



NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES

----- X

In the Matter of

4 Ever Life Insurance Company

No. 2022-0247-S

Respondent.

----- X

CONSENT ORDER

WHEREAS, the Department of Financial Services (hereinafter “Department”) conducted an investigation of 4 Ever Life Insurance Company (hereinafter “Respondent”) regarding the use of unapproved forms and rates in the student health insurance market.

WHEREAS, the Department concluded that Respondent’s use of unapproved forms and rates constituted a violation of Insurance Law §§ 3201(b) and 3231(d) and 11 NYCRR 52.21(f), which provide that no policy form shall be delivered or issued for delivery unless it has been filed with and approved by the Superintendent and that no insurer shall enter into any contract unless and until it has filed premium rates and has obtained the Superintendent’s approval.

WHEREAS, the Department and Respondent are willing to resolve the matters cited herein in lieu of proceeding by notice and hearing.

NOW, THEREFORE, this Consent Order contains the Department's findings and the relief agreed to by the Department and Respondent.

BACKGROUND

1. Respondent is domiciled in Illinois and is licensed as a life insurance company in New York. Pursuant to Insurance Law §1113(a)(3), Respondent is authorized to write accident and health insurance in New York. Respondent offers student blanket health insurance policies to institutions of higher education in New York.
2. For the 2020-2021 academic year, Respondent issued student blanket health insurance policies to eleven institutions of higher education in New York
3. As part of the Department's annual review of student health insurers in the New York market, Respondent provided the names of the institutions of higher education to which Respondent issued student blanket health insurance policies, the number of insureds covered under the policies, the annual premium, the premium rate development for each plan, and copies of any brochures advertising the student blanket health insurance delivered to the students.
4. For the 2020-2021 academic year, for six institutions of higher education, Respondent issued coverage consisting of policy forms and rates approved for use in the 2019-2020 academic year instead of the policy forms and rates approved for use in the 2020-2021 academic year. Respondent's actions resulted in students and their covered dependents not receiving the correct benefit package approved for 2020-2021. As a result, students and their covered dependents also did not receive and therefore were not aware of the full complement of consumer protections related to the administration of utilization review for mental health care and substance use disorder services benefits and the reimbursement of emergency medical services for the 2020-2021 academic year.
5. For the 2020-2021 academic year, for eleven institutions of higher education Respondent issued a policy form approved exclusively for use in the 2019-2020 academic year. Respondent's actions resulted in students and their covered dependents being eligible for only fourteen visits

or two weeks of continuous treatment without concurrent review for outpatient substance use disorder treatment at participating Office of Addiction Services and Supports-certified facilities instead of twenty-eight visits or four weeks of continuous treatment without concurrent review as required to be covered by Insurance Law § 3221(l)(7). Respondent's investigation of actual claim results revealed no claims were submitted for treatment in excess of the fourteen visits or two week treatment period.

FINDINGS

6. Respondent, for the 2020-2021 academic year, violated Insurance Law §§ 3201(b) and 3231(d) and 11 NYCRR 52.21(f) by issuing policy forms and rates to eleven institutions of higher education not approved for use in the 2020-2021 academic year. Respondent's actions resulted in students and their covered dependents receiving unapproved policy forms. Respondent's actions also resulted in Respondent charging an unapproved premium rate to students covered under the student blanket health insurance policies. In addition, Respondent's actions in using unapproved policy forms and premium rates may have gained Respondent an unfair competitive advantage in the student blanket health insurance market in New York.
7. Respondent has confirmed it has taken subsequent steps to ensure compliance with New York Insurance Law and Regulation regarding the use of approved forms and rates for each academic year, Respondent's violations during the aforementioned time period contravened New York Insurance Law and Regulation.

VIOLATIONS

8. By reason of the foregoing, Respondent violated Insurance Law §§ 3201(b) and 3231(d) and 11 NYCRR 52.21(f).

AGREEMENT

IT IS HEREBY UNDERSTOOD AND AGREED by Respondent, its successors, and

assigns (on behalf of its agents, representatives, employees, parent company, holding company, and any corporation, subsidiary, or division through which Respondent operates) that:

9. Respondent shall take all necessary steps to comply with New York Insurance Law with respect to the use of the prior approval process for rates in the student health insurance market.

