TARGETED MARKET CONDUCT REPORT ON EXAMINATION

OF THE

GLOBE LIFE INSURANCE COMPANY OF NEW YORK

AS OF DECEMBER 31, 2023

EXAMINER: **MOSES MUGULUSI**

DATE OF REPORT: **NOVEMBER 27, 2024**

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January 8, 2025

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. 32666, dated May 10, 2024, and annexed hereto, an examination has been made into the condition and affairs of Globe Life Insurance Company of New York, hereinafter referred to as "the Company." The Company's home office is located at 301 Plainfield Road, Suite 150, Syracuse, NY 13212.

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 violation contained in this report is summarized below.

The Company violated Section 86.4(d) of Insurance Regulation 95 by using claim forms that failed to place the fraud warning statement at the top of the page, when the form is signed by both the claimant and the physician. (See item 4A-1 of this report.)

2. SCOPE OF EXAMINATION

This examination was a targeted examination limited to the review of the Company's life claims adjudication process and related market conduct activities during the period January 1, 2016 through December 31, 2023.

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 the State of New York on June 16, 1981, under the name of Globe International Life Insurance Company. The Company was licensed and commenced business on December 10, 1984. The name of the Company was changed to First United American Life Insurance Company effective October 1, 1985. The name of the Company was changed to Globe Life Insurance Company of New York effective January 1, 2017.

Initial resources of $6,428,480, consisting of common capital stock of $2,000,000 and paid in and contributed surplus of $4,428,480, were provided through the sale of 100 shares of common stock (with a par value of $20,000 each) for $64,284.80 per share.

On July 1, 2016, the Company sold its Medicare Part D Prescription Drug Plan ("Medicare Part D") business to SilverScript Insurance Company ("SilverScript"). The purchase price was determined based on the number of enrollees in SilverScript plans in 2017. In conjunction with this sale, the Company entered into a reinsurance agreement and an administrative service agreement with SilverScript effective July 1, 2016, to December 31, 2016. According to the reinsurance agreement, the Company would assume 100% of the Medicare Part D and would receive as compensation all premiums, payments, and other recoveries related to the Medicare Part D. The Company also administered the Medicare Part D on behalf of SilverScript until the end of 2016.

B. Holding Company

The Company is a wholly owned subsidiary of United American Insurance Company ("UAIC"), a Nebraska insurance company. UAIC is in turn a wholly owned subsidiary of Globe Life, Inc., the ultimate parent of the Company. Globe Life, Inc. is a publicly traded Delaware investment advisory company. National Income Life Insurance Company is a New York domiciled affiliate insurer.

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 only in New York. Policies are written on a non-participating 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. Treatment of Policyholders

The examiner reviewed a sample of various types of claims. 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 86.4(d) of 11 NYCRR 86 (Insurance Regulation 95) states:

   "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."

The examiner reviewed a sample of 113 life insurance death claims. The 113 claims consisted of 30 paid death claims, 8 denied death claims, 9 resisted death claims, 36 closed death claims, and 30 pending death claims. In all 113 (100%) claims reviewed, where the claim form utilized was signed by both the claimant and the physician, the required fraud warning statement was not placed at the top of the first page or as otherwise prescribed by Section 86.4(d) of Insurance Regulation 95. The claim form used has the New York fraud warning in the middle of the page.

The Company violated Section 86.4(d) of Insurance Regulation 95 by using claim forms that failed to place the fraud warning statement at the top of the page, when the form is signed by both the claimant and the physician. The Company is directed to come into compliance with Section 86.4(d) of Insurance Regulation 95.

The Company has advised that it took the following steps to mitigate these deficiencies: First, as of May 7, 2024, customer service representatives read the New York fraud warning to, and get verbal acknowledgment from, the claimant when a claim is first reported to the Company by phone. Second, the Company revised the claim form in September 2024 to include the required New York fraud warning immediately above the space provided for both the claimant's and physician's signature. The Company further notes that the required New York fraud warning was included on the first page of the sample claim forms reviewed by the Department; however, because the warnings were listed in alphabetical order by jurisdiction, New York's fraud statement was not at the top of the page.

2. Section 216.6(c) of 11 NYCRR 216 (Insurance Regulation 64) states, in part:

> " . . . If the insurer needs more time to determine whether the claim should be accepted or rejected, it shall so notify the claimant, or the claimant's authorized representative, within 15 business days after receipt of such proof of loss, or requested information. Such notification shall include the reasons additional time is needed for investigation. If the claim remains unsettled, unless the matter is in litigation or arbitration, the insurer shall, 90 days from the date of the initial letter setting forth the need for further time to investigate, and every 90 days thereafter, send to the claimant, or the claimant's authorized representative, a letter setting forth the reasons additional time is needed for investigation. If the claim is accepted, in whole or in part, the claimant, or the claimant's authorized representative, shall be advised in writing of the amount offered. In any case where the claim is rejected, the insurer shall notify the claimant, or the claimant's authorized representative, in writing, of any applicable policy provision limiting the claimant's right to sue the insurer."

The examiner reviewed a sample of 18 closed claims and the review revealed that in one claim (5.6%), the Company failed to furnish the claimant with the notification every 90 days from the date of the initial letter setting forth the need for further time to investigate, and every 90 days thereafter, a letter setting forth the reasons additional time is needed for investigation.

The Company violated Section 216.6(c) of Insurance Regulation 64 by failing to advise the claimant or the claimant's authorized representative in writing every 90 days of the reasons for the additional time for the investigation of the claim. The Company is directed to come into compliance with Section 216.6(c) of Insurance Regulation 64.

5. SUMMARY AND CONCLUSIONS

Following are the violations contained in this report:

Item	Description	Page No(s).
A	The Company violated Section 86.4(d) of Insurance Regulation 95 by using claim forms that failed to place the fraud warning statement at the top of the page, when the form is signed by both the claimant and the physician.	6
B	The Company violated Section 216.6(c) of Insurance Regulation 64 by failing to advise the claimant or the claimant's authorized representative in writing every 90 days of the reasons for the additional time for the investigation of the claim.	7

Respectfully submitted,

Moses Mugulusi
Senior Insurance Examiner

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

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

Moses Mugulusi

Subscribed and sworn to before me
this 8th day of January, 2025

Audrey Hall
Notary Public, State of New York
Reg. No. 01HA0010698
Qualified in Kings County
Commission Expires 07/07/2027

APPOINTMENT NO. 32666

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:*

MOSES MUGULUSI

as a proper person to examine the affairs of the

GLOBE LIFE INSURANCE COMPANY OF NEW YORK

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 10th day of May 2024

ADRIENNE A. HARRIS
Superintendent of Financial Services

By: Mark McLeod

MARK MCLEOD
DEPUTY CHIEF - LIFE BUREAU