

**STATE OF VERMONT
DEPARTMENT OF FINANCIAL REGULATION**

IN THE MATTER OF:)
)
CMFG Life Insurance Company)
_____)

STIPULATION AND CONSENT ORDER

This Stipulation and Consent Order is entered this 15th day of April, 2019 by and between CMFG Life Insurance Company (the “Company”) and the Vermont Department of Financial Regulation (the “Department”).

WHEREAS, the Commissioner of the Department (the “Commissioner”) is responsible for administering and enforcing the insurance laws of the State of Vermont, including 8 V.S.A. §§ 11, 12, 15, 3665, 4723, and 4724; and

WHEREAS, after an investigation, the Department asserts that the Company has violated the insurance laws, as set forth below; and

WHEREAS, the Company cooperated with the Department in its investigation by responding to inquiries and providing documentary evidence and other materials; and

WHEREAS, the Company and the Department wish to resolve this matter without further administrative proceedings or litigation; and

WHEREAS, the Company has agreed to make certain payments to the Department subject to the terms and conditions of this Order, and take certain other actions; and

WHEREAS, the Company elects to permanently waive any right to a hearing and appeal under the Vermont Administrative Procedure Act, Title 3, Chapter 25 of the Vermont Statutes Annotated, the rules, regulations, and orders of the Commissioner, and any right to judicial review by any court with respect to this Consent Order (the “Order”).

NOW THEREFORE, the Commissioner makes findings and conclusions as follows:

FINDINGS OF FACT

1. The Company is a foreign insurer with its principal place of business located at 5910 Mineral Point Road, Madison, Wisconsin 53705, NAIC #62626.
2. The Company is subject to the jurisdiction of the Commissioner pursuant to Title 8, Chapter 101, Subchapter 2.
3. The Company consents to the entry of this Order.
4. At all times relevant to this matter, the Company operated as a licensed life insurer in the State of Vermont.
5. In 2006, the Department and the Company (f/k/a CUNA Mutual Insurance Society) entered into a Stipulation & Consent Order (“2006 Stipulation”) relating to the Company’s failure to pay the statutorily required interest rate on credit life claims, among other violations.
6. Pursuant to the 2006 Stipulation, the Company was required to
 - a. audit its credit life insurance claims from January 1, 2001 through the date of the 2006 Stipulation and provide the Department a copy for approval;
 - b. pay the interest owed to the underpaid beneficiaries;
 - c. implement procedures to comply with 8 V.S.A. § 3665(c)(2) and (d); and
 - d. pay a \$1,000.00 penalty with regard to the credit-life violation (the total penalty ordered pursuant to the 2006 Stipulation was \$15,500.00).
7. The Company has complied with the 2006 Stipulation regarding its credit life business, and has also paid the six percent (6%) statutory interest rate on life insurance claims relating to Vermont insureds since 2006.

8. Beginning in August 2017, the Department conducted a review of the Company's life insurance claims pertaining to policies issued in Vermont, as well as claims paid to Vermont residents for the period January 1, 2014 through December 31, 2016 for individual and group policies.
9. As a result of this review, the Department discovered that 18% of the Company's claim payments included insufficient interest payments to Vermont-resident beneficiaries.
10. The Department subsequently required an additional review and restitution period beginning August 8, 2006 and ending December 31, 2016.
11. The data ultimately produced by the Company evidences 213 instances of underpayment pursuant to Vermont's statutory interest payment requirements, 154 of which occurred after publication of Bulletin 159 (Nov. 30, 2010), which clarifies the Department's application of 8 V.S.A. § 3665 to life insurance claims when the policy was delivered or issued for delivery in Vermont, the beneficiary is a Vermont resident at the time of death, or the group policy is issued outside of Vermont but the certificate was delivered or issued for delivery to a Vermont resident who is a Vermont resident at the time of his/her death.
12. Those 213 incidents involved a total of \$16,294.13 in underpayments to beneficiaries. The 154 claim payments following the Department's publication of Bulletin 159 involved a total of \$12,054.86 in underpayments to beneficiaries.
13. The Company admits that it did not apply the 8 V.S.A. § 3665 interest rate to life claims other than those relating to Vermont insureds until after another state performed a market conduct examination in 2014 and found that the Company used only the insured's state of residence in its interest rate calculation.
14. The Department's investigation also revealed that the Company had failed to verify that

the interest amounts it paid as part of the life insurance death claims process were consistent with Vermont regulation and that the Company did not have adequate systems in place to prevent such errors.

15. The Company did not consistently identify and remedy claims interest-payment failures across all life insurance product lines after the 2006 Stipulation relating to its credit life business.

16. Company staff have been cooperative and responsive to the Department's requests, acknowledged the statutory violations, initiated a self-audit without Department order, and paid restitution in the amount of \$16,294.13, representing underpayments to 213 beneficiaries on claims dating back to 2006, which restitution was completed in 2017.

17. Since the audit period, the Company has implemented controls to prevent such errors and has engaged in ongoing self-audit and remediation throughout the implementation process, which has been completed and reported to the Department prior to the entry of this Order.

