MARKET CONDUCT REPORT ON EXAMINATION

OF THE

ANTHEM LIFE & DISABILITY INSURANCE COMPANY

AS OF DECEMBER 31, 2021

EXAMINER: **IJEOMA NDIKA**

DATE OF REPORT: **MARCH 15, 2023**

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December 20, 2023

Honorable Adrienne A. Harris
Superintendent of Financial Services
New York, New York 10004

Dear Adrienne A. Harris:

In accordance with instructions contained in Appointment No. 32432, dated July 21, 2022, and annexed hereto, an examination has been made into the condition and affairs of Anthem Life & Disability Insurance Company, hereinafter referred to as "the Company". The Company's home office is located at Nine Pine Street, 14th Floor, New York, NY 10005. The examination was conducted remotely because of the COVID-19 pandemic.

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 215.13(a) of 11 NYCRR 215 (Insurance Regulation 34) by failing to clearly identify the Company as the insurer that is selling the product being advertised in its accident and health advertisements. (See item 4A-1 of this report.)
- The Company violated Section 219.4(p) of 11 NYCRR 219 (Insurance Regulation 34-A) by failing to clearly identify the Company as the insurer that is selling the product being advertised in its life advertisements. (See item 4A-2 of this report.)
- The Company violated Sections 2112(a) and 2114(a)(1) of the New York Insurance Law by paying commissions to unappointed agents. (See item 4A-3 of this report.)
- The Company violated Section 2112(b) of the New York Insurance Law by failing to file a certificate of appointment with the superintendent in order to appoint four insurance agents to represent the Company. (See item 4A-3 of this report.)
- The Company violated Section 2112(d) of the New York Insurance Law by failing to file with the superintendent the notice of termination within thirty days of the termination of the certificate of appointment. (See item 4A-4 of this report.)
- The Company violated Section 3201(b)(1) of the New York Insurance Law by using policy forms that were not filed with and approved by the superintendent. (See item 4B-1 of this report.)
- The Company violated Section 216.4(b) of 11 NYCRR 215 (Insurance Regulation 64) by failing to provide a response to communications from a complainant within 15 business days. (See item 4C-1 of this report.)

2. SCOPE OF EXAMINATION

This examination covers the period from January 1, 2017, to December 31, 2021. As necessary, the examiner reviewed matters occurring subsequent to December 31, 2021, 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 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 market conduct violations 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 under the laws of the State of New York on October 13, 2006 and was licensed and commenced business on January 1, 2009.

The Company is a wholly-owned subsidiary of Wellpoint Acquisition, LLC ("WPA"), an Indiana limited liability company. WPA is in turn a wholly-owned subsidiary of Elevance Health, Inc. ("ELV"), formerly known as Anthem, Inc., an Indiana publicly traded company and the ultimate parent of the Company.

Anthem, Inc. was formed in 2001. When WellPoint Health Networks Inc. and Anthem, Inc. merged in 2004, Anthem, Inc. changed its name to Wellpoint, Inc. In December 2014, Wellpoint, Inc. changed its corporate name back to Anthem, Inc. On June 27, 2022, Anthem, Inc. then changed the name to its current name.

ELV, through its subsidiaries and holding companies, owns and manages insurance and health care benefit companies and is an independent licensee of the Blue Cross and Blue Shield Association, an association of independent health benefit plans.

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 only in the State of New York. In 2021, all life premiums and accident and health premiums, were received from New York.

The Company offers group life and group accident and health insurance. Group life insurance consists of term life insurance; group accident and health insurance consists of short- and long-term disability, and accidental death and dismemberment coverage offered in partners with Empire HealthChoice Assurance Inc. to market its products. The Company also operates as a licensee of the Blue Cross and Blue Shield Association.

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 and solicitation of insurance policies.

