurance Company of Canada