THE COMMONWEALTH OF MASSACHUSETTS

OFFICE OF CONSUMER AFFAIRS AND BUSINESS REGULATION

DIVISION OF INSURANCE

Report on the Comprehensive Market Conduct Examination of

Massachusetts Mutual Life Insurance Company

Springfield, Massachusetts

For the Period January 1, 2022 through December 31, 2022

NAIC GROUP CODE: 0435

NAIC COMPANY CODE: 65935

EMPLOYER ID NUMBER: 04-1590850

TABLE OF CONTENTS

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MICHAEL T. CALJOUW
COMMISSIONER OF INSURANCE

July 9, 2025

The Honorable Michael T. Caljouw
Commissioner of Insurance
Commonwealth of Massachusetts
Division of Insurance
1 Federal Street, Suite 700
Boston, Massachusetts 02110

Dear Commissioner Caljouw:

Pursuant to your instructions and in accordance with Massachusetts General Laws Chapter 175, § 4, a comprehensive examination has been made of the market conduct affairs of

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY

which is primarily based at its home office located at:

1295 State Street
Springfield, Massachusetts 01111

The following report thereon is respectfully submitted.

ACRONYMS

Massachusetts Mutual Life Insurance Company (the "Company")
Commonwealth of Massachusetts Division of Insurance ("the Division")
Comprehensive market conduct examination ("examination")
Board of Directors ("Board")
Individual disability income ("IDI")
Hybrid life/long-term care ("LLTC")
LifeCare Assurance Company ("LifeCare")
Long-term care ("LTC")
Market Conduct Annual Statement ("MCAS")
Massachusetts General Laws Chapter ("M.G.L. c.")
National Association of Insurance Commissioners ("NAIC")
Rudmose & Noller Advisors, LLC ("RNA")
Special Investigative Unit ("SIU")
Specially Designated Nationals and Blocked Persons ("SDN")
2022 NAIC Market Regulation Handbook ("the Handbook")

SCOPE OF EXAMINATION

The Commonwealth of Massachusetts Division of Insurance (the "Division") conducted a comprehensive market conduct examination ("examination") of the Massachusetts Mutual Life Insurance Company (the "Company") for the period January 1, 2022 to December 31, 2022, with a focus on Massachusetts individual life, annuity, disability income ("IDI"), hybrid life/long-term care ("LLTC"), and long-term care ("LTC") business. The Division called the examination pursuant to authority in Massachusetts General Laws Chapter ("M.G.L. c.") 175, § 4 and engaged representatives from the firm of Rudmose & Noller Advisors, LLC ("RNA") to complete the examination. The market conduct examination staff of the Division directed, managed, and controlled the examination process.

EXAMINATION APPROACH

The examination employed a tailored approach using the guidance and standards of the *2022 NAIC Market Regulation Handbook* ("the Handbook"), the examination standards of the Division, the Commonwealth of Massachusetts' insurance laws, regulations, bulletins, and applicable Federal laws and regulations. Examiners performed all procedures under the supervision of the Division's market conduct examination staff, including systems that were more efficiently addressed in the Division's financial examination of the Company. To ensure that they adequately addressed the market conduct objective, where appropriate, RNA and the Division staff relied on procedures performed by the Division's financial examination staff as part of statutory financial examinations. The operational areas reviewed under this examination include company operations/management, complaint handling, marketing and sales, producer licensing, policyholder service, underwriting and rating, and claims. This examination report describes the procedures and results of those procedures performed in these operational areas.

The Handbook provides guidance on optional processes and procedures for use during the examination and includes an approach designed to detect incidents of deficiency through transactional testing. The examination also has an operational and management assessment component. The review promotes an understanding of the critical controls used to operate the business and to meet essential business objectives, including measures designed to ensure compliance with applicable laws and regulations to market conduct activities.

This examination report constitutes a "Report by Test," as described in Chapter 15, Section A of the Handbook. An examination "finding" represents a violation of Massachusetts insurance laws, regulations, or bulletins. While an "observation" recognizes a departure from industry best practice. The recommendations accompanying the observation provide acceptable alternative practices. The Division recommends that Company management evaluate any "finding" or "observation" for applicability to other jurisdictions. When applicable, the Company should take corrective actions in all jurisdictions. All unacceptable or non-compliant practices may not have been discovered or noted in this Report. Failure to identify improper or non-compliant business practices does not constitute acceptance of such practices. The Company shall report to the Division any such corrective actions taken.

EXECUTIVE SUMMARY

This summary provides a high-level overview of the examination results, while the remaining text summarizes all observations and conclusions noted during the examination, highlighting recommendations or required actions. The examination did not include any recommendations or required actions concerning company operations/management, complaint handling, producer licensing and policyholder service. Moreover, the examination indicated that the Company complies with all tested Company policies, procedures, and statutory requirements addressed in these areas. Further, the tested Company practices appear to meet industry best practices in these areas.

The Division recommends that Company managerial and supervisory personnel from each operational area review the examination report for results relating to their specific responsibilities. The Massachusetts laws, regulations, and bulletins cited in the report are on the Division's website at www.mass.gov/doi and are available for review.

The examination resulted in findings and required actions in marketing and sales, underwriting and rating, and claims, as listed below.

III. MARKETING AND SALES

Findings: The Company did not send notice to the replaced carriers for six annuity replacement sales and one life replacement sale, in violation of 211 CMR 34.06.

Observation: Based on testing, except as noted above, the approved insurance applications included proper disclosures, replacement forms, summaries, and policy forms, which were completed, signed, and evaluated in accordance with contractual and Massachusetts statutory and regulatory requirements. Further, the Company's oversight and audit procedures over financial firms to which annuity suitability is contractually delegated appear to be timely and properly executed with timely and appropriate actions taken by the Company.

Required Actions: The Company shall assess and update its procedures to ensure that notices to replaced carriers for annuity and life replacement sales are timely sent to the replaced carriers. Training on the updated procedures shall be provided to Company personnel responsible for this function. Finally, the Company shall conduct an audit by corporate audit or compliance by June 30, 2026, and provide the report to the Division.

Subsequent Company Actions: For annuity replacement sales, the Company is assessing and will update, as appropriate, its process and procedures so the replacement notice is delivered by the Company to the existing carrier when replacement transactions occur. Once the assessment is complete, the Company will conduct refresher training on these procedures. For the life replacement sale, the replaced policy was a group life insurance policy, which created confusion about the replacement notice to the existing carrier. However, the Company acknowledges it should have been sent. The Company is assessing its procedures for process improvements and has conducted refresher training with staff. Additionally, the Company is considering a possible system enhancement to provide clearer reminders to staff on the replacement notice requirement.

