



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

CONDITION:

DECEMBER 31, 2018

DATE OF REPORT:

OCTOBER 11, 2019



NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES

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EXAMINER:

CHONG KIM

TABLE OF CONTENTS

<u>ITEM</u>	<u>PAGE NO.</u>
1. Executive summary	2
2. Scope of examination	3
3. Description of Company	4
A. History	4
B. Holding Company	4
C. Territory and plan of operation	4
4. Market conduct activities	6
A. Advertising and sales activities	6
B. Underwriting and policy forms	11
C. Treatment of policyholders	11
5. Prior report summary and conclusions	12
6. Summary and conclusions	15



Department of Financial Services

ANDREW M. CUOMO
Governor

LINDA A. LACEWELL
Superintendent

August 10, 2020

The Honorable Linda A. Lacewell
Superintendent of Financial Services
New York, New York 10004

Madam:

In accordance with instructions contained in Appointment No. 31870, dated February 27, 2019, and annexed hereto, an examination has been made into the condition and affairs of Companion Life Insurance Company, hereinafter referred to as “the Company,” at its home office located at 888 Veterans Memorial Highway, Suite 515, Hauppauge, NY 11788.

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 contained in this report are summarized below.

- The Company violated Section 3209(b)(1)(A) of the New York Insurance Law and Sections 53-2.1(a)(4), (a)(5), (a)(6), (a)(8), (a)(9), and (a)(10) of 11 NYCRR 53 (Insurance Regulation 74) by issuing universal life policies without providing applicants with the required preliminary information. (See item 4A1 of this report.)
- The Company violated Sections 53-2.2(a)(5)(v), (vi), (vii), and (viii) of 11 NYCRR 53 (Insurance Regulation 74) by failing to provide consumers with compliant policy summary information. (See item 4A1 of this report.)
- The Company violated Section 3211(g) of the New York Insurance Law and Section 53-3.6(c) of 11 NYCRR 53 (Insurance Regulation 74) by providing policyholders with in force illustrations that were not based on the then current mortality, interest, and expense assumptions. (See item 4A1 of this report.)
- The Company violated Section 53-3.3(g) of 11 NYCRR 52 (Insurance Regulation 74) by failing to include the premium outlay and the death benefits and values of the policy for the insured at ages 85 and 90 in the numeric summary section of the basic illustration. (See item 4A2 of this report.)
- The Company violated Sections 3209(b)(2)(A), (B), and (C) of the New York Insurance Law by failing to provide its consumers with the statutorily required disclosures in the sale of its indexed universal life policies. (See item 4A3 of this report.)
- The Company violated Section 4221(a)(7) of the New York Insurance Law by failing to specify the loan value available to the policyholder under the policy. (See item 4C of this report.)
- The Company violated Section 3201(b)(1) of the New York Insurance Law by including a provision in group life certificate forms issued for delivery in New York without such language being filed with and approved by the Superintendent.
- The Company violated Section 4224(c) of the New York Insurance Law by offering non-insurance inducements that were not specified in the Company's group life insurance policies and certificates.

2. SCOPE OF EXAMINATION

This examination covers the period from January 1, 2012, to December 31, 2018. As necessary, the examiner reviewed matters occurring subsequent to December 31, 2018, but prior to the date of this report.

The examination comprised a review of market conduct activities and utilized the National Association of Insurance Commissioners' *Market Regulations 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 violations and recommendations contained in the prior market conduct 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 matters 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 the State of New York on June 3, 1949, was licensed on July 1, 1949, and commenced business on July 18, 1949. Initial resources of \$1,500,000, consisting of capital of \$500,000 and paid in and contributed surplus of \$1,000,000, were provided through the sale of 5,000 shares of common stock (with a par value of \$100 each) for \$300 per share.

The Company respectively received a capital contribution of \$14,000,000, \$15,000,000, and \$27,000,000 in 2014, 2015, and 2017 from its parent, United of Omaha Life Insurance Company (“United of Omaha”).

B. Holding Company

The Company is a wholly-owned subsidiary of United of Omaha, a Nebraska life insurance company, which in turn is a wholly-owned subsidiary of Mutual of Omaha Insurance Company (“Mutual of Omaha”), a Nebraska insurance company and the Company’s ultimate parent.

