



NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES  
REPORT ON MARKET CONDUCT EXAMINATION  
OF THE  
FARM FAMILY LIFE INSURANCE COMPANY

CONDITION:

DECEMBER 31, 2007

DATE OF REPORT:

MARCH 11, 2009

NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES

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OF THE

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EXAMINER:

EDEN M. SUNDERMAN

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NEW YORK STATE  
DEPARTMENT *of*  
FINANCIAL SERVICES

Andrew M. Cuomo  
Governor

Benjamin M. Lawsky  
Superintendent

January 29, 2013

Honorable Benjamin M. Lawsky  
Superintendent of Financial Services  
New York, New York 10004

Sir:

In accordance with instructions contained in Appointment No. 30298, dated April 8, 2013 and annexed hereto, an examination has been made into the condition and affairs of Farm Family Life Insurance Company, hereinafter referred to as “the Company,” at its home office located at 344 Route 9W, Glenmont, New York 12077.

On October 3, 2011, the Insurance Department merged with the Banking Department to create the New York State Department of Financial Services. Wherever “Department” appears in this report, it refers to the New York State Department of Financial Services.

The report indicating the results of this examination is respectfully submitted.

## 1. EXECUTIVE SUMMARY

The material violations and recommendation contained in this report are summarized below:

- The Company violated multiple sections of Department Regulation No. 60 by failing to: examine and ascertain that the Disclosure Statement used in the sale of the proposed policy or annuity contract was accurate and met the requirements of the Insurance Law and this Regulation; reject the application where the forms did not meet the requirements of this Regulation; provide a revised Disclosure Statement where the policy was issued other than as applied for; require its agents to submit a copy of any proposal, including the sales material used in the sale of the proposed life insurance policy or annuity contract and furnish the insurer whose coverage was being replaced with a copy of any proposal, including the sales material used in the sale of the proposed life insurance policy or annuity contract, and the completed Disclosure Statement within ten days of receipt of the application. (See item 4A of this report)
- The examiner recommends that the Company develop and implement an audit plan designed to review, test and monitor compliance with Department Regulation No. 60. Such plan should be approved by the Company's board of directors or its audit committee and the results of audits performed should also be reviewed by the board of directors or its audit committee. (See item 4A of this report)
- The Company violated Section 3209(b)(1)(B) of the New York Insurance Law by failing to provide a policy summary to certain level term policyholders upon delivery of their policy. (See item 4B of this report)
- The Company violated Section 3214(c) of the New York Insurance Law by failing to pay interest on matured endowments during the examination period. (See item 4C of this report)
- The Company violated Section 403(d) of the New York Insurance Law and Section 86.4(a) of Department Regulation No. 95 by using claim forms that failed to contain required fraud warning statements. (See item 4C of this report)

## 2. SCOPE OF EXAMINATION

This examination covers the period from January 1, 2003 through December 31, 2007. As necessary, the examiner reviewed transactions occurring subsequent to December 31, 2007 but prior to the date of this report (i.e., the completion date of the examination).

The examination comprised a review of market conduct activities and utilized the National Association of Insurance Commissioners' Market Regulation Handbook or such other examination procedures, as deemed appropriate, in such review.

The examiner reviewed the corrective actions taken by the Company with respect to the market conduct violation and recommendation contained in the prior report on examination. The results of the examiner's review are contained in item 5 of this report.

This report on examination is confined to comments on matters which involve departure from laws, regulations or rules, or which require explanation or description.

### 3. DESCRIPTION OF COMPANY

#### A. History

The Company was incorporated as a stock life insurance company under the laws of New York State on October 20, 1953, and was licensed and commenced business on January 20, 1954. The Company was formerly sponsored and entirely owned by ten farm bureaus.

On July 26, 1996, pursuant to a Plan of Reorganization and Conversion, Farm Family Mutual Insurance Company, an affiliated property and casualty insurer, converted from a mutual company to a stock company and changed its name to Farm Family Casualty Insurance Company (“FFCIC”). The Company, FFCIC and United Farm Family Insurance Company (“UFFIC”), all domiciled in New York, had common management before the reorganization. Simultaneous with the reorganization and conversion of FFCIC, Farm Family Holdings, Inc. (“FFH”), a holding company organized under the laws of the state of Delaware, was formed to acquire all of the capital stock of FFCIC. In addition, an option purchase agreement was entered into by FFH and the shareholders of the Company, pursuant to which FFH had an option to acquire the Company through an exchange of stock. FFH acquired the Company in 1999.