18. The Department finds that these violations caused financial harm to consumers.

CONCLUSIONS OF LAW

19. Pursuant to 8 V.S.A. §§ 11, 12, 15, 3665, 4723, and 4724, the Commissioner is charged with enforcing the insurance laws of the State of Vermont.

20. Pursuant to 8 V.S.A. § 3661, the Commission may impose a civil administrative penalty for each violation of Title 8, an administrative rule of the Department, or an order of the Commissioner relating to insurance. Violations are subject to an administrative penalty of up to \$1,000 per violation.

21. Pursuant to 8 V.S.A. § 3665(a), an insurance company is responsible for payment of any consequential damages caused by improper delay in payment or settlement of claims to

beneficiaries.

22. It is a violation of 8 V.S.A. § 3665(c)(2) to fail to provide, as part of the payment of a life insurance policy claim, the interest that by law accrues from the date of death at a rate of 6%.
23. The Department published Insurance Division Bulletin 159 on November 30, 2010, addressing jurisdictional issues for life insurance with a nexus to multiple states: “[I]t is the Department’s position” that the statutory interest rate is required to be paid in all of the following situations:
 - a. When the individual or group policy was delivered or issued for delivery in Vermont, regardless of whether the beneficiary resides in Vermont at the time of death of the owner or certificate holder;
 - b. When the beneficiary resides in Vermont at the time of the death of the owner or certificate holder, regardless of where the group or individual policy was issued; and
 - c. When the group policy was issued outside of Vermont, but the certificate was delivered or issued for delivery to a Vermont resident who is also a resident of this state at the time of his or her death.
24. It is a violation of 8 V.S.A. §§ 4723, 4724(19) to fail to comply with any rates, rules, regulations, or forms filed with the Commissioner.
25. Pursuant to 8 V.S.A. § 4726, the Commission may impose a civil administrative penalty for each violation of Title 8, Chapter 129. Violations are subject to an administrative penalty of up to \$1,000 per violation.
26. By failing to pay required statutory interest on 154 death benefit claims from November

30, 2010 through December 31, 2016, the Company committed 154 violations of 8 V.S.A. § 3665(c) and 154 violations of 8 V.S.A. §§ 4723, 4724(19). The post-Bulletin 159 violations were similar in substance to the violations for which the Company had already paid an administrative penalty in 2006, and the Company learned of these violations years before the Department's review and did not report or remedy the deficiencies. For these reasons, the violations are committed with notice and knowledge of the Company's obligations under § 3665(c).

27. Altogether, the Company has committed 154 violations of 8 V.S.A. § 3665(c) and 154 violations of 8 V.S.A. §§ 4723, 4724(19), which together carry a potential administrative penalty of \$308,000.

CMFG Life Insurance Company

By: 
Lisa Wagner, Vice President

Date: 4/4/2019

ACCEPTED BY:



Michael S. Pieciak, Commissioner
Vermont Department of Financial Regulation

CONSENT ORDER

NOW, THEREFORE, based on the Company's stipulation and on the Findings of Fact and Conclusions of Law, the Commissioner issues the following Order:

1. If the Company fails or neglects to comply with any of the terms, conditions or undertakings set forth in this Stipulation and Consent Order, the Department may, upon written notice to the Company, institute any legal or administrative proceedings it deems appropriate to enforce same and to seek such other appropriate sanctions, and the Company shall consent to the entry of judgment for any unpaid balance.
2. The Company's future failure to pay the statutorily prescribed amount of interest on a death benefit claim—whether the claim pre- or post-dates this Order—shall constitute a “willful” violation pursuant to 8 V.S.A. § 3661(a)(3) and § 4726(b) and will be subject to a heightened penalty amount.
3. The Company shall pay an administrative penalty in the amount of \$231,000.00 to the Department within thirty (30) days of the execution of this Stipulation and Consent Order.
4. The Company has implemented or shall implement the following corrective actions (“Corrective Action Plan” or “CAP”):
 - a. Update the rate parameters in the Company's claims system for Vermont to ensure compliance with all Vermont laws, Regulations, Orders, and Bulletins, including Bulletin 159.
 - b. Create documented procedures for the review of interest rate laws and regulations and for integration of changes to the claims system. Procedures that have been implemented voluntarily are described in Exhibit A, “Claims Interest Job Aid” document; and Exhibit B, “Claims and Claims Interest Requirements Job Aid,”

which includes sample screen shots of the new laws and regulations review process described therein.