C. 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 three states, namely Connecticut, New Jersey, and New York. In 2018, 98.2% of life premiums, 90.7% of annuity considerations, and 99.8% of deposit type funds were received from New York. Policies are written on a participating and non-participating basis.

The Company principle lines of business during the examination period are individual life insurance, group life insurance, individual annuities, and group pension annuities. The individual life line includes whole life, term life, traditional universal life, and indexed universal life insurance products. The group life line includes only group term life insurance products. The individual annuities line includes deferred fixed annuities and single premium immediate fixed annuities. The group pension annuities include group fixed annuities and 401(k) plan variable annuities that are offered to employer groups and plan sponsors of retirement plans. The Company

also markets company-owned life insurance products. The Company markets its products to employer groups, plan sponsors of defined benefit plans, 401(k) qualified retirement plans, and individuals ages 50 to 75 with low-to-middle incomes. In March 2018, the Company ceased writing individual term life, universal life, and individual fixed and deferred annuities in New York. The Company also no longer offers individual variable life and annuity products; the existing blocks of business are in run-off and are totally ceded.

The Company markets its products primarily through a network of Mutual of Omaha's career agents, direct mail, stockbrokers, financial planners, and banks. As of December 31, 2018, the Company has five sales offices in New York, 467 brokers, and 63 agents appointed to sell its products.

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 life insurance policies.

(1) Non-illustrated Universal Life Policies

Section 3209 of the New York Insurance Law states, in part:

“. . . (b)(1) 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: (A) . . . the preliminary information required by subsection (d) of this section, at or prior to the time an application is taken. . . .
 (d) The preliminary information shall be in writing and include, to the extent applicable, the following: . . .
 (4) the total guaranteed cash surrender values for the basic policy, at the end of the tenth and twentieth policy years or at the end of the premium-paying period if earlier. These values may be shown on a per thousand or per unit basis; . . .
 (7) in addition, the applicant shall be advised that, when the policy is issued, a complete policy summary, including cost data, based on the benefits, premiums and dividends of the policy as issued, will be furnished . . .”

Section 53-2.1 of 11 NYCRR 53 (Insurance Regulation 74) states, in part:

“Preliminary information for policies subject to section 4232(b) of the insurance law
 (a) The preliminary information shall be in writing and include, to the extent applicable, the following: . . .
 (4) a table of values and benefits based upon current, median and guaranteed policy cost factors for the base policy and any rider at the end of each of the first five policy years, the tenth policy year and at the end of the policy years in which the proposed insured attains age 65, 75, 85 and 95. These values may be shown on a per thousand or per unit basis;
 (5) the year coverage will terminate based upon current, median and guaranteed policy cost factors. These values may be shown on a per thousand or per unit basis;
 (6) the interest rate basis for each table of values based upon current, median and guaranteed policy cost factors; . . .”

(8) acknowledgment that the potential purchaser understands that policy values, cash surrender values and death benefits based on current and median policy cost factors are not guaranteed and that any changes in the company's interest earnings, expenses or claim experience may result in lower or higher premium payments or lower or higher policy benefits;

(9) a state advising the applicant that when the policy is issued, a complete policy summary including cost data, based on the benefits, premiums and dividends of the policy as issued will be furnished, and that, following receipt of the policy and policy summary, there will be a period of not less than ten days within which the applicant may return the policy for an unconditional refund of the premium paid or the adjusted amount if such policy provides for a market-value adjustment pursuant to Section 3203(a)(11) of the Insurance Law; and

(10) life insurance cost indexes and the equivalent annual dividend for the basic policy for 10 and 20 years, but in no case beyond the premium paying period.

(b) The table of values and benefits based on guaranteed policy cost factors shall be labeled in a prominent manner 'guaranteed' and the table of values and benefits based on current and median policy cost factors shall be labeled in a prominent manner 'not guaranteed.'

(c) The preliminary information shall be provided to the prospective purchaser at or prior to the time an application is taken and shall be signed and dated by the agent or broker and the applicant and a copy of the preliminary information shall be attached to the application submitted to the insurer. . . ."