On April 10, 2001, American National Insurance Company, a Texas domiciled insurance company, acquired FFH. The Farm Family group of companies retained its brand identity and has continued to focus on expanding the delivery of a wide array of financial services in its territory.

Prior to December 2004, the Company owned 100% of the outstanding shares of stock of UFFIC. On December 1, 2004, the Company transferred all of its outstanding shares of UFFIC to FFH in exchange for \$3,435,239.

On August 23, 2007, American National Property and Casualty Holding Company, LLC merged into FFH and FFH changed its name to American National Property & Casualty Holdings, Inc.

## B. Territory and Plan of Operation

The Company is authorized to write life insurance, annuities and accident and health insurance as defined in paragraphs 1, 2 and 3 of Section 1113(a) of the New York Insurance Law.

The Company is licensed to transact business in 12 states. In 2007, 44.1% of life premiums, 38.1% of accident and health premiums, 27.0% of annuity considerations and 83.8% of deposit type funds were received from New York. Policies are written on a participating and non-participating basis.

The Company primarily offers individual life products including, whole life, term life and universal life policies, individual and group annuity contracts, and individual accident and health policies. Single premium life sales increased over the past five years. The Company's individual fixed annuity products, which include single premium deferred annuities, single premium immediate annuities, and a flexible premium deferred annuity product, are offered on a qualified and non-qualified basis. The group annuities are deposit fund type products. The individual accident and health segment is comprised of four guaranteed renewable disability income products. The General Disability Income product is designed to protect the income of wage earners. The Farmers Disability Income product is designed for full-time, self-employed farmers. The Business Owners Policy and Business Overhead Expense Policy are designed for full-time self-employed persons.

The Company's agency operations are conducted on a general agency basis.

#### 4. MARKET CONDUCT ACTIVITIES

The examiner reviewed various elements of the Company's market conduct activities affecting policyholders, claimants, and beneficiaries to determine compliance with applicable statutes and regulations and the operating rules of the Company.

##### A. Advertising and Sales Activities

The examiner reviewed a sample of the Company's advertising files and the sales activities of the agency force including trade practices, solicitation and the replacement of insurance policies.

Section 51.6(b) of Department Regulation No. 60 states, in part:

"Where a replacement has occurred or is likely to occur, the insurer replacing the life insurance policy or annuity contract shall:

(1) Require with or as part of each application a list prepared by the agent or broker representing, to the best of his or her knowledge, all of the existing life insurance policies and annuity contracts proposed to be replaced;

(2) Require with or as part of each application a copy of any proposal, including the sales material used in the sale of the proposed life insurance policy or annuity contract, and proof of receipt by the applicant of the "*IMPORTANT* Notice Regarding Replacement or Change of Life Insurance Policies or Annuity Contracts" and the completed "Disclosure Statement;"

(3) Examine any proposal used, including the sales material used in the sale of the proposed life insurance policy or annuity contract, and the 'Disclosure Statement,' and ascertain that they are accurate and meet the requirements of the Insurance Law and this Part;

(4) Within ten days of receipt of the application furnish to the insurer whose coverage is being replaced a copy of any proposal, including the sales material used in the sale of the proposed life insurance policy or annuity contract, and the completed 'Disclosure Statement' . . .

(7) Where the required forms are not received with the application, or if the forms do not meet the requirements of this Part or are not accurate, within ten days from the date of receipt of the application either have any deficiencies corrected or reject the application and so notify the applicant of such rejection and the reason therefor. In such cases, the insurer shall maintain any material used in the proposed sale, in accordance with the guidelines of Section 51.6(b)(6) herein . . .

(9) In the event the life insurance policy or annuity contract issued differs from the life insurance policy or annuity contract applied for, ensure that the

requirements of this Part are met with respect to the information relating to the life insurance policy or annuity contract as issued, including but not limited to the revised "Disclosure Statement," any revised or additional sales material used and acknowledgement by the applicant of receipt of such revised material. . . ."