- c. Capture within the claims system the details of any changes or updates to rate parameters, including date and name of the individual performing the change or update, as reflected in Exhibit C, "Vermont State Interest Table."
 - d. Perform regular (no less than quarterly) Company audits of death claim procedures and interest rate calculations involving Vermont claims and provide the full results of those audits to the Administrative Insurance Examiner at the Department without demand for a period of two years. The Department shall have sixty days from the date of receipt of each audit results to notify the Company of any issues or concerns. If the Company timely reports and has no incidents, or resolves all incidents to the Department's satisfaction, during the two-year period beginning with the date this Order is executed, this reporting requirement terminates.
 - e. Comply with all Vermont laws, Regulations, Orders, and Bulletins.
5. The Company shall conduct a self-audit no later than July 31, 2019 to ensure compliance with the CAP and Vermont law. The full results of the self-audit, including detailed information regarding all Vermont life-insurance claims and payments made, must be reported to the Department by August 31, 2019.
 6. The Company must obtain the Department's prior written approval to make any changes to the CAP.
 7. All expenses incurred by the Department in reviewing CAP compliance will be billed back to the Company.
 8. Nothing in this Order shall be construed as limiting the Commissioner's authority to

investigate the Company for matters not resolved by this Order or for matters unrelated to this Order.

9. Nothing herein shall be construed as limiting any private action a person may have.
10. The Company consents to the entry of this Order and acknowledges its consent is given freely and voluntarily and that no promise has been made to induce it to consent except as otherwise stated herein.
11. The Company acknowledges it has been represented by counsel in this matter and voluntarily waives its right to an administrative hearing on this matter and to judicial review of this matter.
12. The Company further acknowledges the Commissioner retains jurisdiction over this matter for purposes of enforcing this Order.
13. This Order shall be governed by and construed under the laws of the State of Vermont.
14. This Order is entered into solely for the purpose of resolving this matter and is not intended to be used for any other purpose.

CONSENT BY CMFG LIFE INSURANCE COMPANY

1. The Company hereby admits the jurisdiction of the Commissioner over the subject matter of this proceeding and knowingly and voluntarily waives its right to a hearing before the Commissioner or his designee and all other procedures otherwise available under Vermont law, the rules of the Department, the provisions of Title 3, Chapter 25, or any right it may have to judicial review of this matter.
2. The Company certifies that the Findings of Fact are accurate and complete, that it has reported to DFR all failures to pay the proper interest amount on a life insurance policy, and that full restitution has been paid to all impacted beneficiaries.
3. The Company admits to the existence of the violations set forth in this agreement as

identified in the Department's findings and conclusions.

4. The Company acknowledges this Order constitutes a valid order duly rendered by the Commissioner and agrees to be bound by it.
5. The Company acknowledges and agrees this Order is entered into freely and voluntarily.
6. The Company acknowledges its understanding of all terms, conditions, and obligations contained in the Order and further acknowledges that should it fail to comply with any provision of the Order, the Commissioner may impose additional sanctions and seek appropriate relief subject to the Company's right to a hearing pursuant to Vermont insurance laws.

Entered at Montpelier, Vermont this 15th day of April, 2019.



Michael S. Pieciak, Commissioner
Vermont Department of Financial Regulation

Claims Interest Job Aid

CRS State Interest – Issue State/Exception States



Common Purpose. Uncommon Commitment.

In September 2016, changes were made to the state interest calculator for the Face to Face policies as it relates to the product rules. State interest will continue to be calculated based on the greater of the state rule or product rule. However, if the Face to Face policy is issued on or after 1/1/1996, state interest will be paid from *proof date* to payment date; policies issued prior to 1/1/1996, state interest will be paid from *date of death* (DOD) to payment date. This excludes Universal Life/Variable Universal Life (UL/VUL). For UL/VUL, state interest will be paid from *date of death* to payment date regardless of the issue date. The above changes were made to ensure state interest is calculated based on contract provisions.

On November 23rd, another state interest change will be implemented as a result of the state regulatory review completed earlier in 2016. The changes are as follows:

- 1) Use the **ISSUE** state rather than **INSURED** resident state to determine the state postmortem interest.
- 2) Recognize and adhere to state exceptions that require us to calculate interest by taking the greater of the **ISSUE** state, **INSURED** resident state and all of the **BENEFICIARY** states. This will automatically be determined in CRS. Currently, the exception states are: GA, IN, MN, MS, NE, OH, VT, WA, WV, & WI.

The following changes have been made to the 'Calculate Interest' screen:

1. The Insured Resident State and Issue State fields are switched
2. Added two new fields in the Interest Summary:
 - Interest State
 - Interest Relationship

Claim Number 150106079

Date of Death: 12/15/2014 Notice Received Date: 01/05/2015 Proof Date: 01/05/2015
 Plan Code: U0601 Issue Date: 05/15/1990 Insured Resident State: IN
 Issue State: IN Interest Paid Thru Date: 10/28/2016
 Payment Amount \$: 25000.00 Applies Under Investigation: Not applicable

Calculate Interest

Interest From Date	Interest Paid Thru Date	Interest Type Description	Interest State	Interest Relation...	Applies Under Investg
02/04/2015	10/28/2016	UL/VUL Face to Face Lif	Greater of - XY	Beneficiary State	Not applicable

- INTEREST STATE field will display the state that won the “greater of” calculation and whether it is the ‘Issue’ state (default) or if it was an ‘Exception’ state.
- INTEREST RELATIONSHIP field displays which state relationship won the “greater of” calculation. It will display either ‘Issue State’, ‘Insured Resident State’ or ‘Beneficiary State’.