Section 53-2.2(a) of 11 NYCRR 53 (Insurance Regulation 74) states, in part:

"A policy summary shall include the following:

(1) a prominently placed title as follows: 'STATEMENT OF POLICY COST AND BENEFIT INFORMATION;' . . .

(5) tables for the first five policy years and every fifth year thereafter until the maturity date containing the following: . . .

(v) the death benefits, policy values and cash surrender values based on the annual premium or annual planned premium using the current, median and guaranteed policy cost factors;

(vi) the interest rate assumptions for each projection of policy values and death benefits based upon current, median and guaranteed policy cost factors;

(vii) the dates the policy will terminate based on the annual premium or annual planned premium and on the current, median and guaranteed policy cost factors; and,

(viii) the level annual premium from the issue date that would, based upon guaranteed policy cost factors, continue the policy to the maturity date . . ."

The examiner reviewed the preliminary information provided by the Company for policy forms 867Y-0207, 927Y-1110, and 905Y-0309. The review revealed that the preliminary information for these forms is not compliant with Section 3209(b)(1)(A) of the New York

Insurance Law and 11 NYCRR 53 (Insurance Regulation 74). Exceptionally, only policy form 905Y-0309 contained the disclosure required by Section 53-2.1(a)(9) of 11 NYCRR 53 (Insurance Regulation 74).

The examiner reviewed the policy summary or statement of cost and benefit information for policy forms 867-0207, 927-110, and 905Y-0309. The review revealed that the summary or statement is not compliant with and did not contain disclose information required under 11 NYCRR 53 (Insurance Regulation 74).

There are 7,978 affected consumers who either applied for insurance and received non-compliant preliminary information or were issued a policy of insurance and received non-compliant policy summary information.

The Company violated Section 3209(b)(1)(A) of the New York Insurance Law and Sections 53-2.1(a)(4), (a)(5), (a)(6), (a)(8), (a)(9), and (a)(10) of 11 NYCRR 53 (Insurance Regulation 74) by issuing universal life policies without providing applicants with the required preliminary information.

The Company violated Sections 53-2.2(a)(5)(v), (vi), (vii), and (viii) of 11 NYCRR 53 (Insurance Regulation 74) by failing to provide consumers with compliant policy summary information.

Section 3211(g) of the New York Insurance Law states, in part:

“In the case of life insurance policies to which this section is applicable and which contain a cash surrender value, the insurer must provide an annual notification that the policy contains a cash surrender value and that further information, including the amount thereof, is available from the insurer upon written request from the policyowner. Such notification shall include a statement that the insured has the right to request an updated policy illustration based, . . . in respect to a policy subject to subsection (a) of section four thousand two hundred thirty-two of this chapter, on the then current mortality, interest and expense assumptions. . . .”

Section 53–3.6(c) of 11 NYCRR 53 (Insurance Regulation 74) states:

“Upon the request of the policyowner, the insurer shall furnish an in force illustration of current and future benefits and values based on the insurer’s present illustrated scale. This illustration shall comply with the requirements of Sections 53-3.2(a), 53-3.3(a), and 53-3.3(e) of this Subpart. No signature or other acknowledgement of receipt of this illustration shall be required.”

The examiner reviewed policy forms 867Y-0207, 927Y-1110, and 905Y-0309 and noted that the in force illustrations provided to policyholders displayed guaranteed elements only. The Company has, as of December 31, 2018, 4,423 policies in force with these policy forms.

The Company violated Section 3211(g) of the New York Insurance Law and Section 53–3.6(c) of 11 NYCRR 53 (Insurance Regulation 74) by providing policyholders with in force illustrations that were not based on the then current mortality, interest, and expense assumptions.

(2) Illustrated Universal Life Policies

Section 53-3.3 of 11 NYCRR 52 (Insurance Regulation 74) states, in part:

“. . . (c) Numeric summary.

(1) Following the narrative summary, a basic illustration shall include a numeric summary of the death benefits and values and the premium outlay and contract premium, as applicable. For a policy that provides for a contract premium, the guaranteed death benefits and values shall be based on the contract premium. Except as provided in subdivision (g) of this Section, this summary shall be shown for at least policy years 5, 10 and 20 and at age 70, if applicable, on the three bases shown below. For multiple life policies the summary shall show policy years 5, 10, 20 and 30. The three bases are as follows:

- (i) policy guarantees;
- (ii) insurer's illustrated scale;
- (iii) insurer's illustrated scale used but with the non-guaranteed elements reduced . . .

