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By Admin Hearings, Ins Dept at 11:39 am, Jun 24, 2021

BEFORE THE INSURANCE COMMISSIONER  
OF THE  
COMMONWEALTH OF PENNSYLVANIA

IN RE:

UNIFIED LIFE INSURANCE COMPANY  
PO Box 25326  
Overland Park, KS 66213

Respondent.

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VIOLATIONS:

40 P.S. §§ 756.2 and 3801.303

Docket No. CO21-06-018

CONSENT ORDER

AND NOW, this 24th day of June, 2021, this Order is  
hereby issued by the Insurance Department of Commonwealth of Pennsylvania pursuant  
to the statutes cited above and in disposition of the matter captioned above.

1. Respondent hereby admits and acknowledges that it has received proper  
notice of its rights to a formal administrative hearing pursuant to the Administrative  
Agency Law, 2 Pa.C.S. §§ 101, et seq., or other applicable law.

2. Respondent hereby waives all rights to a formal administrative hearing in  
this matter, and agrees that this Consent Order, and the Findings of Fact and Conclusions  
of Law contained herein, shall have the full force and effect of an Order duly entered in  
accordance with the adjudicatory procedures set forth in the Administrative Agency Law,  
supra, or other applicable law.

### FINDINGS OF FACT

3. The Insurance Department finds true and correct each of the following Findings of Fact:

- (a) Respondent is Unified Life Insurance Company and maintains a record of its address with the Pennsylvania Insurance Department as P.O. Box 25326, Overland Park, Kansas 66213.
- (b) Respondent at all times relevant hereto, has held a certificate of authority to operate as an insurance company in Pennsylvania.
- (c) Respondent, from 2019 through present, sold, to individual members of the National Congress of Employers (NCE) Association, which is an association issued outside Pennsylvania, 112 “Unified 100 Plus” limited benefit products.
- (d) Respondent did not file documentation with the Department demonstrating NCE’s compliance with 40 P.S. § 756.2(f)(3), which sets forth requirements for out-of-state associations to offer insurance products in Pennsylvania and which sets forth certain exemptions if the requirements are satisfied.
- (e) Respondent did not demonstrate that the individual members of NCE that were issued the “Unified 100 Plus” limited benefit products meet the

aggregation rule for employers set forth in 42 U.S.C.A. §§ 300gg-91(e)(6) and 18024(b)(4)(A).

- (f) Respondent did not file the forms or rates for its “Unified 100 Plus” limited benefit product prior to offering the product to individuals in Pennsylvania through NCE.

#### CONCLUSIONS OF LAW

4. In accord with the above Findings of Fact and applicable provisions of law, the Insurance Department concludes and finds the following Conclusions of Law:

- (a) Respondent is subject to the jurisdiction of the Pennsylvania Insurance Department.
- (b) 40 P.S. § 3801.303(a) makes it unlawful for an insurance company doing business in Pennsylvania to offer any policy, contract, or certificate covering health and/or accident insurance without the forms for the policy, contract, or certificate being filed for review by the Department. The forms for the limited benefit product offered by Respondent were not exempted from form filing under § 3801.303(b). *See* Notice 2018-10, 48 Pa. B. 7282 (Nov. 17, 2018).
- (c) Respondent’s activities described in paragraphs 3(c) – (f) constitute offering policies, contracts, or certificates in Pennsylvania that had not been filed for review, in violation of 40 P.S. § 3801.303.

- (d) 40 P.S. § 756.2 requires an insurer to file with the Department documentation demonstrating that an association through which the insurer is seeking to offer accident and health policies, contracts, or certificates, meets certain criteria, including that the association is being maintained for purposes other than offering insurance.
- (e) Respondent's activities described in paragraphs 3(d) constitute a violation of 40 P.S. § 756.2.
- (f) Respondent's violations of 40 P.S. § 756.2 are punishable by the following, under 40 P.S. § 763:
  - (i) A misdemeanor, and, upon conviction thereof, a fine not exceeding three hundred dollars (\$300.00);
  - (ii) License revocation;
  - (iii) Imposition of a civil penalty not to exceed one thousand dollars (\$1,000.00) for every violation of the Act.
- (g) Respondent's violations of 40 P.S. § 3801.303 are punishable by the following, under 40 P.S. § 3801.313, which may not exceed \$500,000.00 in aggregate during a single calendar year:
  - (i) Suspension or revocation of the license of the offending insurer or other person.

(ii) Refusal, for a period not to exceed one year, to issue a new license to the offending insurer or other person.

(iii) A fine of not more than \$5,000 for each violation of this chapter.

(iv) A fine of not more than \$10,000 for each willful violation of this chapter.

#### ORDER

5. In accord with the above Findings of Fact and Conclusions of Law, the Insurance Department orders and Respondent consents to the following:

- (a) Respondent shall cease and desist from engaging in the activities described herein in the Findings of Fact and Conclusions of Law insofar as the activities violate the laws of the Commonwealth of Pennsylvania
- (b) Respondent shall pay a civil penalty of fifty thousand dollars (\$50,000.00) to the Commonwealth of Pennsylvania. Payment of this penalty shall be made by certified check or money order, payable to the Commonwealth of Pennsylvania. Payment should be directed to the Pennsylvania Insurance Department, Bureau of Licensing and Enforcement, 1227 Strawberry Square, Harrisburg, Pennsylvania 17120. Payment may be enclosed with the Consent Order, but must be paid in any event no later than fourteen (14) days after the date of the Consent Order.

- (c) Respondent shall make restitution to such persons the Deputy Commissioner identifies and determines that restitution is owed to them by Respondent. Proof of restitution payment shall be provided to the Insurance Department by Respondent within six (6) months from the date such determination is made by the Deputy Commissioner.

6. In the event the Insurance Department finds that there has been a breach of any of the provisions of this Order, based upon the Findings of Fact and Conclusions of Law contained herein, the Department may pursue any and all legal remedies available, including but not limited to the following: The Department may enforce the provisions of this Order in an administrative action pursuant to the Administrative Agency Law, supra, or other relevant provisions of law; or, if applicable, the Department may enforce the provisions of this Order in any other court of law or equity having jurisdiction.

7. Alternatively, in the event the Insurance Department finds there has been a breach of any of the provisions of this Order, the Department may declare this Order to be null and void and, thereupon, reopen the entire matter for appropriate action pursuant to the Administrative Agency Law, supra, or other relevant provision of law.

8. In any such enforcement proceeding, Respondent may contest whether a breach of the provisions of this Order has occurred but may not contest the Findings of Fact and Conclusions of Law contained herein.

9. Respondent hereby expressly waives any relevant statute of limitations and application of the doctrine of laches for purposes of any enforcement of this Order.

10. This Order constitutes the entire agreement of the parties with respect to the matters referred to herein, and it may not be amended or modified except by an amended order signed by all the parties hereto.

11. This Order shall be final upon execution by the Insurance Department. Only the Insurance Commissioner or a duly authorized delegee is authorized to bind the Insurance Department with respect to the settlement of the alleged violations of law contained herein, and this Consent Order is not effective until executed by the Insurance Commissioner or duly authorized delegee.

BY: UNIFIED LIFE INSURANCE COMPANY,  
Respondent



\_\_\_\_\_  
President/Vice President



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Secretary/Treasurer



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COMMONWEALTH OF PENNSYLVANIA  
By: CHRISTOPHER R. MONAHAN  
Deputy Insurance Commissioner