Section 51.6(e) of Department Regulation No. 60 states:

"Both the insurer whose life insurance policy or annuity contract is being replaced and the insurer replacing the life insurance policy or annuity contract shall establish and implement procedures to ensure compliance with the requirements of this Part. These procedures shall include a requirement that all material be dated upon receipt. Such insurers shall also designate a principal officer specifically responsible for the monitoring and enforcement of these procedures. All insurers covered under this Part shall furnish the Superintendent of Insurance with these procedures and the name and title of the designated principal officer by the effective date of this Part. Any changes in these procedures or the designated principal officer shall be furnished to the Superintendent of Insurance within thirty days of such change."

Section 243.2(b) of Department Regulation No. 152 states, in part:

"Except as otherwise required by law or regulation, an insurer shall maintain:

(1) A policy record for each insurance contract or policy for six calendar years after the date the policy is no longer in force or until after the filing of the report on examination in which the record was subject to review, whichever is longer. Policy records need not be segregated from the policy records of other states as long as they are maintained in accordance with the provisions of this part. A separate copy need not be maintained in an individual policy record, provided that any data relating to a specific contract or policy can be retrieved pursuant to section 243.3(a) of this Part. A policy record shall include . . .

(iv) other information necessary for reconstructing the solicitation, rating, and underwriting of the contract or policy. . . ."

The examiners reviewed 69 (59 life and 10 annuity) of the 505 New York replacements that were processed during the examination period. The review revealed several instances where the Company violated Department Regulation No. 60.

a) In 19 out of 69 (27.5%) replacement transactions reviewed, the Disclosure Statement did not contain or contained inaccurate: surrender values, death benefit values, disclosure values and/or premium amounts for either the proposed policy and/or the existing policy(ies) or

contract(s). The deficiencies were not identified by the Company and corrected within ten days of receipt of the application and the Company did not reject the application.

In 24 out of 69 (34.8%) replacement transactions reviewed, a copy of the information obtained from the existing insurer(s), necessary to complete the Disclosure Statement, was not maintained in the policy record. This information is necessary in order for the Company to examine and ascertain that Disclosure Statements completed by its agents and submitted with applications during the examination period were accurate. The examiner was unable to determine the accuracy of the information for the existing insurance contained in the Disclosure Statement. Without a copy of the information provided by the existing insurer, it is unlikely that the Company was able to determine the accuracy of the information reported on the Disclosure Statement for the existing policy(ies) or contract(s).

In 35 out of 69 (50.7%) replacement transactions reviewed, a copy of the sales material, basic illustration or sales proposal used to complete the Disclosure Statement was not submitted with the application or maintained in the policy record. The examiner was unable to determine the accuracy of the information for the proposed insurance contained in the Disclosure Statement. Without a copy of the information used by the agent to complete the information reported in the Disclosure Statement, neither the examiner nor the Company would be able to determine that the information provided to the applicant is accurate.

The Company violated Section 51.6(b)(3) of Department Regulation No. 60 by failing to examine and ascertain that the Disclosure Statement used in the sale of the proposed Company policy or annuity contract was accurate and met the requirements of the Insurance Law and Department Regulation No. 60.

The Company violated Section 243.2(b)(1)(iv) of Department Regulation No. 152 by failing to maintain a copy of the information used to complete the Disclosure Statement.

The Company violated Section 51.6(b)(2) of Department Regulation No. 60 by failing to require its agents to submit a copy of any proposal, including the sales material used in the sale of the proposed life insurance policy or annuity contract.

b) During a walkthrough of incoming replacement processing, the examiners interviewed a number of Company personnel, including senior management. When asked, individuals in the new business department and the underwriting department could not identify which department was responsible for ensuring that the proposed insured received a revised Disclosure Statement

in situations where the policy is issued other than as applied for. The examiner's findings with regard to replacement transactions processed during the examination period are indicative of a general lack of monitoring and enforcement controls and specifically a breakdown in control procedures with regard to providing a revised Disclosure Statement when it was warranted.

In 18 out of 58 (31.03%) life insurance replacement transactions reviewed, the Company failed to provide a revised Disclosure Statement to the applicant when the policy was issued other than as applied for.