(e) Tabular detail.

(1) A basic illustration shall include the following for at least each policy year from one to ten and for every 5th policy year thereafter ending at age 100, policy maturity or final expiration; and except for term insurance beyond the 20th year, for any year in which the premium outlay and contract premium, if applicable, is to change:

- (i) the premium outlay and mode the applicant plans to pay and the contract premium, as applicable;
- (ii) the corresponding guaranteed death benefit, as provided in the policy; and
- (iii) the corresponding guaranteed value available upon surrender, as provided in the policy. . . .

(g) The numeric summary for a policy subject to section 4232(b) of the Insurance Law and a cash value policy providing three basic components consisting of a base policy, a paid-up additions element and a term insurance element shall show, in addition to the policy durations set forth in subdivision (c) of this section, policy duration at age 85 and age 90 of the insured. . . .”

The examiner reviewed the numeric summary section of the basic illustration for policy forms 929Y-1110, 863Y-0207, 955Y-0813, 888Y-0608, and 961Y-0414. The review revealed

that the numeric summary did not include the premium outlay and the death benefits and values for the insured at ages 85 and 90. There are 10,396 affected consumers who received a non-compliant basic illustration.

The Company violated Section 53-3.3(g) of 11 NYCRR 52 (Insurance Regulation 74) by failing to include the premium outlay and the death benefits and values of the policy for the insured at ages 85 and 90 in the numeric summary section of the basic illustration.

(3) Indexed Universal Life Policies

Section 3209(b)(2) of the New York Insurance Law states, in part:

“No annuity contract or life insurance policy or certificate with an equity index account shall be delivered or issued for delivery in this state unless, no later than at the time of application, the prospective purchaser has been provided with a disclosure statement containing the following:

(A) a statement in bold type to the effect that the equity index account provides benefits linked to an external equity index and does not participate directly in the equity market;

(B) a statement identifying the equity index used in the equity index formula, together with a description of any alternate index should the initial index no longer be publicly available;

(C) a statement indicating whether paid dividends are included in changes in the equity index, together with a description of how such dividends, or lack thereof, would affect the changes in the equity index; the statement must provide the average dividend rate over the lesser of ten years or the calculable life of the index; . . .”

The Company did not provide its consumers with the required disclosures in the sale of its indexed universal life policies. The statement that the equity index account provides benefits linked to an external equity index and does not participate directly in the equity market is included in the New York Disclosure section of the basic illustration, but it is not in bold type; the statement identifying the equity index used in the equity index formula is included, but it did not describe an alternate to be used should the initial index no longer be publicly available; and the statement indicating whether paid dividends are included in changes in the equity index, describing how such dividends, or lack thereof, would affect the changes in the equity index; and providing the average dividend rate over the lesser of ten years or the calculable life of the index was not included in the illustration.

The Company acknowledged that the required disclosures were not included in the illustration or in a separate disclosure document accompanying the application for policy form

961-Y-0414 and further stated that it is no longer marketing any indexed universal life policies in New York. The Company received 463 applications for policy form 961-0414 while it was available for sale in New York.

The Company violated Sections 3209(b)(2)(A), (B), and (C) of the New York Insurance Law by failing to provide its consumers with the statutorily required disclosures in the sale of its indexed universal life policies.

B. Underwriting and Policy Forms

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

Section 3201(b)(1) of the New York Insurance Law states, in part:

“No policy form shall be delivered or issued for delivery in this state unless it has been filed with and approved by the superintendent as conforming to the requirements of this chapter and not inconsistent with law. . . .”

Between June 10, 2015, and May 17, 2017, the Company included a provision titled “Waiver of Coverage in a Non-Contributory Plan” in group life certificate forms issued for delivery in New York without such language being filed with and approved by the Superintendent.

The Company violated Section 3201(b)(1) of the New York Insurance Law by including a provision in group life certificate forms issued for delivery in New York without such language being filed with and approved by the Superintendent.