VI. UNDERWRITING AND RATING

Finding: For one IDI application, there was no evidence that an Adverse Underwriting Decision Notice was provided to the applicant when coverage was declined in violation of M.G.L. c. 175I, § 10.

Observations: Based on review and testing, RNA determined

a) the underwriting conclusions were supported in the Company's underwriting guidelines,
b) Adverse Underwriting Decision Notices were issued when life and LLTC premium rates offered were higher than standard, when IDI rates were different than the quoted rate, when any exclusions were offered, or when the applications were declined by the Company, except as noted above,
c) the premium rates and discounts were properly applied in accordance with filed and approved premium rates, and
d) the Company processed applications following statutory and regulatory requirements and its policies and procedures related to underwriting.

Required Actions: The Company shall assess and update its procedures to ensure that Adverse Underwriting Decision Notices are provided to IDI applicants when coverage is declined. Company personnel responsible for this function shall be trained on the updated procedures.

Subsequent Company Actions: To assist its underwriters, the Company has procedures for providing applicants with an Adverse Underwriting Decision Notice when there is an adverse decision on a case. In addition, its new business system includes a prompt to remind underwriters about the requirement to provide an Adverse Underwriting Decision Notice when an adverse decision occurs. The Company will be assessing its existing procedures to determine what updates may help improve its process for providing Adverse Underwriting Decision Notices to applicants when coverage is declined. Additionally, the Company has conducted refresher training with staff.

VII. CLAIMS

Findings: For six life claims, the Company failed to conduct Department of Revenue intercept checks for tax and child support amounts due to the Commonwealth of Massachusetts as required by M.G.L. c. 175, §§ 24D and 24F. When notified of the findings, the Company promptly conducted the intercept checks for the six paid life claims and determined that no amounts were reportable and due to the Department of Revenue.

Additionally, for one IDI claim, the Company failed to provide the waiver of premium benefit in violation of contractual requirements. The Company subsequently refunded the premium in accordance with the waiver of premium benefit plus 12% interest in accordance with M.G.L. c. 231, § 6C.

Observation: Based on testing, except as noted above, the Company properly investigated, adjudicated, and paid or denied all claims following contract provisions and statutory requirements.

Required Actions: The Company shall develop new or enhanced policies and procedures for completion of Department of Revenue intercept checks for tax and child support amounts due to the Commonwealth, and for identification and payment of IDI waiver of premium benefits. The Company shall provide training to staff on the new or enhanced policies and procedures. Further, the Company shall conduct an audit by corporate audit or compliance on the effectiveness of the new or enhanced policies and procedures by June 30, 2026, and provide the report to the Division.

Subsequent Company Actions: For life claims, the Company has taken the following steps to strengthen its compliance with Department of Revenue intercept checks since 2022. In August 2023, updated procedures were developed and provided to staff, and an updated claim checklist was created in late 2023 highlighting the intercept requirements. In April 2024, monthly audit procedures were implemented for compliance with notice to the claims examiner of any instances of noncompliance, so that it can be remediated. In 2025, the Company enhanced its tracking system to provide reminders of the intercept check requirement and provided refresher training.

For IDI claims, the Company's waiver of premium benefit exception report, which was prepared and reviewed quarterly to identify missed benefits, is now prepared monthly and reviewed by additional senior claims staff. The Company's ongoing reviews of the exception report have identified no further instances of a missed contractual waiver of premium benefit. While the Company believes this exception report is an effective control, it is developing improvements to identify and resolve errors quickly. These improvements include assessing and updating the procedures for reviewing the exception report and enhancing the report so that reviews occur faster and more efficiently.

COMPANY BACKGROUND

The Company is a mutual life insurance company, organized as a Massachusetts corporation which was originally chartered in 1851. The Company is a global, diversified financial services organization providing life insurance, annuities, disability income insurance, long-term care insurance-related products, retirement and savings products, structured settlement products, investments, mutual funds, and trust services to individual and institutional customers. The Company issues participating and non-participating protection products to policyowners. Participating policyowners may receive a share of the Company's surplus through the distribution of a dividend. The Company offers its products and services in the United States and Canada. Affiliates of the Company do business outside of North America.

The Company acquired Ohio-domiciled Great American Life Insurance Company in 2021 and renamed it MassMutual Ascend in 2022. MassMutual Ascend operates as a stand-alone subsidiary offering annuity business distributed through financial institutions. MassMutual Ascend business is not part of this examination.

The Company markets its products through various distribution channels, with the core of its distribution system a career sales force of approximately 6,800 individual agents under contract in approximately 60 general agencies throughout the United States. Two of the general agencies are located in Massachusetts. The Company also maintains selling agreements with independent third party producers including banks, financial institutions, securities firms, broker-dealers, and advisory firms. Many of those producer relationships are managed through the career agencies.

The Company is rated A++ (superior, stable) by A.M. Best Company, AA+ (very strong, stable) by Fitch Ratings, Aa3 (high quality, stable) by Moody's, and AA+ (very strong, stable) by Standard & Poor's. The following financial information of the Company is as of or for the year ended December 31, 2022:

Admitted assets	$310.6 billion
Statutory surplus	$27.9 billion
Massachusetts business - direct written premium	$3.04 billion

The Division determined the key objectives of this examination with emphasis on the following areas.

I. COMPANY OPERATIONS/MANAGEMENT

Corporate Governance:

Summary of Company Policies and Procedures:

- The Company's Board of Directors ("Board") is comprised of the Company's Chairman, President, and Chief Executive Officer and 10 independent directors, including the independent Lead Director. The Board has adopted Corporate Governance Guidelines to define corporate governance practices including the establishment of the Board's Audit Committee, Executive Committee, Human Resources Committee, Investment Committee and Technology & Governance Committee. The Audit Committee is responsible for the oversight of enterprise risk management, corporate audit and corporate compliance, and general regulatory and legal matters, including market conduct matters.
- The Audit Committee, with assistance from the Chief Compliance and Ethics Officer, reviews compliance matters and findings, including those contained in examinations by the Division, other state insurance regulators, the Securities and Exchange Commission, and the Financial Industry Regulatory Authority. The Chief Compliance and Ethics Officer regularly presents the status of significant corrective actions undertaken in response to findings of regulatory examinations or internal reviews of compliance procedures, evaluations of compliance policies and controls, and assessments of compliance with applicable legal and regulatory requirements for the Company. He meets regularly with the Senior Vice President and General Auditor to ensure that compliance issues are timely communicated and addressed.
- The Chief Compliance and Ethics Officer leads the Compliance and Ethics Department, which includes seven compliance units within the 160-person department to ensure that the Company's compliance and ethics programs are effective and meet regulatory and Company requirements.

