

IN29787/957 JM

STATE OF MINNESOTA  
COMMISSIONER OF COMMERCE

In the Matter of the Insurance Agency License  
of Long Term Care Advisors  
License No. 20265604  
NPN 7087173

CONSENT ORDER

TO: Long Term Care Advisors  
125 Twin Rivers Court, Suite 206  
Sartell MN 56377

1. Commissioner of Commerce Mike Rothman (hereinafter "Commissioner") has advised Long Term Care Advisors (hereinafter "Respondent") that as a result of an investigation by the Commissioner concerning Respondent's conduct as an agency engaged in the business of insurance in Minnesota, the Commissioner is prepared to commence formal proceedings in accordance with the provisions of Minn. Stat. § 45.027 (2012) against the Respondent's license to engage in the business of insurance in Minnesota based on allegations that the Respondent used direct mail reply cards that have the capacity to mislead, in that, an average person may have the impression that their response is being solicited by an inquiry from the "Minnesota Own Your Future Program" and/or the "Long Term Care Partnership Program" which are both government programs rather than an inquiry from an insurance agency which sells long-term care insurance policies. An average person may also have the impression that the Respondent is connected with and/or has received approval from the above-referenced state government programs. The Respondent has failed to identify itself on one card as an insurance agency, its identity is minimized on the other card and the statement "not affiliated with any state or government agency" is minimized on both cards and printed in a smaller font size than the rest of the card. The above allegations are in violation of Minn. Stat. § 72A.20, subd. 2(2012) and Minn. Rule 2790.0400, 2790.0800 and 2790.1100 (2013).

2. Respondent acknowledges that it has been advised of its rights to a hearing in this matter, to present argument to the Commissioner and to appeal from any adverse determination after a hearing, and Respondent hereby expressly waives those rights. Respondent further acknowledges that it has been represented by legal counsel throughout these proceedings or has been advised of its right to counsel, which right it hereby waives.

3. Respondent has agreed to an informal disposition of this matter without a hearing, as provided under Minn. Stat. § 14.59 (2012) and Minn. R. 1400.5900 (2013).

4. The following Order is in the public interest.

**NOW, THEREFORE, IT IS HEREBY ORDERED**, pursuant to Minn. Stat. § 45.027 (2012) that the Respondent shall cease and desist from using the above-described direct mail reply cards and from violating any laws, rules or orders related to the duties and responsibilities entrusted to the Commissioner.

**IT IS FURTHER ORDERED**, pursuant to Minn. Stat. § 45.027, subd. 6 (2012) that the Respondent shall pay to the State of Minnesota a civil penalty of \$5,000.00.

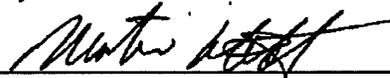
**IT IS FURTHER ORDERED**, pursuant to Minn. Stat. § 45.027, subd. 1(8) (2012) that the Respondent shall pay the Department the costs of its investigation.

This Order shall be effective upon signature on behalf of the Commissioner.

Dated: 5-9-14

MIKE ROTHMAN  
Commissioner

By:

  
MARTIN FLEISCHHACKER  
Director of Enforcement Investigations  
Minnesota Department of Commerce  
85 Seventh Place East, Suite 500  
St. Paul, Minnesota 55101  
Telephone: (651)539-1640

CONSENT TO ENTRY OF ORDER

APR 23 2014

Rec'd \$ 5,000 4030

The undersigned, acting on behalf of Long Term Care Advisors states that he/she has read the foregoing Consent Order; that he/she knows and fully understands its contents and effect; that he/she is authorized to execute this Consent to Entry of Order on behalf of Respondent; that he/she has been advised of Respondent's right to a hearing; that Respondent has been represented by legal counsel in this matter; or that he/she has been advised of Respondent's right to be represented by legal counsel and that he/she has waived this right; and that he/she consents to entry of this Order by the Commissioner of Commerce. It is further expressly understood that this Order constitutes the entire settlement agreement between the parties hereto, there being no other promises or agreements, either express or implied.