Section 4224(c) of the New York Insurance Law states:

“Except as permitted by section three thousand two hundred thirty-nine of this chapter or subsection (f) of this section, no such life insurance company and no such savings and insurance bank and no officer, agent, solicitor or representative thereof and no such insurer doing in this state the business of accident and health insurance and no officer, agent, solicitor or representative thereof, and no licensed insurance broker and no employee or other representative of any such insurer, agent or broker, shall pay, allow or give, or offer to pay, allow or give, directly or indirectly, as an inducement to any person to insure, or shall give, sell or purchase, or offer to give, sell or purchase, as such inducement, or interdependent with any policy of life insurance or annuity contract or policy of accident and health insurance, any stocks, bonds, or other securities, or any dividends or profits accruing or to accrue thereon, or any valuable consideration or inducement whatever not specified in such policy or contract other than any valuable

consideration, including but not limited to merchandise or periodical subscriptions, not exceeding twenty-five dollars in value; nor shall any person in this state knowingly receive as such inducement, any rebate of premium or policy fee or any special favor or advantage in the dividends or other benefits to accrue on any such policy or contract, or knowingly receive any paid employment or contract for services of any kind, or any valuable consideration or inducement whatever which is not specified in such policy or contract.”

During and prior to the examination period, the Company offered non-insurance inducements in the form of an employee assistance program in connection with group insurance between May 2006 and July 2019. However, these non-insurance benefits and services were not specified in the Company’s group life insurance policies and certificates.

The Company violated Section 4224(c) of the New York Insurance Law by offering non-insurance inducements that were not specified in the Company’s group life insurance policies and certificates.

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 4221(a)(7) of the New York Insurance Law states, in part:

“That the company shall deliver . . . and 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 . . .”

The Company provided specimen annual statements or reports provided to a New York indexed universal life policyholder and for a group universal life plan. The annual statements or reports did not specify the loan value under the policy. There are 21,266 affected universal life policyholders who did not receive information regarding the loan value under the policy.

The Company violated Section 4221(a)(7) of the New York Insurance Law by failing to specify the loan value available to the policyholder under the policy.

5. PRIOR REPORT SUMMARY AND CONCLUSIONS

Following are the violations and recommendations 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 51.7(b) of Department Regulation No. 60 by failing to comply with the orderly working of this Regulation in accomplishing its intended purpose in the protection of policyholders and contract holders when they did not conform to the proper sequence of events.</p> <p>The examiner's review revealed that the Company completed the external and internal life replacements during the examination period in the proper sequence of events.</p>
B	<p>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 completed Disclosure Statement and a copy of any proposal, including the sales materials used in the sale of the proposed life insurance policy or annuity contract, within ten days of receipt of the application. A similar violation appeared in the prior report on examination.</p> <p>The examiner's review of the external and internal life replacements during the examination period revealed that the Company furnished the insurer whose coverage was being replaced with a completed Disclosure Statement and a copy of any proposal, including the sales materials used in the sale of the proposed life insurance policy or annuity contract, within ten days of receipt of the application.</p>
C	<p>The Company violated Section 51.6(b)(7) of Department Regulation No. 60, in cases where the required forms did not meet the requirements of the Regulation or were not accurate and the Company failed to, within ten days from the date of receipt of the application, either have the deficiencies corrected or reject the application and so notify the applicant of such rejection and the reason for such rejection.</p> <p>The examiner's review of the external and internal life replacements during the examination period revealed that the Company furnished the proposed insured with accurate information on all required forms provided prior to the issuance of the policy.</p>