1. Section 215.13 of 11 NYCRR 215 (Insurance Regulation 34) states, in part:

   "(a) The name of the actual insurer and the form number or numbers advertised shall be identified and made clear in all of its advertisements. An advertisement shall not use a trade name, any insurance group designation, name of the parent company of the insurer, name of a particular division of the insurer, service mark, slogan, symbol or other device which without disclosing the name of the actual insurer would have the capacity and tendency to mislead or deceive as to the true identity of the insurer."

The examiner reviewed the Company's advertising file for the examination period that included nine advertisements for accident and health insurance. Four out of nine (44%) advertisements were worded in a manner that either failed to identify the Company as the insurer or emphasized another insurer, namely Empire HealthChoice Assurance Inc. or Anthem Life Insurance Companies, Inc. Thus, the Company used advertisements that were misleading as to the true identity of the insurer.

The Company violated Section 215.13(a) of 11 NYCRR 215 (Insurance Regulation 34) by failing to clearly identify the Company as the insurer that is selling the product being advertised in its accident and health advertisements. This is a repeat violation from the prior market conduct examination of the Company.

The Company is not utilizing the full names of the entities and this can be confusing and misleading. The examiner recommends that the Company use the full names of the entities in all its advertisements.

2. Section 219.4 of 11 NYCRR 219 (Insurance Regulation 34-A) states, in part:

   "(p) In all advertisements made by an insurer, or on its behalf, the name of the insurer shall be clearly identified, together with the name of the city, town or village in which it has its home office in the United States. An advertisement shall prominently describe the type of policy advertised. If a specific policy or policy series is being advertised, the form or series number or other appropriate description shall be shown. An advertisement shall not use a trade name, an insurance group designation, name of the parent company or affiliate of the insurer, name of a particular division of the insurer, service mark, slogan, symbol or other device or reference if such use would have the tendency to mislead or deceive as to the true identity of the insurer, or create the impression that someone other than the insurer would have any responsibility for the financial obligation under a policy."

The examiner reviewed the Company's advertising file for the examination period that included 14 advertisements for life insurance. In 5 out of the 14 (35.7%) advertisements, the advertisements were worded in a manner that either failed to identify the Company as the insurer or emphasized another insurer, namely Empire HealthChoice Assurance Inc. or Anthem Life Insurance Companies, Inc. Thus, the Company used advertisements that were misleading as to the true identity of the insurer.

The Company violated Section 219.4(p) of 11 NYCRR 219 (Insurance Regulation 34-A) by failing to clearly identify the Company as the insurer that is selling the product being advertised in its life advertisements.

3. Section 2112(a) of the New York Insurance Law states, in part:

   "Every insurer . . . doing business in this state shall file a certificate of appointment in such form as the superintendent may prescribe in order to appoint insurance agents to represent such insurer . . ."

   Section 2112(b) of New York Insurance Law states:

   "To appoint a producer, the appointing insurer shall file, in a format approved by the superintendent, a notice of appointment within fifteen days from the date the agency contract is executed, or the first insurance application is submitted."

   Section 2114(a)(1) of the New York Insurance Law states, in part:

   "No insurer . . . doing business in this state shall pay any commission or other compensation to any person, firm or corporation, for any services in obtaining in this state any new contract of life insurance or any new annuity contract, except to a licensed life insurance agent of such insurer . . ."

The examiner's review of a sample of 19 agents appointed by the Company to write life and accident and health insurance in 2020 and 2021 revealed that in four instances (21%), the Company failed to file a certificate of appointment with the Department for each agent. The examiner also noted that in four out of 19 (21%) agents, the agents received commissions without being appointed by the Company.

The Company violated Sections 2112(a) and 2114(a)(1) of the New York Insurance Law by paying commissions to unappointed agents.

The Company violated Section 2112(b) of the New York Insurance Law by failing to file a certificate of appointment with the superintendent in order to appoint four insurance agents to represent the Company. This is a repeat violation.