The Company violated Section 51.6(b)(9) of Department Regulation No. 60 by failing to provide a revised Disclosure Statement in situations where the life insurance policy or annuity contract issued differed from the life insurance policy or annuity contract applied for.

c) In 17 out of 69 (24.6%) replacement transactions reviewed, the agent failed to obtain and present to the applicant on or before the date that the application was taken one or more of the following required documents: 1) the "IMPORTANT Notice Regarding Replacement or Change of Life Insurance Policies or Annuity Contracts" ("Important Notice") 2) a completed Disclosure Statement signed by the applicant and the agent; or 3) a completed Definition of Replacement form. Evidence maintained in the policy record indicates that the agent obtained one or more of these required replacement forms after the application was taken, after the application was submitted to the home office, or the forms were missing from the policy record altogether.

The Company violated Section 51.6(b)(7) of Department Regulation No. 60 by failing to reject the application when the required forms were not received or the forms did not meet the requirements of Department Regulation No. 60.

d) In 35 out of 69 (50.7%) replacement transactions reviewed, a copy of the agent authorization form was not maintained in the policy record.

The Company violated Section 243.2(b) of Department Regulation No. 152 by failing to maintain the agent authorization form as part of the policy record.

e) In 11 out of 54 (20.4%) external replacement transactions reviewed, the Company took longer than ten days from receipt of the application to furnish the insurer whose coverage was being replaced with a copy of the proposal, including sales material used in the sale of the proposed life insurance policy or annuity contract, and the completed Disclosure Statement. In

10 of the 54 (18.5%) external replacement transactions reviewed, the examiner was unable to locate a copy of the notification letter in the file.

The Company violated Section 51.6(b)(4) of Department Regulation No. 60 by failing to furnish the insurer whose coverage was being replaced with a copy of any proposal, including the sales material used in the sale of the proposed life insurance policy or annuity contract, and the completed Disclosure Statement within ten days of receipt of the application.

f) The review of replacement transactions processed during the examination period revealed that the Company does not have a mechanism in place to date all materials upon receipt as required by Section 51.6(e) of Department Regulation No. 60, specifically the required replacement forms. The Company's procedure is to physically hand write the date that the application is received on the signature page upon receipt at the home office. If required replacement forms are not submitted with the application or if required replacement forms are incomplete or inaccurate, the Company does not date stamp the replacement form upon receipt at the home office.

The Company violated Section 51.6(e) of Department Regulation No. 60 by failing to date all material upon receipt, including the required Definition of Replacement, Disclosure Statement, Important Notice, and illustrations used at the point of sale for the proposed policy.

The examiner recommends that the Company develop and implement an audit plan designed to review, test and monitor compliance with Department Regulation No. 60. Such plan should be approved by the Company's board of directors or its audit committee and the results of audits performed should also be reviewed by the board of directors or its audit committee.

Section 2112(d) of the New York Insurance Law states, in part:

“Every insurer . . . insurance producer or the authorized representative of the insurer, or insurance producer doing business in this state shall, upon termination of the certificate of appointment . . . of any insurance agent licensed in this state, or upon termination for cause of the certificate of appointment, of employment, of a contract or other insurance business relationship with any insurance producer, file with the superintendent within thirty days a statement, in such form as the superintendent may prescribe, of the facts relative to such termination for cause . . .”

The examiner selected 19 agents whose appointments with the Company were terminated during the examination period according to the NAIC database. In 8 of the 19 (42.1%) cases, the

Company terminated the appointment of the agent or agency, but did not notify the superintendent within thirty days of such termination.

The Company violated Section 2112(d) of the New York Insurance Law by failing to file notice of the termination of all certificates of appointment, within thirty days of such termination, with the Superintendent.

#### B. Underwriting and Policy Forms

The examiner reviewed a sample of new underwriting files, both issued and declined, and the applicable policy forms.

Section 3209(b)(1) of the New York Insurance Law states, in part:

“No policy of life insurance shall be delivered or issued for delivery in this state . . . unless the prospective purchaser has been provided with the following . . .  
(B) a policy summary upon delivery of the policy. . . .”

The examiner requested specimen copies of preliminary information and policy summary documents provided to level term applicants and policyholders during the examination period. In response to this request, the Company advised the examiner that 484 “Level Term” policyholders did not receive a policy summary upon delivery of their policy.

The Company violated Section 3209(b)(1)(B) of the New York Insurance Law by failing to provide a policy summary to certain level term policyholders upon delivery of their policy.

