

**STATE OF MICHIGAN
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES**

Before the Director of the Department of Insurance and Financial Services

In the Matter of:

Order No.: 21-033-M

Companion Life Insurance Company,
_____ /

**Issued and entered
This 30TH day of July 2021
by Anita G. Fox
Director**

FINAL ORDER ADOPTING REGULATORY SETTLEMENT AGREEMENT

1. The Director of the Michigan Department of Insurance and Financial Services (DIFS) has the authority to exercise general supervision and control over individuals and entities participating in the insurance and surety business in this state pursuant to the Insurance Code of 1956, MCL 500.100 *et seq.*

2. Companion Life Insurance Company (Companion Life) is a South Carolina domestic insurer and, at all times relevant to this matter, has been a licensed insurer admitted to transact insurance business in the state of Michigan.

3. The Colorado Department of Insurance conducted an examination of Companion Life's Life, Accident, Health, and Disability business in that state focusing on the following areas of operation: Company Operations and Management; Complaints; Rates and Forms Filing; Advertising; Marketing and Sales; Producer Licensing; and Claims from January 1, 2016 through December 31, 2017.

4. Similar findings were identified and adopted as part of a single state targeted market conduct examination covering a period of January 1, 2014 through January 31, 2016 by the Delaware Department of Insurance and a single state targeted market conduct examination covering a period for the 2014-2015 and 2015-2016 policy years by the Vermont Department of Financial Regulation.

5. Michigan, together with the states of Delaware, Pennsylvania, Texas and South Carolina (Lead States), engaged in discussions with Companion regarding the multistate areas of review, a plan of corrective action that must be implemented, and regulatory enforcement of the corrective action plan.

6. On March 25, 2021, Companion Life, the Lead States and certain other participating states entered into a regulatory settlement agreement (RSA) addressing the concerns identified by the examination.

7. Pursuant to the terms of the RSA, Companion Life agreed as follows:

- a. To conduct compliance audits of its third-party contractors and ensure producers are properly licensed and appointed pursuant to the insurance laws of all settling jurisdictions.
- b. To maintain complete records of its business, including but not limited to all advertising materials and all regulatory and non-regulatory complaints, for a period of at least seven (7) years following the implementation of its compliance plan consistent with the RSA.
- c. To create and implement uniform complaint handling procedures for all its third-party contractors and producers.
- d. To review and update, as applicable, all rate and form filings in each of the settling jurisdictions and to report on its progress during the monitoring period.
- e. To review all claims payments for accuracy and timeliness and to ensure third-party contractors adhere to claims handling procedures and applicable insurance laws.
- f. To review its use of trusts and associations in all states where Companion Life offers products and to ensure that such use complies with applicable insurance laws.

g. To ensure that all marketing and sales material accurately reflects approved policy provisions and benefits in accordance with insurance laws and to provide producer training regarding the same.

8. The RSA became fully effective on March 25, 2021.

9. Michigan received its portion of the RSA payment in the amount of \$372,467.00 on June 24, 2021.

Therefore, it is **ORDERED** that the March 25, 2021 RSA between Companion Life and the signatory states is adopted. Any failure by Companion Life to comply with the provisions of the RSA shall result in appropriate administrative action.



Anita G. Fox
Director