4. Section 2112 of the New York Insurance Law states, in part:

> "(d) Every insurer . . . doing business in this state shall, upon termination of the certificate of appointment as set forth in subsection (a) of this section of any insurance agent licensed in this state, or upon termination for cause for activities as set forth in subsection (a) of section two thousand one hundred ten of this article, 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 . . . "

The examiner's review of terminated agents revealed that the Company terminated 18 out of 20 (90%) agents without filing with the superintendent the notice of termination within 30 days.

The Company violated Section 2112(d) of the New York Insurance Law by failing to file with the superintendent the notice of termination within thirty days of the termination of the certificate of appointment.

B. Underwriting and Policy Forms

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

1. Section 3201 of the New York Insurance Law states, in part:

> "(a) . . . policy form means any policy, contract, certificate, or evidence of insurance and any application therefor, or rider or endorsement thereto . . .

(b)(1) 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. . . . "

i. The examiner's review of a sample of 30 group life and 49 group disability underwriting files revealed that in 29 out of 30 (97%) and in 46 out 49 (94%) instances respectively, the group life and group disability employer application form A-MWL-ER-LDNY 02/12 was altered from the original form that was submitted to and approved by the superintendent. The issues noted are as follows:

   - Section B: Applicant Information- Reason for Application: In the approved employer application form A-MWL-ER-LDNY 02/12, the Company listed the following as reasons for application: New Application; Change of Address; Reinstatement; Change of Benefits. However, the examiner noted that the Company listed: New Application; Change of address; Late enrollment and Change of Class on the application form that was used by the Company. The examiner further noted that the Company added administrative phone no., administrative fax no. and administrative email address on the application form that was used.
   - Section E: Actively-at-work-requirements: The approved Employer application form includes a column labelled "Waiver Request Approved". The Company did not include the column in the application form that was used.

ii. The examiner noted that the Company issued 14 out of 30 (47%) group life certificates with policy form LBO A NY 0105 C REV 0209 C; issued one out of 30 (3%) certificates with policy form LBO A NY 1113 C and could not locate the policy form number in one out of 30 (3%) certificates issued by the Company. The examiner could not locate any evidence of the filing and approval of policy forms LBO A NY 0105 C REV 0209 C and LBO A NY 1113 C.

iii. The examiner noted that in 15 out of 30 (50%) and in 13 out of 49 (27%) instances, the Company utilized an unapproved amendment form with form number GA-2 to issue its group life and group disability policies respectively.

The Company violated Section 3201(b)(1) of the New York Insurance Law by using policy forms that were not filed with and approved by the superintendent.

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.

1. Section 216.4(b) of 11 NYCRR 216 (Insurance Regulation 64) states:

   "An appropriate reply shall be made within 15 business days on all other pertinent communications."

The examiner's review of a sample of 37 consumer complaints received by the Company from New York policyholders revealed that in one (3%) instance, the file did not include evidence that the Company acknowledged the complaint within 15 business days.

The Company violated Section 216.4(b) of 11 NYCRR 215 (Insurance Regulation 64) by failing to provide a response to communications from a complainant within 15 business days.

2. Section 216.4(d) of 11 NYCRR 216 (Insurance Regulation 64) states:

   "Every insurer, upon receipt of any inquiry from the Department of Financial Services respecting a claim, shall, within 10 business days, furnish the department with the available information requested respecting the claim."

The examiner's review of a sample of seven Department complaints revealed that in two instances (29%), the Company failed to furnish to the Department within 10 business days the available information with respect to the claims.

The Company violated Section 216.4(d) of 11 NYCRR 216 (Insurance Regulation 64) when it failed to furnish the Department within ten business days with the available information regarding the claim.