Long Term Care Advisors

By:

*[Handwritten Signature]*

Its: \_\_\_\_\_

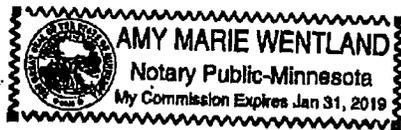
STATE OF Minnesota

COUNTY OF Stearns

This instrument was acknowledged before me on 17<sup>th</sup> (date) by April 2014

(name(s) of person(s) as LP (type of authority, e.g., officer, trustee, etc.) of Long Term Care Advisors (name of party on behalf of whom the instrument was executed).

(stamp)



*[Handwritten Signature]*  
(Signature of notary officer)

Title (and Rank)  
My commission expires: 1-31-19

IN30083/1121JPB

State of Minnesota  
Dept. of Commerce

NOV 14 2014

Rec'd \$ 50,100

STATE OF MINNESOTA  
DEPARTMENT OF COMMERCE

In the Matter of the Certificate of Authority  
of Continental Casualty Company  
NAIC No. 20443

CONSENT ORDER

TO: Continental Casualty Company  
333 S. Wabash Ave.  
Chicago, IL 60604

1. Commissioner of Commerce Mike Rothman ("Commissioner") has advised Continental Casualty Company ("Respondent") that he is prepared to commence formal action pursuant to Minn. Stat. § 45.027 (2014), and other applicable law, against Respondent based on allegations that Respondent failed to acknowledge and act promptly with regard to long term care claims, failed to respond to Department requests by the time specified, failed to pay certain clean claims within 30 calendar days of the claims being submitted and deemed eligible for compensation, failed to pay any interest on certain claims which were paid late and failed to pay interest at the rate of 1.5% interest per month on eligible claims. By doing so, Respondent is in violation of Minn. Stat. §§ 72A.20 subd. 12 (2), (3), & (6), 45.027, subd. 1 (a), and 62Q.75, subd. 2 (a), (c), & (d) (2014).

2. Respondent acknowledges that it has been advised of its rights to a hearing in this matter, to present argument to the Commissioner, and to appeal from any adverse determination after a hearing, and Respondent hereby expressly waives those rights. Respondent further acknowledges that it has been represented by legal counsel throughout these proceedings or hereby expressly waives those rights.

3. Respondent has agreed to informal disposition of this matter without a hearing as provided in Minn. Stat. § 14.59 (2014) and Minn. R. 1400.5900 (2013).

4. The following Order is in the public interest.

**NOW, THEREFORE, IT IS HEREBY ORDERED**, pursuant to Minn. Stat. § 45.027, subd. 5 (2014), that Respondent shall Cease and Desist from any further violations of Minn. Stat. §§ 72A.20 subd. 12 (2), (3), & (6), 45.027, subd. 1 (a), and 62Q.75, subd. 2 (a), (c), & (d) (2014) and from violating any other laws, rules, or orders related to the duties and responsibilities entrusted to the Commissioner.

**IT IS FURTHER ORDERED**, pursuant to Minn. Stat. § 45.027, subd. 6 (2014), that Respondent shall pay to the State of Minnesota a civil penalty of \$50,000.

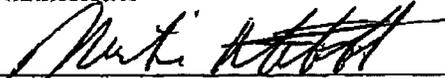
**IT IS FURTHER ORDERED**, that Respondent shall recalculate the amount of days from which the claim was deemed eligible for payment to the date in which the claim was fully paid on all claims submitted since January 1, 2010. Based on these calculations, Respondent shall recalculate the interest due based on Minn. Stat. § 62Q.75, subd. 2 (d). This amount is to be compared to prior interest payments and the difference shall be paid to the insured or if deceased the insured's beneficiary within 30 days of the effective date of this Order. Respondent shall provide the Department with a table containing proof that the claims have been recalculated, including the additional interest paid and to whom it was paid. This is to be completed within 30 days of the effective date of the Order.

This Order shall be effective upon signature by or on behalf of the Commissioner.

Dated: 11/20/2014

MIKE ROTHMAN  
Commissioner

By:

  
MARTIN FLEISCHHACKER  
Assistant Commissioner-Enforcement  
Minnesota Department of Commerce  
85 7<sup>th</sup> Place East, Suite 500  
St. Paul, MN 55101  
Telephone: (651) 539-1640

CONSENT TO ENTRY OF ORDER

The undersigned, acting on behalf of Continental Casualty Company, states that it has read the foregoing Consent Order; that it knows and fully understands its contents and effect; that it is authorized to execute this Consent to Entry of Order on behalf of Respondent; that it has been advised of Respondent's right to a hearing; that Respondent has been represented by legal counsel in this matter; or that it has been advised of Respondent's right to be represented by legal counsel and that it has waived this right; and that it consents to entry of this Order by the Commissioner of Commerce. It is further expressly understood that this Order constitutes the entire settlement agreement between the parties hereto, there being no other promises or agreements, either express or implied.