Here are some examples below:

- Non-Exception State - Interest was calculated using the Issue State (default). In other words, the Issue state, Insured Resident state or any of the Beneficiary states did *not* include an ‘exception’ state.

Interest State	Interest Relation...
Issue -MI	Issue State

- Exception State - Interest was calculated taking the greater of Issue state, Insured Resident State and all the Beneficiary states. This means that at least one of the states was an ‘exception’ state. The winner was WI, which was the Resident state.

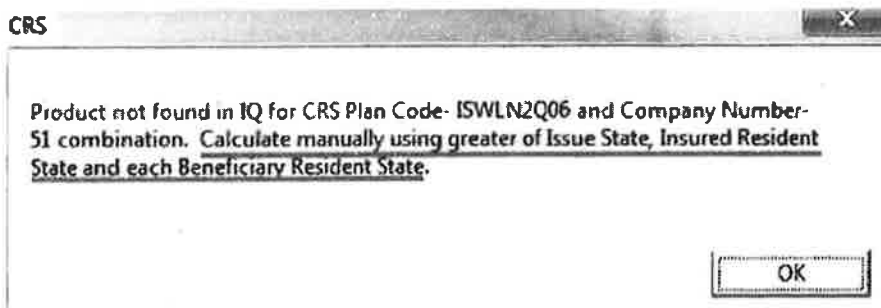
Interest State	Interest Relation...
Greater of - WI	Resident State

New CRS pop-up messages have been added

CRS is programmed to identify situations where the interest will need to be calculated manually and will identify the appropriate state to use when calculating interest. This information will be provided in a pop-up message in CRS when the "Calculate Interest" button is selected.

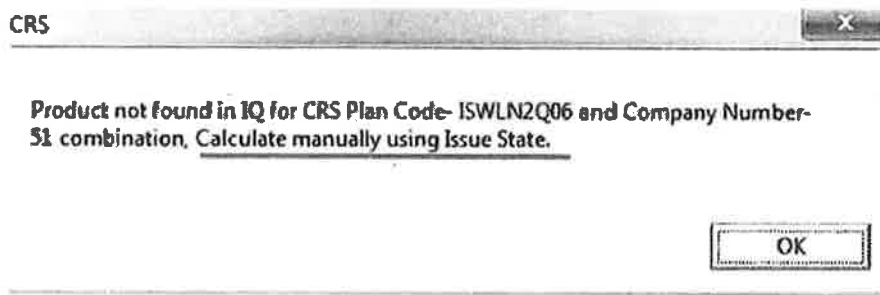
In most cases, state interest will be based on the policy issue state; however, there are some exceptions where the state will take into consideration the insured's and/or the beneficiary's resident state.

1. When there is an ‘Exception’ state included and interest needs to be calculated manually, CRS will display a pop up a message instructing the user to calculate interest using the greater of Issue State, Insured Resident State and each Beneficiary State.



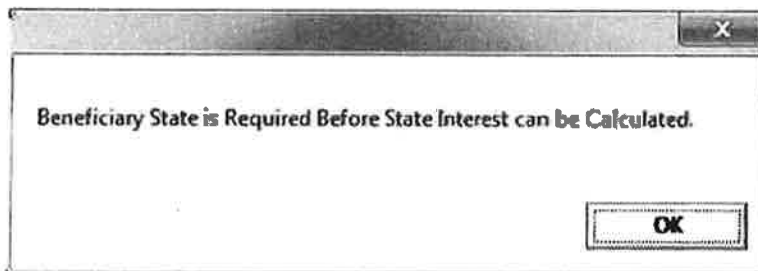
- Refer to the Manual State Interest Spreadsheet (KM1009387) for instructions on how to calculated the state interest due

2. When an exception state is *not* included, CRS will pop up a message to calculate interest manually using the Issue State.



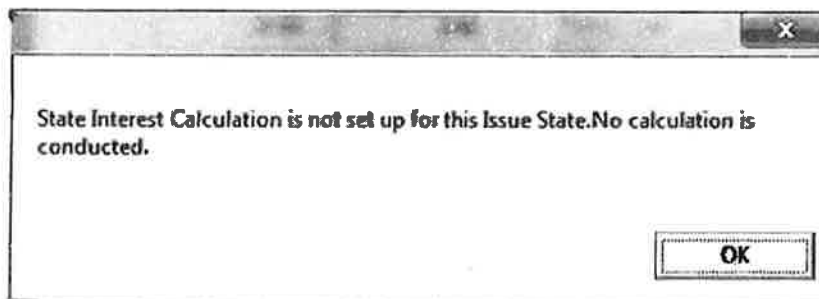
- a. Refer to the Manual State Interest Spreadsheet (KM1009387) for instructions on how to calculate the state interest due

3. If the Beneficiary state field is not populated in CRS, the below pop up message will display:

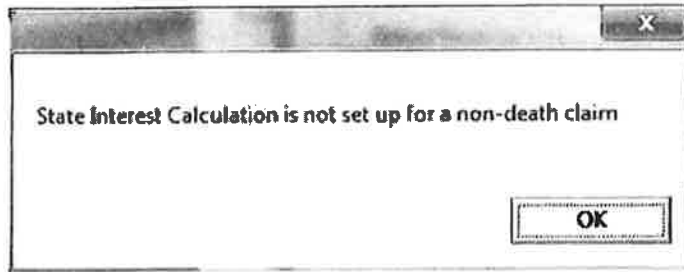


- a. Update the Beneficiary state field in CRS and recalculate.