Examination Procedures Performed: RNA interviewed Company personnel responsible for corporate governance, enterprise risk management, corporate and external audit, compliance risk assessment, and market conduct matters. RNA also reviewed selected corporate audit reports and Board meeting minutes.

Examination Conclusions: The Company has documented its corporate decisions in its Board minutes. Also, the Company has adopted policies and procedures to ensure that appropriate audits or reviews are conducted timely with documented results.

Third Party Outsourcing:

Summary of Company Policies and Procedures:

- The Company uses independent producers and general agents to sell the Company's products. The independent producer and career agent contracts describe the duties of the parties, licensing and appointment requirements, limitations of authority, compensation, terminations and reappointments, continuing education responsibilities, compliance with the Company's replacement requirements, and errors and omissions coverage requirements. The Company outsources agent appointment and termination processes to a third party, which submits the request to the National Association of Insurance Commissioners ("NAIC") National Insurance Producer Registry.
- The Company delegated annuity suitability reviews during 2023 to 21 financial firms for their annuity sales. The financial firms are contractually responsible for producer licensing and agent appointment, training and supervision, ensuring that only approved sales materials are used, documentation and conclusion that the sale meets "best interest" rules, and compliance with all Company policies and procedures for Company products. The financial firms annually certify compliance with contractual requirements. The Company monitors the financial firms' compliance using transaction reporting and

periodic audits of the delegated suitability sales, with each financial firm audited at least once every three years.

- The Company has outsourced the administration of most annuity products to SE2, Inc., which provides end-to-end contract administration services, including call center services, application of funds, post-issue services, payment services, and claims. The Company's contract with SE2, Inc. includes service level agreements, which are closely monitored by the Company, including through semi-annual reviews to assess compliance with guidelines and procedures.
- The Company has outsourced the post-sale policy administration and claims handling for a small, closed block of LTC insurance to an unaffiliated third party administrator, LifeCare Assurance Company ("LifeCare"). The Company stopped selling stand-alone LTC business in 2021. The contract with LifeCare includes service level agreements, which are reported to the Company monthly and closely monitored through quarterly audits of claims and customer service transactions.

Examination Procedures Performed: RNA interviewed management about using third parties to perform Company functions and the related monitoring procedures. RNA reviewed the Company's monitoring documentation and audits covering these outsourced functions.

Examination Conclusions: Based upon review and testing, it appears that the Company's contracts with entities assuming a business function on its behalf comply with statutory and regulatory requirements.

Fraud Monitoring Efforts:

Summary of Company Policies and Procedures:

- The Company has a written anti-fraud plan, which requires management and employees to take reasonable precautions to prevent, detect, and thoroughly investigate potential insurance fraud.
- The Company's procedures require employees to report suspected fraud to their supervisors and to the Special Investigations Unit ("SIU"). The Company's claims examiners work with the SIU when potential claim fraud is identified. The Company reports suspected fraud to the Massachusetts Insurance Fraud Bureau.
- All employees are annually required to attest that they comply with the code of conduct, and have not been convicted of a felony involving dishonesty or breach of trust. Any such convictions must be reported immediately. The Board has a separate code of conduct and conflict of interest annual reporting and attestation process.
- Criminal background checks are completed for all prospective employees. The Company generally does not consider anyone convicted of a felony, as defined in the Federal Violent Crime Control and Law Enforcement Act, eligible for hire.
- Office of Foreign Asset Control checks of all the Company's business and individual relationships are completed daily against the Specially Designated Nationals and Blocked Persons ("SDN") list, and any matches are investigated in a timely manner. The payees for all claim disbursements are also checked against the SDN list.

Examination Procedures Performed: RNA interviewed Company personnel responsible for anti-fraud initiatives, compliance procedures, and conflict of interest policies. In addition, RNA reviewed Company policies and procedures to address anti-fraud initiatives as part of marketing and sales, underwriting, policyholder service, and claims testing.

Examination Conclusions: The Company has adopted reasonable procedures related to anti-fraud initiatives, compliance, and conflicts of interest. Based upon testing, it appears that the Company has reasonably implemented anti-fraud initiatives to detect, prevent, and investigate fraudulent insurance acts.

Record Retention:

Summary of Company Policies and Procedures:

- The Company has adopted record retention requirements for various documents and records.
- The requirements include record management maintenance, disposal guidelines, and document-specific retention timelines.

Examination Procedures Performed: RNA obtained a summary of the Company's record retention policies and procedures and evaluated them for reasonableness.

Examination Conclusions: The Company's record retention policies appear reasonable and sufficient.

Privacy Compliance:

Summary of Company Policies and Procedures:

- The Company provides the required privacy notice annually to all policyholders and on its website.
- The privacy notice states that the Company shares personal information with entities administering operations for the Company. Otherwise, the Company does not share information with third parties for marketing.
- The Company discloses information following statutory provisions to regulators, law enforcement agencies, and anti-fraud organizations.
- The Company has implemented information technology security policies and practices to safeguard non-public personal and health information.
- The Company restricts access to electronic and operational areas containing non-public personal financial and health information to authorized individuals and strictly monitors access procedures.

Examination Procedures Performed: RNA interviewed Company personnel responsible for privacy compliance and reviewed supporting documentation. Further, RNA

a) reviewed marketing and sales, underwriting, policyholder service, and claims documentation for evidence that the Company improperly collected, used, or disclosed non-public personal financial information, and
b) sought evidence that the Company improperly disclosed non-public personal health information in conjunction with such testing.

Examination Conclusions: Based on review and testing, the Company's privacy practices appear to meet Massachusetts and Federal statutory and regulatory requirements.

Annual Market Conduct Reporting:

Summary of Company Policies and Procedures:

- The Company's policy administration and claims systems compile and retain life, annuity, IDI, LLTC and LTC underwriting, policyholder service, and claim data for inclusion in the annual financial reporting to the Division, and in the NAIC Market Conduct Annual Statement ("MCAS").

Examination Procedures Performed: RNA interviewed personnel responsible for all key operational processes and reviewed the 2022 annual financial reporting submitted to the Division, the examination data, and the Company's 2022 Massachusetts MCAS filings.

Examination Conclusions: Based upon review and testing, the 2022 Massachusetts MCAS filings appear reasonably complete and accurate.