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

   "All applications for commercial insurance, 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 11 NYCRR 86 (Insurance Regulation 95) states, in part:

> "(a) . . . all claim forms for 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), 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 . . . "

The examiner's review of a sample of 48 group life paid claims, 33 group life denied claims and two accelerated death benefits paid during the years under examination revealed that in 25 (52%) group life paid claims, nine (27%) group life denied claims and the two (100%) accelerated death benefits claims, the claim forms contained fraud warning statements that differed from the language required under Section 403(d) of the New York Insurance Law and Section 86.4(a) of 11 NYCRR 86 (Insurance Regulation 95).

The examiner's review of a sample of 49 paid group disability claims and 48 denied group disability claim forms revealed that in 32 (65%) paid group disability claims and 25 (52%) denied group disability claims, the claim forms contained fraud warning statement that differed from the language required under Section 403(d) of the New York Insurance Law and Section 86.4(a) of 11 NYCRR 86 (Insurance Regulation 95).

The fraud warning statement on the Company's claim forms mentioned above stated the following:

> "Any person who knowingly and with intent to defraud any insurance company, files a statement of claim containing any false, incomplete, or misleading information may be subject to criminal penalties."

The Company violated Section 403(d) of the New York Insurance Law and Section 86.4(a) of 11 NYCRR 86 (Insurance Regulation 95) by utilizing claim forms that failed to contain the required fraud warning statements and using claim forms with altered fraud warning statements without obtaining prior approval from the Department's Investigation Bureau.

The review also revealed that the claim forms did not have the complete fraud warning statement placed immediately above the space provided for the signature of the person executing the claim.

The Company violated Section 86.4(d) of 11 NYCRR 86 (Insurance Regulation 95) by using claim forms that did not have the required fraud warning statement placed immediately above the space provided for the signature of the person executing the claim.

4. Section 41.4 of 11 NYCRR 41 (Insurance Regulation 143) states, in part:

> "(e)The application or claim form to accelerate the payment of the death benefit of a life insurance policy shall provide for the following:
> (1) a notice prominently displayed to read 'Receipt of accelerated death benefits may affect eligibility for public assistance programs such as medical assistance (Medicaid), Aid to Families with Dependent Children and Supplemental Security Income. Receipt of accelerated death benefits in periodic payments may be treated differently than receipt in a lump sum. Prior to applying for accelerated death benefits, …(certificateholders) should consult with the appropriate social services agency concerning how receipt will affect the eligibility of the recipient and/or the recipient's spouse or dependents';
> (2) a notice prominently displayed to read 'Receipt of accelerated death benefits may be taxable. Receipt of accelerated death benefits in periodic payments may be treated differently than receipt in a lump sum. Prior to applying for such benefits, …(certificateholders) should seek assistance from a qualified tax advisor';
> (4) a statement that no health care facility as defined in Section 20 of the Public Health Law can require any person to accelerate payment of a death benefit as a condition of admission to such health care facility or for providing any care in such facility;
> (6) a notice that the insurer is prohibited from paying accelerated death benefits to the . . . certificate holder for a period of five days from the date on which the information specified in subdivision (f) of this section is transmitted in writing to the . . . certificate holder . . ."

The examiner's review of the two accelerated death benefits processed during the examination period revealed that the two (100%) claim forms did not provide the following statements and disclosures required by 11 NYCRR 41 (Insurance Regulation 143):

i. Receipt of accelerated death benefits in periodic payments may be treated differently than receipt in a lump sum.
ii. The statement that no health care facility as defined in Section 20 of the Public Health Law can require any person to accelerate payment of a death benefit as a condition of admission to such health care facility or for providing any care in such facility.
iii. The notice that the insurer is prohibited from paying accelerated death benefits to the policy owner or certificate holder for a period of five days from the date on which the information specified in subdivision (f) of this section is transmitted in writing to the policy owner or certificate holder.

The Company violated Section 41.4(e)(1) of 11 NYCRR 41 (Insurance Regulation 143) by using claim forms that did not contain the required notice that states that "Receipt of accelerated death benefits may affect eligibility for public assistance programs such as medical assistance (Medicaid), Aid to Families with Dependent Children and Supplemental Security Income. Receipt of accelerated death benefits in periodic payments may be treated differently than receipt in a lump sum."