4. If the Issue state is a Military state (AA, AE or AP) and Issue State and/or Beneficiary state is a non-exception state, the below pop up message will display:



Currently, we calculate interest for only 'death' claims. The below message appears in CRS when trying to calculate interest on a non-death claim.



In our state interest review, we discovered some states require state interest on non-death claims, too, such as Hospital Indemnity, Hospital Accident and Disability Income. Effective December 1, 2016, begin using the manual spreadsheet to determine if state interest is applicable for non-death claims as well.

Kathy Graham
Sr. Compliance Operations Consultant
Telephone: 608.665.7008
E-mail: kathy.graham@cunamutual.com
Fax: 608.236.7008



CMFG Life Insurance Company

May 8, 2018

Isabelle Keiser
Administrative Insurance Examiner
Vermont Department of Financial Regulation
89 Main St, Second Floor
Montpelier, VT 05620

Re: Life Death Benefit Self Audit

Dear Mrs. Keiser:

This letter is in response to your e-mail dated May 3, 2018 requesting clarification on the job aid provided and how interest is paid. The Company response follows:

The Job Aid document provided to you on May 2 does not describe the entire process for calculating interest on all life claims. The Job Aid was used to communicate updates to employees regarding existing processes in 2016, per your request for documentation of, "changes that have been made to correct the company systems" and "plans that the Company has made to prevent this from happening again."

The first paragraph of the Job Aid, which is the subject of your question, was a separate update regarding the product rules for Face to Face products that was communicated to employees at the same time as the state-specific interest requirements. The entire claims interest calculation process results in payment of the highest rate applicable in a claim after comparing both the product rules and state interest requirements. For your reference, the print screen below highlights the combined, Vermont-specific considerations as they are displayed to employees calculating claims interest on individual life products sold through the face to face channel:

Claim State Interest Requirements

Vermont	Definitions
Individual Life	<p>FACE TO FACE - includes Company codes 01 06</p> <p>Select by Policy Issue Date</p> <p><u>Issue Date before 1/1/1996:</u></p> <p>If Policy Issue State is VT or if Beneficiary or Insured resides in VT, then Pay the Greater of</p> <ol style="list-style-type: none"> 1) Date of Death to Payment date (up to 30 days after Proof is received) at OPTION rate or 2) Date of Death to Payment date (up to 30 days after Proof is received) at 6% or 3) If Payment Date is greater than 30 days from when proof is received (Proof + 30) then pay <ul style="list-style-type: none"> * Greater of either the OPTION rate or 6% from Date of Death to up to Proof + 30 days plus * 12% (Judgement rate) from Proof + 30 days to Payment date or 4) Date of Death to Payment Date at OPTION rate or 5) Date of Death to Payment Date at Guaranteed Product rate <p><u>Issue Date after 1/1/1996:</u></p> <p>If Policy Issue State is VT or if Beneficiary or Insured resides in VT, then Pay Greater of</p> <ol style="list-style-type: none"> 1) Date of Death to Payment date (up to 30 days after Proof is received) at OPTION rate, or 2) Date of Death to Payment date (up to 30 days after Proof is received) at 6% or 3) If Payment Date is greater than 30 days from when proof is received (Proof + 30), then pay <ul style="list-style-type: none"> * Greater of either the OPTION rate or 6% from Date of Death to up to Proof + 30 days, plus * 12% (Judgement rate) from Proof + 30 days to Payment date or 4) Date of Proof to Payment date at OPTION rate, or 5) Date of Proof to Payment date at Guaranteed Product rate

Based on the course of our correspondence, there appear to be outstanding questions and issues regarding our various life products and processes. Please let us know if it would be helpful to regroup by phone with the larger group to discuss any remaining issues, now that we have completed our audit and the related remediation payments.

If further information or clarification is required as to what we have provided herein, please contact me at 1-800-356-2644, ext. 665-7008. Thank you.

Sincerely,



Kathy Graham
Sr. Compliance Operations Consultant

KG



Claims & Claims Interest Requirements

Job Aid



What are Claims Interest Requirements?

States set forth standards for investigating and claims settlement for policies or certificates issued in their state. Requirements can vary by state, product and where the policy or certificate was issued.

Insurers are required to pay a benefit after receiving notification of a claim and documentation to support proof of death, disability, involuntary unemployment, etc. in a timely fashion. Interest requirements are typically intended to penalize an insurer when there is a delay in making a payment to the beneficiary/claimant. However, there are few states where interest must always be applied to the claim benefit and is not related to whether there is a delay.

Who should I engage when there is a change or question regarding the interest requirements and/or a regulatory change specific to claims or claims process?