II. COMPLAINT HANDLING

Summary of Company Policies and Procedures:

- The Compliance and Ethics Department's Customer Relations Division includes 18 staff who coordinate and address complaints for all of the Company's insurance products and business units. For complaints related to annuity sales when the suitability review is delegated to financial firms, the financial firms are required to provide all suitability complaints received to the Company for handling. The Company works with the financial firm to ensure that concerns in the complaint are evaluated and addressed.
- The Company considers a complaint any written grievance against the Company or its agents received from a consumer, the Division, or the Massachusetts Attorney General, including grievances received by email or through social media.
- The Company logs all complaints received in its electronic workflow system, from which the complaint register is compiled by contract issue state.
- The complaint register includes the regulatory case number, source, file number, complainant, product, policy number, function code, complaint description, disposition, received date, and closed date.
- The Company's policy is to respond to Division complaints within 30 days of receipt when possible, and in a timely manner for all complaints, once it receives and evaluates all relevant information.
- The Marketing Department monitors various social media sites. When negative comments are noted, the Company responds by asking the consumer to contact the Company so the concern may be addressed privately. Once the consumer contacts the Company privately, the concern is referred to the Customer Relations Division, added to the complaint register, and handled accordingly.
- Complaints are assigned to a Customer Relations Associate, who leads the complaint handling process with assistance in information gathering from business units or general agencies. If the complaint cannot be handled quickly, the Associate sends a letter of acknowledgement to the complainant providing the name of the Associate assigned to the complaint and his or her contact information. Once the complaint is investigated, the Associate drafts a response and sends the response to the complainant or regulators and then closes the case in the complaint register.
- The Customer Relations Division monitors complaint activity, creating quarterly complaint trend reports that are shared with business units and management. The Chief Compliance and Ethics Officer receives quarterly reports on complaint activity and trends. Unusual trends or issues are discussed with the Audit Committee.

Examination Procedures Performed: RNA interviewed Company staff, including management personnel responsible for complaint handling. RNA reviewed the Company's complaint procedures and selected 33 complaints from 2022 and 2023 for testing.

Examination Conclusions: Based on RNA's review and testing, the Company's complaint register and the complaint procedures meet Massachusetts statutory and regulatory requirements. The Company appears to process complaints in a proper and timely manner.

III. MARKETING AND SALES

Sales and Advertising Materials:

Summary of Company Policies and Procedures:

- The Company has adopted written policies and procedures for review and use of advertising and sales materials, including a provision in agency and producer contracts requiring adherence to such procedures.
- The Compliance and Ethics Department consults with the business units during development of marketing materials and reviews and approves all home office and producer-generated sales and advertising materials prior to use. An electronic workflow system tracks and documents the review and approval of these materials. All approved sales and advertising materials have an expiration date.

Examination Procedures Performed: RNA interviewed Company personnel responsible for reviewing, approving, and maintaining sales and advertising materials and obtained supporting documentation. Further, RNA

a) tested 15 home office and 12 producer-generated sales and advertising materials in use in Massachusetts for approval, appropriateness, reasonableness, and
b) reviewed any sales and marketing materials and agent communications noted as part of new business testing for evidence of using unapproved sales and marketing materials.

Examination Conclusions: Based on RNA's review and testing, the Company's sales, advertising, and training materials and the related procedures appear to be properly approved, appropriate, and reasonable.

Consumer Needs Assessment, Suitability, and Replacement Procedures:

Summary of Company Policies and Procedures:

Life and LLTC Sales

- The Company has approximately 100 staff, excluding underwriters, who process new business for individual whole life, term life, universal life, variable life, and LLTC products for which the applications are either electronically or manually submitted. An assigned case manager reviews the application for completeness and consistency, coordinates with the assigned underwriter, and issues the policy once it is approved by underwriting.
- Applications and all required disclosure forms including replacement forms and illustrations are completed and provided to the applicant at the point of sale. Illustrations are prepared for all products, except term life, and provided by the agent to the applicant at the point of sale. Agents provide a Buyers' Guide to the applicant at the point of sale, and the Buyers' Guide is also sent by the Company to the agent with the policy for delivery to the policyholder.
- All variable life applications from the Company's general agencies are approved by a supervisor within the general agencies to ensure that the sales meet the Company's suitability requirements.
- Replacement sale applications require a signed replacement notice, and for external replacements, a notice to the replaced carrier is to be provided within seven days of receipt of the completed application by the Company. A search of Company systems for unreported internal replacements is conducted to ensure that all internal replacements have been identified. Agent commissions for internal replacements are reduced.
- The Company's new business quality assurance team independently reviews application processing to ensure case managers are meeting cycle time and quality goals.

IDI Sales

- As part of the sales process, the agent quotes the applicant a premium and provides an outline of coverage that must be signed by the applicant. The agent retains the client file, customer profile, and any needs assessment worksheets and does not provide them to the Company.
- The Company's IDI new business processing department includes staff in three teams to process and coordinate the review of new business applications, which are reviewed by the new business staff for completeness and consistency. Although rare, if the application is a replacement of the current coverage, a replacement notice is provided to the applicant. Reduced agent commissions are paid on internal replacements.
- Completed and in-good-order application packages are forwarded to underwriting for review.
- New business cycle time and quality standards are measured daily and reported weekly and monthly. Quality assurance reviews are conducted to ensure that policies are properly and timely processed, and the results are reported monthly.

Annuity Sales

- The Company's annuity new business department includes approximately 45 associates to review and process annuity applications. As part of the sales process, an application and an outline of coverage is presented to and signed by the applicant and processed by the agent. The agent's client file, customer profile, and any needs assessment worksheets are retained by the agents and are not provided to the Company.
- When the Company receives applications, the application packages are reviewed by a new business associate, who evaluates the submitted application and supporting information for completeness and consistency.
- Replacement sale applications require a signed replacement notice, and for external replacements, a notice to the replaced carrier must be provided within three business days of the company's receipt of the completed application. The Company searches its systems for unreported internal replacements to ensure that all internal replacements have been identified. Agent commissions for internal replacements are reduced.
- Beginning in 2022, all fixed annuity applications submitted to the Company include a "best interest review" to ensure the sale is suitable. The review uses a scoring system to assess each sale using pre-determined criteria, including metrics to evaluate whether the sale is appropriate for seniors. Applications meeting pre-defined score levels are subject to a secondary review by a specialist. For variable annuity applications, a suitability scoring system assesses each sale using pre-determined criteria, including those applicable to senior sales.
- The Company has also delegated annuity suitability reviews to selected financial firms, which are contractually responsible for producer licensing and agent appointment, training and supervision, ensuring that only approved sales materials are used, documentation and conclusion that the sale meets "best interest" rules, and compliance with all Company policies and procedures for Company products. The financial firms annually certify compliance with contractual requirements. The Company monitors the financial firms' compliance using transaction reporting and periodic audits of the sales subject to delegated suitability, with each financial firm audited at least once every three years.
- The Company's annuity new business department is reviewed for quality assurance by an independent team. Each associate's work is periodically reviewed, and a monthly report is shared with management.

