

**State of Rhode Island and Providence Plantations**  
**DEPARTMENT OF BUSINESS REGULATION**  
*Insurance Division*  
**1511 Pontiac Avenue, Bldg. 69-2**  
**Cranston, Rhode Island 02920**

**IN THE MATTER OF:**

**METROPOLITAN LIFE INSURANCE  
COMPANY**

**RESPONDENT.**

**DBR No. 2018-IN-007**

**CONSENT AGREEMENT**

It is hereby agreed between the Department of Business Regulation (“Department”) and Metropolitan Life Insurance Company (“Respondent”) as follows:

1. Respondent is an insurer licensed in Rhode Island, authorized to write several lines of business including group universal and variable life insurance.
2. During 2017 and 2018, the Department received three consumer complaints regarding non-payment of life insurance claims related to policy riders providing group life insurance coverage for a certificate holder’s dependent child. The additional rider coverage was issued to certificate holders of group life insurance policies that were situated in Rhode Island and subject to Rhode Island law.
3. The first complaint referred to the Department was submitted by a group insurance certificate holder who had purchased a rider providing life insurance coverage for his child. The certificate holder continued to pay premiums for both his group certificate of insurance and his additional dependent term insurance rider after retiring from his employer, but the certificate holder’s dependent child exceeded the age of eligibility for

coverage. The child died and when the certificate holder submitted a claim, Respondent initially denied it explaining that pursuant to the terms of the certificate, the dependent had exceeded the age of eligibility at the time of death. The certificate holder then filed a complaint with his home state's insurance department which was forwarded to Respondent, and Respondent provided an additional reason for denying the claim, including citing a provision of the contract that the dependent term rider would terminate at retirement. When it had initially denied that claim, Respondent refunded to the complainant premiums paid for the rider from the date when the coverage would have expired.

4. A second complaint was filed later in 2017. In that case, a certificate holder on a group life insurance policy added the dependent term rider when her child was 5-years old. Under her policy of insurance, her child became ineligible for the insurance when she turned 26 years old. However, the complainant continued paying premiums for 14 years beyond the child's eligibility for coverage under the rider, until the child's death. When the complainant filed a claim, the Respondent denied it citing the certificate provision terminating coverage at age 26.
5. A third complaint was referred to the Department in mid-2018. The complainant stated he purchased group life insurance coverage through his employer and also had purchased coverage for his child. Subsequently, his child became permanently disabled at age 17, and the complainant continued to pay insurance premiums for the dependent term rider until his child's death which occurred after age 26. The Respondent denied the claim, citing the certificate provision that dependent coverage terminated at age 26.

6. The above complaints caused the Department to ask additional questions concerning whether Respondent was tracking sufficient information regarding its Group Universal Life and Group Variable Universal Life certificate holders and their dependents' eligibility for the dependent term rider's additional coverage or whether Respondent was sufficiently notifying its certificate holders regarding the expiration of their in-force dependent child coverage.
7. While investigating those complaints, the Department asked numerous questions of Respondent to determine the scope and impact of these issues. In responding to those inquiries, Respondent has been very cooperative and expended considerable effort researching and answering the Department's questions and has gone beyond the Department's requests in addressing the Department's concerns.
8. During the course of its investigation, the Department also became similarly concerned regarding the efforts that Respondent was taking to remind its Group Universal Life and Group Variable Universal Life certificate holders to report changes in marital status for optional dependent spousal insurance coverage.
9. In consultation with the Department, Respondent has agreed to take additional steps to regularly inform its certificate holders that their certificates include riders for dependent children or spouses and that the certificate holder should verify their eligibility for coverage
10. In consultation with the Department, Respondent has undertaken the process of mailing over 100,000 letters to its certificate holders nationwide for both group insurance policies subject to Rhode Island law and for its group insurance policies situated elsewhere.

11. To date, more than 10,000 certificate holders have responded by phone, letter or contacted the Respondent via its website identifying that the certificate holders have been paying for a dependent/spouse rider without an eligible insured. Respondent has undertaken an extensive remediation process to refund excess premiums to those certificate holders. Respondent has already refunded over \$1,200,000 in premium to the more than 10,000 certificate holders. Respondent will complete this remediation for any certificate holders that request a refund of premium and who are eligible to receive the refund.
12. Respondent eventually paid the three (3) claims identified above in full and has worked with the Department in addressing additional concerns regarding other certificate holders where claims were similarly denied. Respondent conducted a review of its claim files and ultimately determined that it should pay an additional ten (10) claims from 2015-2018 that the Company had initially denied because of defenses available under the certificate of insurance.
13. Respondent has modified its processes and procedures to ensure that notice is provided as appropriate to all certificate holders with optional dependent or spousal insurance riders regarding the eligibility period including through changes to its certificate holders' statements and call center scripts.

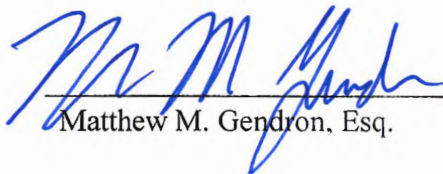
THEREFORE, based on the foregoing, Respondent and the Department have decided to resolve this matter without an administrative hearing, the Department and Respondent have agreed on the above cited facts and law, and hereby agree to the following resolution:

- 1) Respondent agrees to complete the remediation process that it has substantially undertaken thus far, which has to date identified over 10,000 certificate holders who will receive over \$1,200,000 in premium refunds.
- 2) Respondent has identified thirteen (13) claims where it had initially denied claims for ineligible beneficiaries. Based on an additional review of the specific facts of each claim file, Respondent agrees to reverse its decision on those claims and pay a total of \$225,000 plus interest on those claims.
- 3) Respondent agrees to modify its processes and procedures in order to provide periodic notice to its certificate holders regarding their beneficiary coverage.
- 4) Respondent agrees that it will pay within thirty-days an administrative fee of fifteen thousand dollars (\$15,000) to resolve this matter.
- 5) Waiver of Hearing and Appeal. By agreeing to resolve this matter through the execution of this Consent Agreement, Respondent knowingly and voluntarily waives any right to an administrative hearing and waives any right to pursue an appeal to the Superior Court under the Rhode Island Administrative Procedures Act, R.I. Gen. Laws § 42-35-1 *et seq.*
- 6) Enforcement. If the Respondent fails to comply with any term or condition of this Consent Agreement within any applicable time period set forth herein, the Respondent will be in violation hereunder and the Department shall be entitled to immediately to take enforcement or other action in accordance with applicable law.

7) Compliance; Other Laws. Compliance with the terms of this Consent Agreement does not relieve the Respondent of any obligation to comply with other applicable laws or regulations administered by or through the Department or any other governmental agency

Counsel for Respondent and the Department hereby consent and agree to the foregoing on behalf of their respective clients on the 19th day of August, 2019.

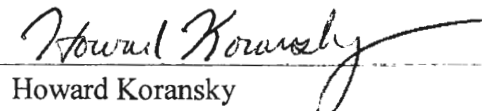
Division of Insurance  
By its Legal Counsel,



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Matthew M. Gendron, Esq.

Metropolitan Life Insurance Company  
By its Vice President Howard Koransky



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Howard Koransky