	Business Compliance Contact (BCC)	Business Operations Contact (BOC)
TruStage – Life & Health	Mindy [redacted]	Claims – Donna [redacted]
Wealth Management – Annuities	Mindy	Claims – Donna
Commercial – Business Protection	Laura [redacted]	Claims – Donna [redacted]
Commercial – Lending & Payment Security	Cindy	Claims – Donna

Why?

CUNA Mutual is dedicated to paying claims according to the regulatory requirements set forth by each state in a timely manner and ensure the state mandated interest is paid to the customer accurately.

Claim process and interest applied is an area where we anticipate continued focus in market conduct exams.

What is the review process relating to new laws/regulations affecting Claims?

NLR Acquisition reviews and analyzes the law/regulation to determine if claims and/or LTC product is impacted. If claims are affected, a task will be assigned to the impacted BCCs. One of the BCC's will perform an initial assessment and engage other BCCs to discuss the applicability and reach an agreed upon interpretation prior to communicating to Claims. The BCC who takes the lead will meet with the BOC to review the law/regulation and follow with a communication and assign an assessment to capture confirmation regarding implementation.

Where can I get more information?

If you have questions on how we are applying the interest requirements or regulatory requirements, please contact one of the BCCs listed.

If you have questions on the topic or process, please contact:

Topic Owner: Mindy
Process Owner: Jan

If you are aware of a change of contact, please inform NLR Acquisition to update this document.

Dos and Don'ts of Claims Interest Requirements

DO:

- Reach out to other BCCs to determine applicability and agreed upon interpretation prior to communicating.
- Collaborate with Claims to review regulatory change and reach an agreed upon action plan.

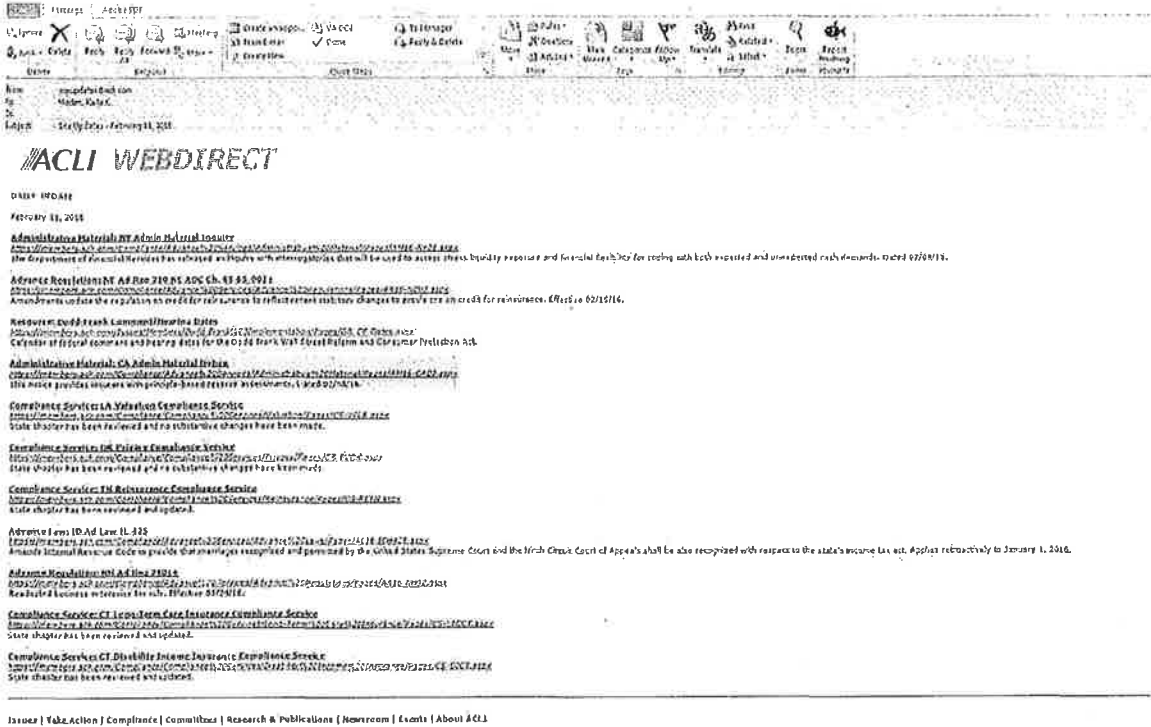
DON'T:

- Forget to update the Claims Interest Summary.
- Close your assigned responsibility until you have verified necessary changes have been implemented for the product(s) you support.

Exhibit B: Screen shots of new laws and regulations intake and documentation

Step 1:

Notifications received via email alerts from various trade organizations, AIA, ACLI, Wolters Kluwer (OneSumX NILS Insource).