Examination Procedures Performed: RNA interviewed individuals responsible for life, LLTC, IDI and annuity new business processing. Further, RNA

a) tested approved applications including 45 life, 10 LLTC, 20 IDI, and 40 annuity applications to assess whether the applications, disclosures, replacement forms, summaries and policy forms were

properly used, completed, signed, and evaluated. The number of approved applications tested are further segmented below.

	Senior Replacements	*Other Senior Sales*	*Non-Senior Replacements*	*Other Non-Senior sales*	*Total Sales*
Life	7	8	14	16	45
LLTC	0	0	5	5	10
IDI	0	0	2	18	20
Annuity	10	11	10	9	40

b) tested evidence of the Company's oversight of financial firms contractually responsible for delegated annuity suitability reviews. Specifically, RNA tested the Company's audit procedures for four financial firms responsible for one or more of the 40 annuity sales noted above. Further, RNA reviewed the suitability reports prepared by the Company's Compliance and Ethics Department in 2022, 2023, and 2024 that covered 16 financial firms, noting the audit procedures performed by the Company and the conclusions reached.

Examination Conclusions:

Findings: The Company did not send notice to the replaced carriers for six annuity replacement sales and one life replacement sale, in violation of 211 CMR 34.06.

Observation: Based on testing, except as noted above, the approved insurance applications included proper disclosures, replacement forms, summaries, and policy forms, which were completed, signed, and evaluated in accordance with contractual and Massachusetts statutory and regulatory requirements. Further, the Company's oversight and audit procedures over financial firms to which annuity suitability is contractually delegated appear to be timely and properly executed with timely and appropriate actions taken by the Company.

Required Actions: The Company shall assess and update its procedures to ensure that notices to replaced carriers for annuity and life replacement sales are timely sent to the replaced carriers. Training on the updated procedures shall be provided to Company personnel responsible for this function. Finally, the Company shall conduct an audit by corporate audit or compliance by June 30, 2026, and provide the report to the Division.

Subsequent Company Actions: For annuity replacement sales, the Company is assessing and will update, as appropriate, its process and procedures so the replacement notice is delivered by the Company to the existing carrier when replacement transactions occur. Once the assessment is complete, the Company will conduct refresher training on these procedures. For the life replacement sale, the replaced policy was a group life insurance policy, which created confusion about the replacement notice to the existing carrier. However, the Company acknowledges it should have been sent. The Company is assessing its procedures for process improvements and has conducted refresher training with staff. Additionally, the Company is considering a possible system enhancement to provide clearer reminders to staff on the replacement notice requirement.

IV. PRODUCER LICENSING

Summary of Company Policies and Procedures:

- The Company has two primary distribution channels. The first channel is the career agency system known as MassMutual Financial Advisors, which includes agency-affiliated strategic alliances and national account selling agreements. This channel includes approximately 6,800 individual appointed agents within approximately 60 general agencies throughout the U.S, two of which are in Massachusetts. The second channel is MassMutual Strategic Distributors, which includes large financial firms that do not have exclusive selling arrangements with the Company.
- All general agencies have written contracts with the Company. The contract contains standard provisions to describe the agency's relationship with the Company, including the agency's authorities, compliance, licensing, and supervision responsibilities, producer qualifications and compensation (including commission overrides), indemnification, and termination provisions
- The Company's Advisor Operations Department handles individual producer contracting and agent appointment duties. Once a general agency recommends a producer for contracting, an application is submitted to the Company, including background information on the producer's prior employment, insurance, professional licenses, residency, and the proposed career agent contract with the general agency. The Company has performed financial, criminal, credit, civil litigation, and securities background checks on the producer for the past five years.
- The Company requires individual producer contracts and agent appointments for individual producers prior to, or when the producer begins actively soliciting business on behalf of the Company. Each career agent contract with the general agency is based on a standard agreement and must be approved by the Company before appointment. The contract describes the agent's authority limits, compensation, and termination provisions. The standard contract also has general provisions that require the agent to participate in a fidelity bonding program and to maintain errors and omissions coverage.
- When new agreements are negotiated through MassMutual Strategic Distributors, entity-level background checks are performed before the agreement is executed. When new business is submitted, the Company performs a credentialing check to verify that the entity holds an active selling agreement and producer license. The written contracts require the entity to maintain errors and omissions coverage and have standard terms and conditions to define the entity's duties and responsibilities, including supervising the individual producers, who are also appointed as agents by the Company. Financial and criminal background checks are completed on individual producers prior to appointment as agents.
- The Company outsources the agent appointment process to a third party, which submits the appointment to the NAIC National Insurance Producer Registry within 15 days of new business being submitted. Such information is also entered into the Company's producer database, which interfaces with the Company's various new business processing systems.
- The Company's contracts and appointments are perpetual until terminated with notice. The third party vendor processes agent terminations and ensures that the terminations are reported to the NAIC National Insurance Producer Registry and the Division, usually within three days of the termination request. If the termination is "for cause", the reason for the termination is also provided to the Division. Termination notices are also sent to the agents as required under Massachusetts Law.
- The Company has a process to reconcile its records of appointed agents with the Division records, which is completed through quality checks of agent appointment and termination activity. Also, an annual reconciliation of the Company's appointment data with the Division is completed prior to the payment of appointment fees. Any differences are investigated, and corrections are made as necessary.

Examination Procedures Performed: RNA interviewed individuals responsible for producer contracting and processing agent appointments and terminations. Further, RNA

a) tested approved applications including 45 life, 10 LLTC, 20 IDI, and 40 annuity applications, and 10 life and 10 IDI applications that were declined to determine whether the producers were licensed and appointed as agents in the state where the application was taken, and
b) tested 10 agent appointment terminations to ensure that the terminations, including required notices, were timely and met contractual and statutory requirements.

Examination Conclusions: Based on testing, the Company's producer licensing, agent appointment, and agent termination practices meet contractual and Massachusetts statutory requirements.