Continental Casualty Company

By: [Signature]  
MICHAEL P. WARNICK

Its: SENIOR VICE PRESIDENT & DEPUTY GENERAL COUNSEL

STATE OF ILLINOIS

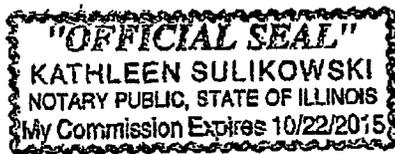
COUNTY OF COOK

This instrument was acknowledged before me on 11/5/14 (date) by Michael P. Warnick

(name(s) of person(s)) as SVP - Deputy General Counsel (type of authority, e.g., officer, trustee, etc.) of

Continental Casualty Company (name of party on behalf of whom the instrument was executed).

(stamp)



[Signature]  
(Signature of notary officer)

Title (and Rank)  
My commission expires: 10/22/15

### SETTLEMENT AGREEMENT

This Settlement Agreement (the "Agreement") is entered into by and between the Minnesota Department of Commerce (the "Department"), on the one hand, and Genworth Financial, Inc., on behalf of MetLife Insurance Company USA (f/k/a MetLife Insurance Company of Connecticut) ("MetLife"), on the other hand. The parties to this Agreement are collectively referred to herein as the "Parties."

WHEREAS, the Parties were participants to an administrative hearing before the Office of Administrative Hearings, OAH Docket No. 68-1004-31333, in connection with long-term care insurance rate increase filings, SERFF Tracking Nos. MILL-128892570, MILL-128893221, MILL-128893342, MILL-128893391, MILL-128893543, and MILL-128893587 ("Filings"); and

WHEREAS, Genworth Financial, Inc., initiated the administrative process on behalf of MetLife to challenge a denial order the Department issued on February 12, 2014, in response to the above-described long-term care insurance rate increase Filings; and

WHEREAS, the Parties wish to resolve all of the issues that were before the OAH in the administrative hearing described above;

NOW, THEREFORE, for the good and valuable consideration described below, the adequacy and sufficiency of which is expressly acknowledged, the Parties agree as follows:

1. Settlement Terms:

a. MetLife may and will implement a 15% increase on all affected blocks of business beginning in Quarter One (Q1) 2015, through the normal increase implementation process, including notification letters to consumers beginning in Q1 2015 and offering consumers the opportunity to change level of benefits (including electing a "paid up" optional limited benefit) for consumers who seek to avoid paying an increased premium. Such notification in Q1 2015 will include a notification of both the 15% rate increase as described in this Paragraph and the 10% rate increase as described in Paragraph 1(b).

b. Beginning 12 months later (Q1 2016), MetLife may and will implement a 10% rate increase on all affected blocks of business, through the normal increase implementation process, including notification letters to consumers beginning in Q1 2016 reminding consumers of the previously disclosed increase and of their options to change level of benefits (including electing a "paid up" optional limited benefit) if they seek to avoid paying the increased premium.

c. MetLife shall not seek a subsequent round of rate increases on these same blocks of business until at least September 1, 2018. No earlier than September 1, 2018, MetLife will make reasonable efforts to submit what it believes to be a complete filing for a subsequent round of rate increases on these same blocks of business. The Department commits that it will undertake a prompt and fair review of those filings under Minn. Stat. § 62A.02 and any other applicable statutes and regulations, including determining that they are complete filings, and provide final disposition (i.e., approval, modification, or denial), within 30 days of the filings.