Step 2:

Entry to Compliance 360 and task assignment to business partner:

ITEM EDIT

Content Item: Modify Item * Required Information

ITEM ADDS COMMENTS EDITOR COMMENTS HISTORY WORKSPACE WORKFLOW TASKS SEARCH

Re-Open Close Spell Check Save Save and New Item SAVE AND CLOSE

Item Information

Set Name
Stela

Folder Path
California

Status
Closed

ID
3501

*** Name**
CA Notice PBR Reserving Assessment Fiscal Year 2015-16 (Valuation)

Revision
1

NEW LAW SUMMARY

State and Citation or Bill #: California Notice
Effective Date: 2/8/2016

SUMMARY OF REQUIREMENTS

This notice provides insurers with the principle-based reserve assessments.

ACTION REQUIRED

Date Law Due/Effective
2/8/2016

Date Push Received
2/12/2016

Do Not Use
2/8/2016

Date Item Entered

2/12/2016

Do Not Use

High Priority

Completion Date

2/16/2010

State/Federal

CA

Item Options

- This item may have Assessments
- This item may have an Evidence Room

Revision Options

- Copy forward Assessments on subsequent revisions
- Copy forward Evidence Room on subsequent revisions

*** Item Workflow Template**

2013 Content Item Workflow

Assessment Workflow Template

2013 Assessment Workflow

Assessment Question Template

2013 Assessment Questionnaire Template

Task Workflow Template

2013 CMG Task Workflow Template V3

Categorization

American Council of Life Insurers
ANALYSTS
LIC

Add Remove

File Information

File

Select File...

Current File

CA Notice PBR Reserving Assessment 2016-16.pdf

Clear File

File Display Options

Original

File Display Options

- Original
- PDF
- Automatically converted PDF file
- User supplied PDF file

URL

Law Reviewer

[New Employee](#)

No records to display

Tasks

[Assign All](#) [New Master Task](#) [Show Task](#)

STATUS	NAME	PROJECT	RESP PARTY	SCHED	FORESHORE	ACTIONS
Closed Complete (Change Implemented)	Johanson, Janet E.	2/2/2016		Actions		
Closed Complete (Applicable/No Impact)	Umbaran, Wendy M.	2/12/2016		Actions		

Related Items

[New](#)

No records to display

AUDIT TRAIL MESSAGE

Type of Change

Sent Message

Date

2/12/2016 9:58:02 AM CST

Employee

Lueden, Karth K.

Message

A message with subject 'Annuities CA Notice PBR Reserving Assessment Fiscal Year 2015-16 (Valuation Task Assignment)' was sent to the following recipients: 'Johanson, Janet E.'

[CLOSE](#)

AUDIT TRAIL MESSAGE



Type of Change

Genl Message

Date

2/12/2018 8:58:04 AM CST

Employee

Mirejan, Karla K

Message

A message with subject "Ldr CA Notice PBR Responing Assessment Fiscal Year 2015-18 (Valuation) Task Assignment" was sent to the following recipients "Uirthum, Mindy M..."

CLOSE

Step 3

Assessment:

ITEM EDIT

Set Name

State

Folder Path

California

Status

Closed

Item ID

3901

Name

CA Notice PBR Responing Assessment Fiscal Year 2015-18 (Valuation)

Revision

1

DATE LAUNCHED	DATE COMPLETED	STATUS	ASSESSMENT TYPE	SCORE	DISPLAY PERCENT	ACTIONS
2/12/2016	2/12/2016	<input checked="" type="radio"/> Assessment Complete	Questionnaire	<input checked="" type="radio"/> Applicable	<input type="checkbox"/>	Actions
3/12/2016	3/16/2016	<input checked="" type="radio"/> Assessment Complete	Quick Assessment	<input checked="" type="radio"/> Not Applicable	<input type="checkbox"/>	Actions
2/12/2016	2/12/2016	<input checked="" type="radio"/> Completed	Quick Assessment	<input checked="" type="radio"/> Applicable/No Impact	<input checked="" type="checkbox"/>	Actions

Content Assessment Information

Item ID
 3001

Item Name
 CA Module I-PRR (Resolving Assessment Fiscal Year 2015-16 (Valuation))

Date Created
 2/12/2016

Date Completed
 2/12/2016

Status
 Assessment Complete

Assessment Type
 Questionnaire

Content Assessment Score
 Applicable

Display in ERT
 No

Comments

Assessment Workflow Template

[Click here to view the template.](#)

Assignees

EMPLOYEE	DELEGATED TO	DATE COMPLETED	SCORE	COMMENTS
<input checked="" type="checkbox"/> Guecorak, Jeanne A		2/12/2016	<input checked="" type="checkbox"/>	This is advance notice of a potential assessment in California to defray the costs of PRR (principles based reserve valuation). Based on the table, CMFG's share of the assessment would be \$0,000. No action needed at this time. The State of California will be issuing invoices to companies in May. At that time, we will need to pay the invoice.