V. POLICYHOLDER SERVICE

Surrender, Contract Change, and Loan Requests:

Summary of Company Policies and Procedures:

- To cancel a life, LLTC, IDI insurance policy, or annuity contract valued at $100,000 or more, a signed written request must be received. The cancellation request is effective on the date the Company receives the written request. Requests to surrender an annuity contract of less than $100,000 can be processed on the phone. The transactions are processed within seven days. Variable life and annuity surrenders are processed on the day received.
- All insurance policy and annuity contract owners have the right to return, or free-look, all newly purchased contracts within the time period stated in the contracts, which meet or exceed minimum statutory requirements. Premium refunds are promptly returned to the owners.
- Changes in life and annuity beneficiaries require completion of a written form or online submission, along with a corroborating witness to comply with Massachusetts statute. Changes in life and annuity contract owners require a written form to execute. These changes are generally processed within five days.
- All life policy changes requesting additional riders and some requests for increases in coverage must be in writing and are referred to underwriting for review and a decision. Requests for decreases in coverage are generally processed within three days without underwriting involvement.
- All IDI rider and additional coverage requests require a signed application and documentation for review and approval by an underwriter. Signed requests for coverage decreases are processed within two business days.
- Execution of accelerated benefit and LLTC riders must be requested in writing and validated by an Attending Physician's Statement or evidence of meeting LLTC rider requirements.
- Depending on the amount of a life policy loan, the request may be processed on the phone or online. Larger loan amounts require the completion of a form to process. Variable life policy loans are processed and effective the same day as received. Non-variable life policy loans are processed within five days.
- SE2, Inc. processes most annuity requests. It must meet the requirements contained in contractual service level agreements, which the Company closely monitors using practices that include semi-annual reviews to assess compliance with guidelines and procedures.
- The Company and SE2, Inc. have quality assurance processes for life, LLTC, annuity, and IDI post-issue processing, including the call center operations. Quality assurance results are documented, reported, and used for employee evaluation and training.

Examination Procedures Performed: RNA interviewed individuals responsible for life, LLTC, IDI, and annuity customer service transaction processing. Further, RNA tested five life/LLTC, five IDI, and 10 annuity surrenders; 10 life/LLTC, five IDI, and 10 annuity contract changes; and two life loans from the examination period to determine whether the transactions were processed accurately and timely.

Examination Conclusions: Based on testing results, procedures for surrender, contract change, and loan transactions meet contractual and Massachusetts statutory and regulatory requirements.

Premium Billing, Lapse, Reinstatement, and Maturity Transactions:

Summary of Company Policies and Procedures:

- Life, LLTC, and IDI premium billings are automatically generated through one the Company's policy administration systems. Consolidated billings are available for families with multiple policies. Policies are direct billed annually, semi-annually, or quarterly. Payments are received by check or electronically via quarterly or monthly pre-authorized check, or through other mechanisms such as employer-based payroll deduction.
- Life, LLTC, and IDI billing notices are directly mailed to policyholders 20-30 days prior to the due date. The billing notice states that the policy will lapse unless payment is made.
- If premiums are not received when due, an overdue premium notice is mailed 5-21 days after the due date. The notice states that if the required payment is not made, the policy will lapse. Life and IDI policies lapse for non-payment 62 days after the original due date. LLTC policies lapse 31 days after a grace period notification has been sent. The agent is also notified of the overdue premium for conservation efforts. After 62 days, the policies have lapsed and must go through underwriting for reinstatement.
- For life and IDI reinstatement requests, the underwriting departments assess the reinstatement application and make a decision based on the applicant's age and amount of risk in accordance with underwriting guidelines. A new contestability period is applied to any new information on the reinstatement application, and the reinstatement may result in a new premium rate.
- For the small, closed block of LTC business, the Company has outsourced premium billing and lapse processing to LifeCare. The contract with LifeCare includes service level agreements, which are reported to the Company monthly and closely monitored, including through quarterly audits of claims and customer service transactions.
- When a life or LLTC insurance policy approaches maturity, a letter is sent to the owner 60 days prior to the maturity to disclose disbursement options available. If no response is received from the owner, a database search is performed to obtain updated owner contact information.
- When an annuity contract approaches maturity, a letter is sent six months prior to the maturity date to inform the owner of the options available. If no response is received from the owner, a second letter is sent three months prior to the maturity date. The Company will attempt to e-mail the agent of record and call the client 30 days prior to the maturity date to inform the owner of the approaching maturity date, and search databases to locate the owner. At the maturity date, if the Company does not receive a response, the Company will execute the annuitization if the address of record is current.
- The Company and SE2, Inc. have quality assurance processes for life, annuity, and IDI post-issue processing, including the call center operations. Quality assurance results are documented, reported, and used for employee evaluation and training.

Examination Procedures Performed: RNA interviewed individuals responsible for premium billing, lapses, reinstatements, and maturities, and examined evidence of related processes and controls. Further, RNA tested five life/LLTC, five IDI and three LTC lapses, of which three life policies were reinstated, and two life and five annuity maturities to determine whether the transactions were processed accurately and timely.

Examination Conclusions: Based on testing, billing, lapse, reinstatement and maturity transactions meet contractual and Massachusetts statutory and regulatory requirements.

Returned Mail, Unclaimed Checks, and Escheatment Practices:

Summary of Company Policies and Procedures:

- The Document Management Services Department handles mail that is returned as undeliverable and attempts to find a better address for the returned mail, and/or determine if a consumer is deceased for further analysis and validation.
- For checks returned in the mail, such as policy loan checks or dividend payments, the returned mail processes are followed to locate a current address.
- Once a check remains un-cashed for 150 days, the Cash Operations Department conducts further research to locate the owner, and a letter is sent to the last known address of the owner.
- The Company completes a daily comparison of its life and annuity in-force and terminated business against the Social Security Death Index in an attempt to locate deceased policyholders and contract owners. The Company also evaluates obituaries, certain state vital records, and civil worker records. The in-force comparison includes a four-year look-back for any policies or contracts that may have matured, lapsed, or otherwise terminated.
- At 90 days prior to escheatment, and after three years, a final attempt is made to locate the owner, and a letter is again mailed to the last known address. Annual reporting of all amounts escheatable to Massachusetts is provided on May 1 as required by Massachusetts law.

Examination Procedures Performed: RNA interviewed individuals responsible for returned mail, unclaimed checks, and escheatment and reviewed supporting information, including the 2022 escheatment filing with the Massachusetts State Treasurer.

Examination Conclusions: Based on review, the Company's handling of returned mail, unclaimed checks, and escheatment meet Massachusetts statutory and regulatory requirements.

VI. UNDERWRITING AND RATING

Summary of Company Policies and Procedures:

Life and LLTC Sales

- The Company has approximately 230 underwriters organized into four regional teams that underwrite new business for individual life and LLTC products. The assigned underwriter coordinates review of the application with the new business case manager. Underwriting authority limits are applied based on underwriter experience and case complexity. Senior underwriters perform monthly quality assurance reviews covering each underwriter.
- The Company utilizes a five-class underwriting system for its life and LLTC products. Applicants are categorized as preferred or standard risks according to written underwriting guidelines based upon the applicant's tobacco use, medical history, family history, height, weight, and personal history. Medical records may be requested to support the requested coverage. Premium surcharges or discounts are also used to modify rates based upon the underwriter's evaluation of claim risks and other factors.
- Financial and needs-assessment information such as income, net worth, purpose of the insurance, and information about other insurance in-force is obtained. The assigned underwriter reviews the application to ensure that the requested coverage and amount meet Company underwriting guidelines.
- If the applicant ultimately is approved for a class at higher than standard rates or declined for coverage, the applicant will receive an Adverse Underwriting Decision Notice indicating that the class approved is higher than standard rates and the reason for the determination. A Fair Credit Reporting Act Notice is also delivered for declinations where the information results from third-party consumer reporting information.
- If the applicant wishes to challenge the declination or the rate offered, an escalation process requires that the application be reviewed again by the underwriter, and either a director or executive within underwriting within 48 hours for reconsideration.
- The Company's time standards within the service level agreements are four to seven days to complete underwriting duties once the application is received in-good-order.