The Company violated Section 41.4(e)(2) of 11 NYCRR 41 (Insurance Regulation 143) by using claim forms that did not contain the required notice that states that "Receipt of accelerated death benefits may be taxable. Receipt of accelerated death benefits in periodic payments may be treated differently than receipt in a lump sum."

The Company violated Section 41.4(e)(4) of 11 NYCRR 41 (Insurance Regulation 143) by using claim forms that did not contain the required statement that no health care facility as defined in Section 20 of the Public Health Law can require any person to accelerate payment of a death benefit as a condition of admission to such health care facility or for providing any care in such facility.

The Company violated Section 41.4(e)(6) of 11 NYCRR 41 (Insurance Regulation 143) by using claim forms that did not contain the required notice that the insurer is prohibited from paying accelerated death benefits to the certificate holder for a period of five days from the date on which

the information specified in subdivision (f) of this section is transmitted in writing to the certificate holder.

The examiner recommends that the Company revise its accelerated death benefit claim forms to include the required disclosure notices and statements.

D. Record Retention

Section 243.2(b) 11 NYCRR 243 (Insurance Regulation 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 . . . A policy record shall include. . .
(ii) the application, including any application form or enrollment form for coverage under any insurance contract or policy;
(iii) the contract or policy forms issued including the declaration pages, endorsements, riders, and termination notices of the contract or policy . . .
(4) A claim file for six calendar years after all elements of the claim are resolved and the file is closed or until after the filing of the report on examination in which the claim file was subject to review, whichever is longer. A claim file shall show clearly the inception, handling and disposition of the claim, including the dates that forms and other documents were received. . . "
(5) A licensing record for six calendar years after the relationship is terminated for each Insurance Law licensee with which the insurer establishes a relationship. Licensing records shall be maintained so as to show clearly the dates of appointment and termination of each licensee."

1. The examiner's review of a sample of 50 group life underwriting files and 30 group disability declined files revealed that in 22 (44%) group life applications and 28 (93%) group disability employee applications, the Company failed to maintain copies of the applications.

The Company violated Section 243.2(b)(1)(ii) of 11 NYCRR 243 (Insurance Regulation 152) by failing to maintain employee application forms 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.

2. The examiner's review of a sample of 40 terminated and lapsed group life policies revealed that in eight (20%) instances, the termination notices were not included in the policy files. The examiner's review of a sample of 30 group disability terminated policies revealed that 3 (10%) instances, the files did not contain the termination notices.

The Company violated Section 243.2(b)(1)(iii) of 11 NYCRR 243 (Insurance Regulation 152) by failing to maintain termination notices of the 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.

3. The examiner's review of a sample of 30 group disability denied claims revealed that in two (6.6%) instances, the Company stated that it could not locate a copy of the denial letter sent to the claimants. The examiner's review of a sample of 48 group life paid claims revealed that in one (2.0%) instance, the Company stated that the claim file was missing.

The Company violated Section 243.2(b)(4) of 11 NYCRR 243 (Insurance Regulation 152) by failing to maintain claim files that clearly show the inception, handling and disposition of the claim for six calendar years after all elements of the claim are resolved and the file is closed or until after the filing of the report on examination in which the claim file was subject to review, whichever is longer.

The examiner's review of a sample of 30 group disability denied claims revealed that in five (16.67%) instances, the files contained claim forms for Unicare Life & Health Company, an affiliate insurer to process its claims.

The examiner recommends that the Company utilize claim forms that clearly identifies the insurer on the claim forms.

4. The examiner noted in the Company's response in providing the termination files that the Company failed to send termination notices to the superintendent and failed to provide termination notices to the examiners upon request. Failure to maintain licensing records for six years after the relationship is terminated violates 11 NYCRR 243 (Insurance Regulation 152).