MONETARY PENALTY

10. Within seven (7) days of the execution of this Consent Order, Respondent shall pay a civil penalty of three hundred thousand (\$300,000). Respondent agrees that it will not claim, assert, or apply for a tax deduction or tax credit with regard to any U.S. federal, state or local tax, directly or indirectly, for any portion of the civil monetary penalty paid pursuant to this Consent Order.
11. The above referenced payment shall be payable to the New York State Department of Financial Services in accordance with the Department's instructions.

BREACH OF THE CONSENT ORDER

12. In the event that the Department believes Respondent to be materially in breach of this Consent Order ("Breach"), the Department will provide written notice of such Breach to Respondent and Respondent must, within ten (10) business days from the date of receipt of said notice, or on a later date if so determined in the sole discretion of the Department, appear before the Department and have an opportunity to rebut the Department's contention that a Breach has occurred and, to the extent pertinent, to demonstrate that any such Breach is not material or has been cured.
13. Respondent understands and agrees that Respondent's failure to appear before the Department to make the required demonstration within the specified period as set forth herein is presumptive evidence of Respondent's Breach. Upon a finding of Breach, the Department has all the remedies available to it under New York or other applicable laws and may use any and all evidence available to the Department for all ensuing examinations, hearings, notices, orders, and other remedies that may be available under New York or other applicable laws.

OTHER PROVISIONS

14. If Respondent defaults on any of its obligations under this Consent Order, the Department may terminate this Consent Order, at its sole discretion, upon ten (10) days' written notice to Respondent. In the event of such termination, Respondent expressly agrees and acknowledges that this Consent Order shall in no way bar or otherwise preclude the Department from commencing, conducting, or prosecuting any investigation, action, or proceeding, however denominated, related to the Consent Order, against Respondent or from using in any way the statements, documents, or other materials produced or provided by Respondent prior to or after the date of this Consent Order, including, without limitation, such statements, documents, or other materials, if any, provided for purposes of settlement negotiations.
15. The Department has agreed to the terms of this Consent Order based on, among other things, representations made to the Department by Respondent and the Department's own factual examination. To the extent that representations made by Respondent are later found to be materially incomplete or inaccurate, this Consent Order or certain provisions thereof are voidable by the Department in its sole discretion.
16. Upon the request of the Department, Respondent shall provide all documentation and information necessary for the Department to verify compliance with this Consent Order.
17. All notices, reports, requests, certifications, and other communications to the Department regarding this Consent Order shall be in writing and shall be directed as follows:

If to the Department:

New York State Department of Financial Services
One State Street, 19th Floor
New York, NY 10004-1511
Attention: John F. Finston, Executive Deputy Superintendent for Insurance

If to the Company:

4 Ever Life Insurance Company

2 Mid America Plaza
Suite 200
Oakbrook Terrace, IL 60181
Attention: Terry M. Hackett, General Counsel

18. This Consent Order and any dispute thereunder shall be governed by the laws of the State of New York without regard to any conflicts of laws principles.
19. Respondent waives its right to further notice and hearing in this matter as to any allegations of past violations up to and including the Effective Date and agrees that no provision of the Consent Order is subject to review in any court or tribunal outside the Department.
20. This Consent Order may not be amended except by an instrument in writing signed on behalf of all parties to this Consent Order.
21. This Consent Order constitutes the entire agreement between the Department and Respondent relating to the violations identified herein and supersedes any prior communication, understanding, or agreement, whether written or oral, concerning the subject matter of this Consent Order. No inducement, promise, understanding, condition, or warranty not set forth in this Consent Order has been relied upon by any party to this Consent Order.
22. In the event that one or more provisions contained in this Consent Order shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Consent Order.
23. Upon execution by the parties to this Consent Order, no further action will be taken by the Department against Respondent for the conduct set forth in this Consent Order, subject to the terms of this Consent Order.
24. This Consent Order may be executed in one or more counterparts and shall become effective when such counterparts have been signed by each of the parties hereto and So Ordered by the Superintendent of Financial Services.

4 Ever Life Insurance Company

By: /s/ Terry M. Hackett Dated: April 7, 2023

Terry M. Hackett
General Counsel

NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES

By: /s/ John F. Finston Dated: May 4, 2023

John F. Finston
Executive Deputy Superintendent for Insurance

THE FOREGOING CONSENT ORDER IS HEREBY APPROVED.

By: /s/ Adrienne A. Harris Dated: May 10, 2023

Adrienne A. Harris
Superintendent of Financial Services