IDI Sales

- The IDI underwriting department includes 40 underwriting staff organized into four teams. The assigned underwriter coordinates the application review with the new business staff. Underwriting authority limits are applied based on the underwriter's experience and case complexity. Senior underwriters perform monthly quality assurance reviews for each underwriter.
- Third-party reports are requested to ensure the applicant's disclosure of current and previously requested life and disability coverages is complete. Medical records may be requested to support the requested coverage.
- The Company applies standard underwriting and participation limits within the underwriting guidelines based on occupational class, age, job duties, historical earned income, and years of experience. Premium surcharges are used to increase rates where claim risk is greater.
- If the applicant ultimately is granted a different rate than quoted, or is declined for coverage, the applicant will receive an Adverse Underwriting Decision Notice indicating the reason for the underwriting decision. A Fair Credit Reporting Act Notice is also delivered for declinations where the information results from third party consumer reporting information.
- If the applicant wishes to challenge the declination or the rate offered, an escalation process requires that the application be reviewed again by the underwriter, and either a director or technical lead underwriter for reconsideration.

- The Company's time standard is four to six days to complete underwriting duties once the application is received in-good-order.

Examination Procedures Performed: RNA interviewed Company personnel responsible for the life, LLTC, and IDI underwriting and rating processes. Further, RNA tested 55 life, 10 LLTC, and 30 IDI submitted insurance applications to determine

a) whether the underwriting conclusions were supported in the Company's underwriting guidelines,
b) whether Adverse Underwriting Decision Notices were issued when life and LLTC premium rates offered were higher than standard, when IDI rates were different than the quoted rate, when any exclusions were offered, or when the applications were declined,
c) for a subset of five life, two LLTC, and three IDI submitted applications, whether the premium rates and discounts were properly applied in accordance with filed and approved premium rates, and
d) whether the Company processed the applications following statutory and regulatory requirements and its policies and procedures related to underwriting.

Examination Conclusions:

Finding: For one IDI application, there was no evidence that an Adverse Underwriting Decision Notice was provided to the applicant when coverage was declined in violation of M.G.L. c. 175I, § 10.

Observations: Based on review and testing, RNA determined

e) the underwriting conclusions were supported in the Company's underwriting guidelines,
f) Adverse Underwriting Decision Notices were issued when life and LLTC premium rates offered were higher than standard, when IDI rates were different than the quoted rate, when any exclusions were offered, or when the applications were declined by the Company, except as noted above,
g) the premium rates and discounts were properly applied in accordance with filed and approved premium rates, and
h) the Company processed applications following statutory and regulatory requirements and its policies and procedures related to underwriting.

Required Actions: The Company shall assess and update its procedures to ensure that Adverse Underwriting Decision Notices are provided to IDI applicants when coverage is declined. Company personnel responsible for this function shall be trained on the updated procedures.

Subsequent Company Actions: To assist its underwriters, the Company has procedures for providing applicants with an Adverse Underwriting Decision Notice when there is an adverse decision on a case. In addition, its new business system includes a prompt to remind underwriters about the requirement to provide an Adverse Underwriting Decision Notice when an adverse decision occurs. The Company will assess its existing procedures to determine what updates may help improve its process for providing Adverse Underwriting Decision Notices to applicants when coverage is declined. Additionally, the Company has conducted refresher training for staff.

VII. CLAIMS

Summary of Company Policies and Procedures:

Life, LLTC, and Annuity Claims

- Claims are reported by an agent, beneficiary, or another individual, such as an attorney or trustee, and are received by mail, through the Company's 800 phone number, or on the Company's website. The claim is registered in the claims electronic workflow and imaging system and acknowledged within three business days. The contract is researched to determine its status, and to ascertain if other contracts are in-force.
- The claim is assigned to a claims examiner for investigation based on the product type and/or complexity level and the examiner's authority limit. A claim form and letter with requirements is sent to the claimant. Also, the claims examiner proactively contacts the claimant within three days of claim notification to answer any questions. If the life or LLTC claim is filed during the two-year contestability period, an authorization form to request medical information is also sent.
- Once the claim form is received, the claims examiner investigates the claim to ensure all documentation is received, including a certified death certificate, signed claim form, and any other information needed to verify coverage.
- Once the claim is in good order, it is processed with payment to the beneficiary. The claim settlement amount includes the payment of interest from the date of death, using interest rates as required by statute. The Company's goal is to process in-good-order life and LLTC claims within four business days and annuity contracts within seven calendar days. For life claims, the examiner must complete a check of the Department of Revenue website to ensure compliance with the Intercept program requirements for unpaid child support and taxes.
- The Company contests few life claims as a majority of the policies in-force are beyond the two-year contestability period. A group of experienced claim examiners reviews contestable claims. When such claims are investigated, the reinsurers are notified, medical records are obtained, and a referral may be made to the Underwriting Department to review the medical information on the application. Consultation with the Company's Legal Department and SIU may be necessary. Contract rescissions are rare but require multiple levels of management and legal review before approval. There is no formal appeal process, but a claimant may challenge a decision, which is referred to the Legal Department for handling.
- The Company offers accelerated benefit riders and LLTC riders, which allow payment of an accelerated benefit when an insured is living but has a terminal illness or meets the requirements of the LLTC riders. Such claims require an Attending Physician's Statement, certain medical records, or other supporting evidence for the execution of the rider and are reviewed in compliance with contractual and legal requirements.
- Most annuity claims are processed by SE2, Inc., which must meet contractual service level agreements, which are closely monitored by the Company, including through semi-annual reviews to assess compliance with guidelines and procedures.
- The Company and SE2, Inc. have quality assurance processes for claims handling. Quality assurance results are documented, reported, and used for employee evaluation and training.

IDI Claims

- IDI claims may be reported through the Company's call center, on-line, using a paper form, or through a claimant's agent. When a claim is reported, the claim is registered in the claim system; a search for other policies is conducted, and a claim packet with all necessary forms is sent to the claimant within two days.