#### C. Treatment of Policyholders

The examiner reviewed a sample of various types of claims, surrenders, changes and lapses. The examiner also reviewed the various controls involved, checked the accuracy of the computations and traced the accounting data to the books of account.

Section 3214(c) of the New York Insurance Law states, in part:

“If no action has been commenced, interest upon the principal sum paid to the beneficiary or policyholder shall be computed daily at the rate of interest currently paid by the insurer on proceeds left under the interest settlement option . . . from the date of maturity of an endowment contract to the date of payment and shall be added to and be a part of the total sum paid.”

The examiner reviewed eight matured endowment contracts that matured during the examination period where the owner elected to receive a lump sum payment. The Company failed to pay interest in six of the eight matured endowment cases reviewed.

The Company violated Section 3214(c) of the New York Insurance Law by failing to pay interest on matured endowments during the examination period.

Section 403(d) of the New York Insurance Law states, in part:

"All applications for . . . individual, group or blanket accident and health insurance and all claim forms . . . shall contain a notice in a form approved by the superintendent that clearly states in substance the following:

'Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.' "

Section 86.4 of Department Regulation No. 95 states, in part:

“(a) . . . all claim forms for insurance, and all applications for commercial insurance and accident and health insurance, provided to any person residing or located in this State in connection with insurance policies for issuance or issuance for delivery in this State, shall contain the following statement:

‘Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.’ . . .

(d) Location of warning statements and type size. The warning statements required by subdivisions (a), (b) and (e) of this section shall be placed immediately above the space provided for the signature of the person executing the application or claim form and shall be printed in type which will produce a warning statement of conspicuous size. On claim forms which require execution by a person other than the claimant, or in addition to the claimant, the warning statements required by subdivisions (a), (b) and (e) of this section shall be placed at the top of the first page of the claim form or in the page containing instructions, either in print, by stamp or by attachment and shall be in type size which will produce a warning statement of conspicuous size.

(e) Notwithstanding the provisions of subdivisions (a) and (b) of this section, insurers may use substantially similar warning statements provided such warning statements are submitted to the Insurance Frauds Bureau for prior approval.”

In response to the first day letter request, the Company provided specimen claim forms used to process life, annuity, accelerated death benefit and disability income claims during the examination period. In addition, the examiner also reviewed 120 claim forms that were used to process life, annuity, and disability income claims for benefits during the examination period.

45 of the 120 (37.5%) claim forms reviewed did not contain the required fraud warning language. In 75 of the 120 (62.5%) claim forms reviewed, the fraud warning statement was not positioned immediately above the space provided for the signature of the person executing the claim form. For example, claim form CF1105 (part 1) was a three-page form where the fraud warning statements appeared on the third page and the signature of the person executing the claim was on the second page. In a number of claim files reviewed, the third page of the claim statement, containing the fraud warning, was missing from the policy record.

The Company violated Section 403(d) of the New York Insurance Law and Section 86.4(a) of Department Regulation No. 95 by using claim forms that failed to contain required fraud warning statements.

The Company violated Section 86.4(d) of Department Regulation No. 95 by failing to place the fraud warning statement immediately above the space provided for the signature of the person executing the claim form.

Section 4221(a) of the New York Insurance Law states, in part:

“ . . . no policy of life insurance . . . shall be delivered or issued for delivery in this state unless it shall contain in substance the following provisions . . .

7) That the company shall . . . mail to each such holder at least once each policy year or within sixty days after the end of a policy year a statement as of a date during such year as to the death benefit, cash surrender value and loan value under the policy . . .”

A review of the Family Universal Life Annual Statement Report mailed to universal life policyholders during the examination period revealed that the report failed to specify the loan value under the policy. This was a systemic programming error that affected 4,888 policyholders.

The Company violated Section 4221(a)(7) of the New York Insurance Law by failing to provide a statement containing the loan value under the policy at least annually to universal life policyholders.