<u>Item</u>	<u>Description</u>
D	<p>The Company violated Section 51.6(b)(9) of Department Regulation No. 60 by failing to send the applicant a revised “Disclosure Statement” when the policy was issued other than as applied for. A similar violation appeared in the prior report.</p> <p>The examiners’ review of the external and internal life replacements during the examination period revealed that the Company furnished the proposed insured with the revised “Disclosure Statement” when the policy was issued other than as applied for.</p>
E	<p>The Company violated Section 3204(d) of the New York Insurance Law when the Company failed to obtain written consent from the applicants when alterations were made to the applications after the issuance of term life policies.</p> <p>The examiner’s review of the external and internal life replacements revealed that the Company obtained written consent from the applicants if alterations were made to the application after the issuance of term life policies.</p>
F	<p>The Company violated Section 4223(k)(1) of the New York Insurance Law by failing to disclose the death benefit on the annual statement sent to certain contract holders.</p> <p>The examiner’s review revealed that the Company disclosed the death benefits on the annual statement sent to the contract holders during the examination period.</p>
G	<p>The Company violated Section 86.4(d) of Department Regulation No. 95 by not placing the fraud warning statement immediately above the space provided for signature of the person executing the claim.</p> <p>The examiner’s review revealed that the Company’s claim forms contained the fraud warning statement immediately above the space provided for signature of the person executing the claim.</p>
H	<p>The examiner recommended that the Company be clearly identified as the insurer on the Company’s claim forms.</p> <p>The examiner’s review revealed that the Company’s claim forms clearly identified the Company as the insurer.</p>

<u>Item</u>	<u>Description</u>
I	<p>The Company violated Section 3211(b)(2) of the New York Insurance Law by disseminating premium due notices that failed to contain the required language that the policy shall terminate or lapse “except as to the right to any cash surrender or nonforfeiture benefit”.</p> <p>The examiner’s review revealed that the Company included the required language during the examination period in the premium due notices to the policyholders.</p>
J	<p>The examiner recommended that the premium due notices be conspicuously dated in a consistent area on all premium due notices.</p> <p>The examiner’s review revealed that the Company dated the notices sent to the policyholders.</p>

6. SUMMARY AND CONCLUSIONS

Following are violations contained in this report:

<u>Item</u>	<u>Description</u>	<u>Page No(s).</u>
A	The Company violated Section 3209(b)(1)(A) of the New York Insurance Law and Sections 53-2.1(a)(4), (a)(5), (a)(6), (a)(8), (a)(9), and (a)(10) of 11 NYCRR 53 (Insurance Regulation 74) by issuing universal life policies without providing applicants with the required preliminary information.	8
B	The Company violated Sections 53-2.2(a)(5)(v), (vi), (vii), and (viii) of 11 NYCRR 53 (Insurance Regulation 74) by failing to provide consumers with compliant policy summary information.	8
C	The Company violated Section 3211(g) of the New York Insurance Law and Section 53–3.6(c) of 11 NYCRR 53 (Insurance Regulation 74) by providing policyholders with in force illustrations that were not based on the then current mortality, interest, and expense assumptions.	9
D	The Company violated Section 53-3.3(g) of 11 NYCRR 52 (Insurance Regulation 74) by failing to include the premium outlay and the death benefits and values of the policy for the insured at ages 85 and 90 in the numeric summary section of the basic illustration.	10
E	The Company violated Sections 3209(b)(2)(A), (B), and (C) of the New York Insurance Law by failing to provide its consumers with the statutorily required disclosures in the sale of its indexed universal life policies.	11
F	The Company violated Section 3201(b)(1) of the New York Insurance Law by including a provision in group life certificate forms issued for delivery in New York without such language being filed with and approved by the Superintendent.	11
G	The Company violated Section 4224(c) of the New York Insurance Law by offering non-insurance inducements that were not specified in the Company’s group life insurance policies and certificates.	11
H	The Company violated Section 4221(a)(7) of the New York Insurance Law by failing to specify the loan value available to the policyholder under the policy.	11

Respectfully submitted,

/s/

Chong Kim
Senior Insurance Examiner

STATE OF NEW YORK)
)SS:
COUNTY OF NEW YORK)

Chong Kim, being duly sworn, deposes and says that the foregoing report, subscribed by him, is true to the best of his knowledge and belief.

/s/

Chong Kim

Subscribed and sworn to before me
this _____ day of _____

APPOINTMENT NO. 31870

NEW YORK STATE

DEPARTMENT OF FINANCIAL SERVICES

I, **LINDA A. LACEWELL**, Acting 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:

CHONG KIM

as a proper person to examine the affairs of the

COMPANION LIFE INSURANCE COMPANY

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

COMPANY

with such other information as he 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 27th day of February 2019

LINDA A. LACEWELL
Acting Superintendent of Financial Services

By:

Mark McLeod

MARK MCLEOD
DEPUTY CHIEF - LIFE BUREAU