- New claims are assigned to the Pre-Claim Unit, and an outreach call is made by a claim assistant to the claimant within 10 business days to ensure that the claimant received the claim forms and to answer any questions. Follow-up letters are sent to the claimant every 30 days if the claim form is not received. After 60 days without receipt of the claim form, the claim is closed unless the claimant asks for more time to complete the form.
- Once the claimant's statement and authorizations are received, the claim is assigned to a claim examiner. A claim acknowledgment status letter is sent within five business days, and a claim adjudication strategy is developed based on the claim and policy coverage. Medical records are often ordered, and the claim investigation is tailored to any outstanding requirements. The Company may also obtain medical records, prescription drug histories, or surveillance investigations. To the extent that occupational experts are needed to assess the extent of disability, these experts are used to assist with the claim. Any suspected fraud cases are sent to an SIU investigator in the Legal Department.
- Claims are evaluated based on total and partial disability using the definitions of disability in the policy. Coverages often focus on the insured's inability to work or perform duties in his or her "own occupation" due to sickness or injury. Partial disability coverage pays a proportionate benefit based primarily on prior and post-disability earned income. 100% of the monthly benefit is paid when the insured experiences a greater than 75% loss of earned income. In comparison, a proportionate partial disability benefit is paid at less than 75% loss of income.
- Claims examiners have payment authority limits, and the Company's supervisory structure includes a team of claim consultants who periodically review claim files in real-time to ensure claim strategies are properly implemented.
- If there is a waiver of premium on the IDI policy or on any life, LLTC, or LTC policies owned by the insured, the waiver of premium processing is forwarded to the post-issue area for handling.
- A Chief Claim Consultant also reviews most adverse decisions for concurrence. All adverse decisions are communicated in writing to the insured noting the reason for the denial. Also, the letter describes the appeal process should the claimant wish to file an appeal. All appeals are handled in accordance with appeal guidelines and procedures. If new information is available, the original claims team will consider the new information and reevaluate the claim. If there is no new information, a new claims team will assess the claim independently.
- Ongoing claims management requires that periodic proof of continued disability be provided to the Company. The frequency of reporting is tailored to the disability and the individual case.
- Policy rescissions are rare and involve underwriting, legal, and SIU personnel in the investigation. In the event of rescission, all premium plus interest is returned to the policyholder, and the contract is canceled.
- The Company has quality assurance processes for claims handling with the results documented, reported, and used for employee evaluation and training.

LTC Claims

- The Company outsources claims handling for a small, closed block of LTC insurance to LifeCare. The contract with LifeCare includes service level agreements, which are reported to the Company monthly and closely monitored.
- The Company performs quarterly audits of these LTC claims. Complaint trends are reviewed, and mitigation efforts related to previous audit findings are discussed.
- The Company has a secondary review process for claimant or benefit payment denials. The third party administrator provides the proposed adverse decision to the Company's claim consultant for independent consideration. If the claim consultant agrees with the adverse decision, the insured is notified that he or she may submit an appeal, which the third party administrator and the Company will evaluate.

Examination Procedures Performed: RNA interviewed Company personnel responsible for life, LLTC, annuity, IDI and LTC claims handling and oversight. The Company reported *no denied* Massachusetts death claims in 2022. RNA selected 140 claims from 2022 for testing as follows:

	Paid Claims	*Denied Claims*	*Pending Claims*	*Closed Claims*	*Active Multi-Year Claims*	*Total Claims*
Life & LLTC	40	0	0	N/A	N/A	40
Annuity	19	0	1	N/A	N/A	20
IDI	30	10	2	5	5	52
LTC	14	8	6	0	0	28

Examination Conclusions:

Findings: For six life claims, the Company failed to conduct Department of Revenue intercept checks for tax and child support amounts due to the Commonwealth of Massachusetts as required by M.G.L. c. 175, §§ 24D and 24F. When notified of the findings, the Company promptly conducted the intercept checks for the six paid life claims and determined that no amounts were reportable and due to the Department of Revenue.

Additionally, for one IDI claim, the Company failed to provide the waiver of premium benefit in violation of contractual requirements. The Company subsequently refunded the premium following the waiver of premium benefit, plus 12% interest per M.G.L. c. 231, § 6C.

Observation: Based on testing, except as noted above, the Company properly investigated, adjudicated, and paid or denied all claims following contract provisions and statutory requirements.

Required Actions: The Company shall develop new or enhanced policies and procedures for completing Department of Revenue intercept checks for tax and child support amounts due to the Commonwealth and for identifying and paying IDI waiver of premium benefits. The Company shall provide staff training on the new or enhanced policies and procedures. Further, the Company shall conduct an audit by corporate audit or compliance on the effectiveness of the new or enhanced policies and procedures by June 30, 2026, and provide the report to the Division.

Subsequent Company Actions: For life claims, the Company has taken the following steps to strengthen its compliance with Department of Revenue intercept checks since 2022. In August 2023, updated procedures were developed and provided to staff, and an updated claim checklist was created in late 2023 highlighting the intercept requirements. In April 2024, monthly audit procedures were implemented for compliance with notice to the claims examiner of any instances of noncompliance, so that it can be remediated. In 2025, the Company enhanced its tracking system to provide reminders of the intercept check requirement and provided refresher training.

For IDI claims, the Company's waiver of premium benefit exception report, which was prepared and reviewed quarterly to identify missed benefits, is now prepared monthly and reviewed by additional senior claims staff. The Company's ongoing reviews of the exception report have identified no further instances of a missed contractual waiver of premium benefit. While the Company believes this exception report is an effective control, it is developing improvements to identify and resolve errors quickly. These improvements include assessing and updating the procedures for reviewing the exception report and enhancing the report so that reviews occur faster and more efficiently.

SUMMARY

Based upon the procedures performed in this examination, RNA has reviewed and tested company operations/management, complaint handling, marketing and sales, producer licensing, policyholder service, underwriting and rating, and claims as set forth in the Handbook, the examination standards of the Division, and the Commonwealth of Massachusetts insurance laws, regulations, and bulletins.

ACKNOWLEDGEMENT

This acknowledgment is to certify that the undersigned is duly qualified and, in conjunction with RNA, applied certain agreed-upon procedures to the Company's corporate records for the Division to examine the Company.

The undersigned's participation in this examination as the Examiner-In-Charge encompassed responsibility for the coordination and direction of the examination performed, which was in accordance with, and substantially complied with, those standards established by the NAIC and the Handbook. In addition, this participation consisted of involvement in the planning (development, supervision, and review of agreed-upon procedures), communication, and status reporting throughout the examination, administration, and preparation of the examination report.

The Division acknowledges the cooperation and assistance extended to all examiners by the officers and employees of the Company during the examination.

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