The Company violated Section 243.2(b)(5) of 11 NYCRR 243 (Insurance Regulation 152) by failing to maintain a licensing record for six calendar years after the relationship is terminated for each New York licensee with which the insurer established a relationship.

5. PRIOR REPORT SUMMARY AND CONCLUSIONS

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

Item	Description
A	The Company violated Section 2112(b) of the New York Insurance Law by failing to file a certificate of appointment with the superintendent in order to appoint 17 insurance agents to represent the Company. The Company failed to take corrective action in response to this prior report violation. (See item 4A of this report.)
B	The Company violated Section 2112(d) of the New York Insurance Law by failing to file with the superintendent, within 30 days of the termination of the certificate of appointment, a statement of the facts relative to such termination for cause for six of its agents. The Company took corrective action in response to this prior report violation.
C	The Company violated Section 215.13(a) of Department Regulation No. 34 by disseminating disability advertisements which had the capacity and tendency to mislead or deceive the public as to the true identity of the insurer. The Company failed to take corrective action in response to this prior report violation. (See item 4A of this report.)
D	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. The Company failed to take corrective action in response to this prior report violation. (See item 4C of this report.)
E	The Company violated Section 4232(b)(4) of New York Insurance Law by crediting interest amounts on death proceeds at rates which were not approved by the board of directors of the Company or a committee thereof. The examiner's review of the board minutes revealed that the board of directors approved the interest rates on death benefit proceeds.

Item	Description
F	The examiner recommends that the Company only establish a retained asset account when (a) a policyholder or beneficiary affirmatively chooses that mode of receiving life insurance proceeds, (b) when the insurer explicitly informs the beneficiary in writing that it has a right to receive payment by a single check instead, and (c) when the insurer provides the beneficiary with clear and conspicuous disclosures, and hat the full life insurance proceeds should be the default option if no election is made. The examiner's review of a sample of retained asset accounts revealed that the beneficiary affirmatively chose to receive life insurance proceeds in that manner, the insurer explicitly informed the beneficiary in writing of the right to receive payment by a single check and provided the beneficiary with clear and conspicuous disclosures.

6. SUMMARY AND CONCLUSIONS

Following are the violations and recommendations contained in this report:

Item	Description	Page No(s).
A	The Company violated Section 215.13(a) of 11 NYCRR 215 (Insurance Regulation 34) by failing to clearly identify the Company as the insurer that is selling the product being advertised in its accident and health advertisements. This is a repeat violation from the prior market conduct examination of the Company.	5
B	The Company violated Section 219.4(p) of 11 NYCRR 219 (Insurance Regulation 34-A) by failing to clearly identify the Company as the insurer that is selling the product being advertised in its life advertisements.	6
C	The Company violated Sections 2112(a) and 2114(a)(1) of the New York Insurance Law by paying commissions to unappointed agents.	7
D	The Company violated Section 2112(b) of the New York Insurance Law by failing to file a certificate of appointment with the superintendent in order to appoint four insurance agents to represent the Company. This is a repeat violation.	7
E	The Company violated Section 2112(d) of the New York Insurance Law by failing to file with the superintendent the notice of termination within thirty days of the termination of the certificate of appointment.	7
F	The Company violated Section 3201(b)(1) of the New York Insurance Law by using policy forms that were not filed with and approved by the superintendent.	9
G	The Company violated Section 216.4(b) of 11 NYCRR 215 (Insurance Regulation 64) by failing to provide a response to communications from a complainant within 15 business days.	9
H	The Company violated Section 216.4(d) of 11 NYCRR 216 (Insurance Regulation 64) when it failed to furnish the Department within ten business days with the available information regarding the claim.	9