This paragraph does not waive the Department's right to determine in good faith that the filing is incomplete.

d. In connection with Paragraph 1(c) above, MetLife will contact the Department in Q1 2018 to share information related to the anticipated filings, including, for example, a review of assumptions (how have things changed on assumptions since last filing in 2013 and impact of the changes), current loss ratio projections, and the percentage rate increase that MetLife anticipates requesting in its September 2018 filing. MetLife or its agents will meet with the Department to discuss this information and the Department will indicate what questions and concerns it has regarding the information. MetLife will promptly provide information as requested by the Department. The parties will collaborate on sharing information and questions related to the pending filing in the period leading up to MetLife's official filing, so that MetLife can submit a complete filing as anticipated in Paragraph 1(c) above.

e. Subject to the technological requirements of System for Electronic Rate and Form Filing (SERFF), the parties agree that MetLife will amend its Filings and the Department will rescind the order dated February 12, 2014, and approve the amended Filings consistent with these terms within two business days of the Filings. If, for technological reasons, approval in SERFF is not feasible within two business days, the Department will provide MetLife with written approval of the amended Filings, consistent with the terms of this Agreement.

2. Inspection of Notices to Consumers: As part of the amended Filings referenced in Paragraph 1(e), MetLife will incorporate samples of documents that will be sent to consumers. The Department's review and approval of these documents is subject to the time frames set forth in Paragraph 1(e) above. Before mailing, MetLife will make all reasonable changes to the documents that are recommended by the Department.

3. No Admission of Liability: The Parties have agreed to an informal disposition of this matter without a hearing as provided under Minn. Stat. § 14.59 (2014) and Minn. Rule 1400.5900 (2013). Nothing in this Agreement is intended to be, nor will it be deemed to be, an admission of liability of the disputed claims, nor does it constitute a concession that the claims were without merit. This Agreement constitutes an offer to compromise within the meaning of Rule 408 of the Rules of Evidence and is not admissible in any action (except an action to enforce this Agreement).

4. Consultation with Counsel: The Parties expressly state that each has read this Agreement in full, has discussed it or had the opportunity to discuss it with counsel, understands its contents, and understands the legal consequences of signing this Agreement.

5. Entire Agreement: This Agreement constitutes the entire Agreement between the Parties. The terms of this Agreement are contractual and not a mere recital.

6. Modification or Amendment: This Agreement may be modified or amended only by a written agreement signed by all Parties.

7. **Remedy:** The sole remedy for any claimed breach of this Agreement shall be an action to enforce the same.

8. **Choice of Law:** This Agreement shall be construed and enforced in accordance with the laws of the State of Minnesota.

9. **Counterparts:** This Agreement may be executed in two or more counterparts, each of which when so executed and delivered shall be deemed an original, but all of which together shall constitute one and the same document.

Dated: 2-5-2015, 2015.

MINNESOTA DEPARTMENT OF  
COMMERCE

By: Tim Vane Key  
Its: Deputy

Dated: 2/5/15, 2015.

GENWORTH FINANCIAL, INC., ON  
BEHALF OF METLIFE INSURANCE  
COMPANY USA (f/k/a METLIFE  
INSURANCE COMPANY OF  
CONNECTICUT)

By: [Signature]  
Its: PRESIDENT, LTC

Dated: 2/5/15, 2015.

METLIFE INSURANCE COMPANY USA  
(f/k/a METLIFE INSURANCE COMPANY OF  
CONNECTICUT)

By: [Signature]  
Its: PRESIDENT, LTC (GENWORTH)  
ON BEHALF OF METLIFE INSURANCE  
COMPANY USA

File No. 32701/TJP  
E-Case No. 1122

**STATE OF MINNESOTA  
COMMISSIONER OF COMMERCE**

In the Matter of the Certificate of Authority  
of Bankers Life and Casualty Company  
an Illinois corporation licensed  
to do business in the State of Minnesota.  
NAIC No. 61263

**CONSENT ORDER**

To: Bankers Life and Casualty Company  
11825 North Pennsylvania Street  
Carmel, IN 46082

1. Commissioner of Commerce Mike Rothman (hereinafter, the "Commissioner") has advised Bankers Life and Casualty Company (hereinafter, "Respondent") that he is prepared to commence formal action pursuant to Minn. Stat. § 45.027 (2014) and other applicable law against Respondent's Certificate of Authority to engage in the business of insurance in Minnesota, based on allegations that Respondent failed, with respect to long-term care policies, to: (1) timely pay claims; (2) properly determine the applicable eligibility periods; and (3) pay interest required by statute. Respondent's alleged conduct violates Minn. Stat. §§ 62Q.75, subd. 2(f); 72A.20, subd. 12(3), (4) and 72A.201, subds. 4(3), 8(1), (2) (2014).