## 5. PRIOR REPORT SUMMARY AND CONCLUSIONS

Following are the violation and recommendation contained in the prior report on examination and the subsequent actions taken by the Company in response to each citation:

<u>Item</u>	<u>Description</u>
A	<p>The Company violated Section 3201(b)(1) of the New York Insurance Law when it used policy forms that were not filed with and approved by the Superintendent.</p> <p>The Company filed the policy form with the Department.</p>
B	<p>The examiner recommends that the Company submit the changed policy forms to the Department for approval.</p> <p>The Company filed the policy form with the Department.</p>

## 6. SUMMARY AND CONCLUSIONS

Following are the violations and recommendation contained in this report:

<u>Item</u>	<u>Description</u>	<u>Page No(s).</u>
A	The Company violated Section 51.6(b)(3) of Department Regulation No. 60 by failing to examine and ascertain that the Disclosure Statement used in the sale of the proposed Company policy or annuity contract was accurate and met the requirements of the Insurance Law and Department Regulation No. 60.	8
B	The Company violated Section 243.2(b)(1)(iv) of Department Regulation No. 152 by failing to maintain a copy of the information used to complete the Disclosure Statement.	8
C	The Company violated Section 51.6(b)(2) of Department Regulation No. 60 by failing to require its agents to submit a copy of any proposal, including the sales material used in the sale of the proposed life insurance policy or annuity contract	8
D	The Company violated Section 51.6(b)(9) of Department Regulation No. 60 by failing to provide a revised Disclosure Statement in situations where the life insurance policy or annuity contract issued differed from the life insurance policy or annuity contract applied for.	9
E	The Company violated Section 51.6(b)(7) of Department Regulation No. 60 by failing to reject the application when the required forms were not received or the forms did not meet the requirements of Department Regulation No. 60.	9
F	The Company violated Section 243.2(b) of Department Regulation No. 152 by failing to maintain the agent authorization form as part of the policy record.	9
G	The Company violated Section 51.6(b)(4) of Department Regulation No. 60 by failing to furnish the insurer whose coverage was being replaced with a copy of any proposal, including the sales material used in the sale of the proposed life insurance policy or annuity contract, and the completed Disclosure Statement within ten days of receipt of the application.	10

<u>Item</u>	<u>Description</u>	<u>Page No(s).</u>
H	The Company violated Section 51.6(e) of Department Regulation No. 60 by failing to date all material upon receipt, including the required Definition of Replacement, Disclosure Statement, Important Notice and illustrations used at the point of sale for the proposed policy.	10
I	The examiner recommends that the Company develop and implement an audit plan designed to review, test and monitor compliance with Department Regulation No. 60. Such plan should be approved by the Company's board of directors or its audit committee and the results of audits performed should also be reviewed by the board of directors or its audit committee.	10
J	The Company violated Section 2112(d) of the New York Insurance Law by failing to file notice of the termination of all certificates of appointment, within thirty days of such termination, with the Superintendent.	11
K	The Company violated Section 3209(b)(1)(B) of the New York Insurance Law by failing to provide a policy summary to certain level term policyholders upon delivery of their policy.	11
L	The Company violated Section 3214(c) of the New York Insurance Law by failing to pay interest on matured endowments during the examination period.	12
M	The Company violated Section 403(d) of the New York Insurance Law and Section 86.4(a) of Department Regulation No. 95 by using claim forms that failed to contain required fraud warning statements.	13
N	The Company violated Section 86.4(d) of Department Regulation No. 95 by failing to place the fraud warning statement immediately above the space provided for the signature of the person executing the claim form.	13
R	The Company violated Section 4221(a)(7) of the New York Insurance Law by failing to provide a statement containing the loan value under the policy at least annually to universal life policyholders.	14



APPOINTMENT NO. 30298

NEW YORK STATE

**DEPARTMENT OF FINANCIAL SERVICES**

I, BENJAMIN M. LAWSKY, Superintendent of Financial Services of the State of New York, pursuant to the provisions of the Financial Services Law and the Insurance Law, do hereby appoint:

**EDEN SUNDERMAN**

as a proper person to examine the affairs of the

**FARM FAMILY LIFE INSURANCE COMPANY**

and to make a report to me in writing of the condition of said

**COMPANY**

with such other information as she shall deem requisite.

In Witness Whereof, I have hereunto subscribed my name  
and affixed the official Seal of the Department  
at the City of New York

this 8th day of April, 2013

BENJAMIN M. LAWSKY  
Superintendent of Financial Services

By:



MICHAEL MAFFEI  
ASSISTANT DEPUTY SUPERINTENDENT  
AND CHIEF OF THE LIFE BUREAU