Item	Description	Page No(s).
I	The Company violated Section 403(d) of the New York Insurance Law and Section 86.4(a) of 11 NYCRR 86 (Insurance Regulation 95) by utilizing claim forms that failed to contain the required fraud warning statements and using claim forms with altered fraud warning statements without obtaining prior approval from the Department's Investigation Bureau.	11
J	The Company violated Section 86.4(d) of 11 NYCRR 86 (Insurance Regulation 95) by using claim forms that did not have the required fraud warning statement placed immediately above the space provided for the signature of the person executing the claim.	11
K	The Company violated Section 41.4(e)(1) of 11 NYCRR 41 (Insurance Regulation 143) by using claim forms that did not contain the required notice that states that "Receipt of accelerated death benefits may affect eligibility for public assistance programs such as medical assistance (Medicaid), Aid to Families with Dependent Children and Supplemental Security Income. Receipt of accelerated death benefits in periodic payments may be treated differently than receipt in a lump sum."	12
L	The Company violated Section 41.4(e)(2) of 11 NYCRR 41 (Insurance Regulation 143) by using claim forms that did not contain the required notice that states that "Receipt of accelerated death benefits may be taxable. Receipt of accelerated death benefits in periodic payments may be treated differently than receipt in a lump sum."	12
M	The Company violated Section 41.4(e)(4) of 11 NYCRR 41 (Insurance Regulation 143) by using claim forms that did not contain the required statement that no health care facility as defined in Section 20 of the Public Health Law can require any person to accelerate payment of a death benefit as a condition of admission to such health care facility or for providing any care in such facility.	12
N	The Company violated Section 41.4(e)(6) of 11 NYCRR 41 (Insurance Regulation 143) by using claim forms that did not contain the required notice that the insurer is prohibited from paying accelerated death benefits to the certificate holder for a period of five days from the date on which the information specified in subdivision (f) of this section is transmitted in writing to the certificate holder.	12
O	The examiner recommends that the Company revise its accelerated death benefit claim forms to include the required disclosure notices and statements.	13

Item	Description	Page No(s).
P	The Company violated Section 243.2(b)(1)(ii) of 11 NYCRR 243 (Insurance Regulation 152) by failing to maintain employee application forms 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.	13
Q	The Company violated Section 243.2(b)(1)(iii) of 11 NYCRR 243 (Insurance Regulation 152) by failing to maintain termination notices of the 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.	14
R	The Company violated Section 243.2(b)(4) of 11 NYCRR 243 (Insurance Regulation 152) by failing to maintain claim files that clearly show the inception, handling and disposition of the claim for six calendar years after all elements of the claim are resolved and the file is closed or until after the filing of the report on examination in which the claim file was subject to review, whichever is longer.	14
S	The examiner recommends that the Company utilize claim forms that clearly identifies the insurer on the claim forms.	14
T	The Company violated Section 243.2(b)(5) of 11 NYCRR 243 (Insurance Regulation 152) by failing to maintain a licensing record for six calendar years after the relationship is terminated for each New York licensee with which the insurer established a relationship.	15

Respectfully submitted,

I. Ndika

Ijeoma Ndika
Senior Insurance Examiner

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

Ijeoma Ndika, being duly sworn, deposes and says that the foregoing report, subscribed by her, is true to the best of her knowledge and belief.

I. Ndika

Ijeoma Ndika

Subscribed and sworn to before me
this 19th day of December, 2023

Audrey Hall

AUDREY HALL
Notary Public, State of New York
No. 01HA6274900
Qualified in Kings County
Commission Expires January 28, 2028

APPOINTMENT NO. 32432

NEW YORK STATE

DEPARTMENT OF FINANCIAL SERVICES

*I, **ADRIENNE A. HARRIS**, 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:*

IJEOMA NDIKA

as a proper person to examine the affairs of the

ANTHEM LIFE & DISABILITY 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 21st day of July, 2022

ADRIENNE A. HARRIS
Superintendent of Financial Services

By: Mark McLeod

MARK MCLEOD
DEPUTY CHIEF - LIFE BUREAU