Content Assessment Information

Item ID
 3001

Item Name
 CA Module I-PRR (Resolving Assessment Fiscal Year 2015-16 (Valuation))

Date Created
 2/12/2016

Date Completed
 2/12/2016

Status
 Assessment Complete

Assessment Type
 Check Assessment

Content Assessment Score
 Not Applicable

Display in ERT
 No

Comments

Assignees

EMPLOYEE	DELEGATED TO	DATE COMPLETED	SCORE	COMMENTS
<input checked="" type="checkbox"/> Nichols, Scott J			<input checked="" type="checkbox"/>	

Sponsors

EMPLOYEE
<input checked="" type="checkbox"/> Johnston, Jennifer

Content Assessment Information

Item ID
3301

Item Name
 CA No. 66 (teaming) Assessment List Year 2015-16 (Winton)

Date Created
2/12/2016

Date Completed
2/12/2016

Status
 Completed

Assessment Type
Check Assessment

Content Assessment Score
66/100 (No Impact)

Display in ER?
Yes

Comments
App. cable, however no impact at W3, 12/16. See response from Actuarial

Assignees

EMPLOYEE	DELEGATED TO	DATE COMPLETED	SCORE	COMMENTS
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Sponsors

No records to display

Attachments

Exhibit C: Vermont State Interest Table

Claim State Interest Requirements

Vermont	
Line of Business	Interest Rule
Individual Life	<p>Select interest rule by distribution channel:</p> <p>DIRECT RESPONSE - includes Company codes 21, 41, 51, 81</p> <p>If the Policy's Issue State is VT or if Beneficiary or Insured resides in VT, then Pay Greater of:</p> <ol style="list-style-type: none"> 1) Date of Death to Payment date (up to 30 days after Proof is received) at OPTION rate, or 2) Date of Death to Payment date (up to 30 days after Proof is received) at 6%, or 3) If Payment Date is greater than 60 days from when proof is received (Proof + 60), then pay <ul style="list-style-type: none"> * Greater of either the OPTION rate or 6% from Date of Death to up to Proof + 60 days, plus * 12% (Judgement rate) from Proof + 60 days to Payment date, or <p>FACE TO FACE - includes Company codes 01, 06</p> <p>Select by Policy Issue Date:</p> <p>Issue Date before 1/1/1996:</p> <p>If Policy Issue State is VT or if Beneficiary or Insured resides in VT, then Pay the Greater of:</p> <ol style="list-style-type: none"> 1) Date of Death to Payment date (up to 30 days after Proof is received) at OPTION rate, or 2) Date of Death to Payment date (up to 30 days after Proof is received) at 6%, or 3) If Payment Date is greater than 60 days from when proof is received (Proof + 60), then pay <ul style="list-style-type: none"> * Greater of either the OPTION rate or 6% from Date of Death to up to Proof + 60 days, plus * 12% (Judgement rate) from Proof + 60 days to Payment date, or 4) Date of Death to Payment Date at OPTION rate or 5) Date of Death to Payment Date at Guaranteed Product rate <p>Issue Date after 1/1/1996:</p> <p>If Policy Issue State is VT or if Beneficiary or Insured resides in VT, then Pay Greater of:</p> <ol style="list-style-type: none"> 1) Date of Death to Payment date (up to 30 days after Proof is received) at OPTION rate, or 2) Date of Death to Payment date (up to 30 days after Proof is received) at 6%, or 3) If Payment Date is greater than 60 days from when proof is received (Proof + 60), then pay <ul style="list-style-type: none"> * Greater of either the OPTION rate or 6% from Date of Death to up to Proof + 60 days, plus * 12% (Judgement rate) from Proof + 60 days to Payment date, or 4) Date of Proof to Payment date at OPTION rate, or 5) Date of Proof to Payment date at Guaranteed Product rate
Variable Life	<p>Includes Company codes 01, 06</p> <p>Refer to Individual Life / Face to Face: (click button below)</p> <div style="border: 1px solid gray; padding: 5px; text-align: center; width: fit-content; margin: 5px auto;"> <p>Individual Life Face to Face Issue Date Before 1/1/1996</p> </div> <p>See State Specific VUL tab for details regarding the business decision to utilize the Individual Life / Face to Face interest rules.</p> <div style="border: 1px solid gray; padding: 5px; text-align: center; width: fit-content; margin: 5px auto;"> <p>VUL</p> </div>
Life Interstate Compact	<p>Refer to the Life Interstate Compact Tab</p>
Group Life	<p>If the Policy's Issue State is VT or If Beneficiary or Insured resides in VT, then Pay Greater of:</p> <ol style="list-style-type: none"> 1) Date of Death to Payment date (up to 30 days after Proof is received) at OPTION rate, or 2) Date of Death to Payment date (up to 30 days after Proof is received) at 6%, or 3) If Payment Date is greater than 60 days from when proof is received (Proof + 60), then pay <ul style="list-style-type: none"> * Greater of either the OPTION rate or 6% from Date of Death to up to Proof + 60 days, plus * 12% (Judgement rate) from Proof + 60 days to Payment date

Document Manager:

Date	Description
12/16/2016	Laura - State Utility Revisions: Revised Direct Response, Face to Face Life - State, Fixed Annuities and added Variable Annuities.
6/28/2018	Laura - Changed Penalty requirement from Proof + 30 days to Proof + 60 days in state interest utility and to the rules above.