2. Respondent acknowledges that it has been advised of its right to a hearing in this matter, to present argument to the Commissioner, and to appeal from any adverse determination after a hearing. Respondent hereby expressly waives those rights. Respondent further acknowledges that it has been represented by legal counsel throughout these proceedings, or has been advised of its right to be represented by legal counsel, which right it hereby waives.

3. Respondent has agreed to informal disposition of this matter without a hearing as provided under Minn. Stat. § 14.59 (2014) and Minn. R. 1400.5900 (2013).

4. The following Order is in the public interest.

**NOW, THEREFORE, IT IS HEREBY ORDERED**, pursuant to Minn. Stat. § 45.027, subd. 6 (2014), Respondent shall pay a civil penalty, made payable to the State of Minnesota, in the amount of \$20,000.00.

**IT IS FURTHER ORDERED**, Respondent shall pay restitution to Minnesota resident M. R. in the amount of \$2,500.00.

**IT IS FURTHER ORDERED**, Respondent shall implement a remedial action plan (the "Plan"), pursuant to the terms below, to ensure that claims have been properly decided pursuant to the terms of the respective policy, the circumstances of the respective claimant, and the relevant information provided by, or on behalf of, the respective claimant.

A. Respondent has identified 561 claim files, or 171 files involving an initial denial and 390 files involving the application of an elimination period, received from Minnesota resident insureds between January 1, 2013 and November 1, 2014 pursuant to long-term care policies issued by Respondent.

B. Within thirty (30) days of the effective date of this Order, Respondent shall appoint, contract, or designate an external, independent party (the "Reviewer") to review a sample of the claims identified in A. above. The Reviewer shall be recommended by Respondent and approved by the Commissioner.

- C. Within sixty (60) days of the completion of B. above, the Reviewer shall randomly select and review (1) 30% of the 171 initial denial files (51 files) and (2) 15% of the 390 elimination period files (59 files) for a total sample size of 110, or approximately 20% of the total number of claims identified in A. above.
- D. For each claim reviewed by the Reviewer and determined to be improperly decided, Respondent shall pay any additional monies owed with interest and/or take all necessary corrective action to implement the proper decision within thirty (30) days of the Reviewer's determination in C. above.
- E. Respondent shall provide a report to the Commissioner regarding the results of the Plan within thirty (30) days of the completion of D. above.
- F. Based on the results of the Plan, the Commissioner will determine whether a complete review of the claim files identified in A. above is required, but no further civil penalty will be levied against Respondent for the alleged conduct during the specified timeframe addressed in this Order.

**IT IS FURTHER ORDERED**, Respondent shall pay all costs associated with the implementation of the Plan.

**IT IS FURTHER ORDERED**, pursuant to Minn. Stat. § 45.027, subd. 5 (2014), Respondent shall cease and desist from further violations of Minn. Stat. §§ 72A.20 and 72A.201 (2014).

This Order shall be effective upon signature on behalf of the Commissioner.

Dated: 3-11-2015

MIKE ROTHMAN  
Commissioner

By:   
MARTIN FLEISCHHACKER  
Assistant Commissioner of Enforcement

85 Seventh Place East, Suite 500  
St. Paul, MN 55101  
(651) 539-1538

**CONSENT TO ENTRY OF ORDER**

The undersigned, acting on behalf of Bankers Life and Casualty Company ("Respondent"), states that s/he has read the foregoing Consent Order; that s/he knows and fully understands its contents and effect; that s/he has been advised of Respondent's right to a hearing in this matter and expressly waives that right; that Respondent has been represented by legal counsel in this matter, or has been advised of Respondent's right to be represented by legal counsel and expressly waives that right; and that s/he consents to entry of this Order by the Commissioner. It is further understood that this Consent Order constitutes the entire settlement agreement between the parties, there being no other promises or agreements, either express or implied.

**Bankers Life and Casualty Company**

By: William D. Frith Jr.

Its: SVP, Regulatory and Government Affairs

STATE OF Indiana

COUNTY OF Marion

Signed or attested before me on February 25, 2015 (date)

(stamp)

C. Renée Wake  
(Signature of notary officer)

Notary  
Title (and Rank)

My Commission expires: September 2, 2016

Notary Public - State of Indiana  
Marion County  
My Commission Expires:  
September 2, 2016