

**BEFORE THE COMMISSIONER OF INSURANCE
OF THE STATE OF KANSAS**

In the Matter of)	
BOSTON MUTUAL LIFE)	
INSURANCE COMPANY)	Docket No.: 81588
NAIC # 61476)	

CONSENT AGREEMENT AND FINAL ORDER
(Pursuant to K.S.A. 40-222 and K.S.A. 77-537)

The Kansas Insurance Department (“the Department”) and Boston Mutual Life Insurance Company (“Boston Mutual” or “Company”) submit this Consent Agreement and Final Order. Boston Mutual hereby waives any and all rights to further administrative adjudication or review of this matter, including any and all rights conferred upon it under K.S.A. 77-501 *et seq.* Pursuant to the authority conferred upon the Commissioner of Insurance in K.S.A. 40-222, Vicki Schmidt, the duly elected, qualified and serving Commissioner of Insurance (“Commissioner”), hereby adopts this agreement made with Boston Mutual and finds and Orders as follows:

Allegations

The parties stipulate that if a hearing were conducted in this matter, the following information could be offered by the Commissioner, and although neither admitted nor denied by Respondent, may be recognized as admissible to show the following:

1. Boston Mutual is domiciled in Canton, Massachusetts and has been authorized to do business in Kansas since 1975.
2. On July 19, 2019, the Department initiated a market conduct inquiry regarding the issuance of unauthorized certificates under group association policies.

3. The company indicated that a total of 21 unauthorized certificates were issued to Kansas consumers in 2017 and 2018, with an aggregate premium of \$9,788.18. As of August, 2019, there were six active certificates remaining.
4. The certificates were issued under master policies by out-of-state associations, including Direct Sellers World Alliance and Independent Truckers Association, and sold by Agentra, LLC, a Kansas licensed nonresident producer.
5. The certificate holders were required to purchase an association membership simultaneously with insurance, and there is no evidence that the associations exist for a lawful purpose in Kansas.
6. On or about February 1, 2018, over a year prior to the Department initiating its market conduct inquiry, the company advised Agentra to cease all sales through associations.

Applicable Law

1. K.S.A. 40-222 provides, in part:
 - (a) Whenever the commissioner of insurance deems it necessary but at least once every five years, the commissioner may make, or direct to be made, a financial examination of any insurance company in the process of organization, or applying for admission or doing business in this state. In addition, at the commissioner's discretion the commissioner may make, or direct to be made, a market regulation examination of any insurance company doing business in this state.
 - ...
 - (c) For the purpose of such examination, the commissioner of insurance or the persons appointed by the commissioner, for the purpose of making such examination shall have

free access to the books and papers of any such company that relate to its business and to the books and papers kept by any of its agents and may examine under oath, which the commissioner or the persons appointed by the commissioner are empowered to administer, the directors, officers, agents or employees of any such company in relation to its affairs, transactions and condition.

...

2. K.S.A. 40-2,125 provides, in part:

(a) If the commissioner determines after notice and opportunity for a hearing that any person has engaged or is engaging in any act or practice constituting a violation of any provision of Kansas insurance statutes or any rule and regulation or order thereunder, the commissioner may in the exercise of discretion, order any one or more of the following:

(1) Payment of a monetary penalty of not more than \$1,000 for each and every act or violation, unless the person knew or reasonably should have known such person was in violation of the Kansas insurance statutes or any rule and regulation or order thereunder, in which case the penalty shall be not more than \$2,000 for each and every act or violation;

(2) suspension or revocation of the person's license or certificate if such person knew or reasonably should have known that such person was in violation of the Kansas insurance statutes or any rule and regulation or order thereunder; or

(3) that such person cease and desist from the unlawful act or practice and take such affirmative action as in the judgment of the commissioner will carry out the purposes of the violated or potentially violated provision.

...

3. K.S.A. 40-2209 provides, in part:

(f) Group accident and health insurance may be offered to a group under the following basis: ...

(5) A policy issued to an association which has been organized and is maintained for the purposes other than that of obtaining insurance, insuring at least 25 members, employees, or employees of members of the association for the benefit of persons other than the association or its officers.

Conclusions of Law and Orders

Based on information enumerated in Paragraphs #1 through #6 and the applicable law cited above, **THE COMMISSIONER OF INSURANCE MAKES THE FOLLOWING ORDERS:**


1. The Commissioner of Insurance has jurisdiction over this matter pursuant to K.S.A. 40-222, and shall retain jurisdiction to issue any further orders deemed necessary.
2. Boston Mutual shall pay a monetary penalty of \$500 for the alleged violations of Kansas law and shall cease and desist from the violations.
3. Boston Mutual neither admits nor denies the violations noted above.

IT IS SO ORDERED THIS And DAY OF OCTOBER 2020, IN THE CITY OF TOPEKA, STATE OF KANSAS.



Vicki Schmidt
Commissioner of Insurance

BY:


Justin L. McFarland
General Counsel

APPROVED BY:




Grant D. Ward
General Counsel & Secretary, EVP
Boston Mutual Life Insurance Company
120 Royall Street
Canton, MA 02021

Certificate of Service

The undersigned hereby certifies that she served the above and foregoing Consent Agreement and Final Order on this 2nd day of October 2020, by causing the same to be deposited in the United States Mail, first class postage prepaid, addressed to the following:

Grant D. Ward
General Counsel & Secretary, EVP
Boston Mutual Life Insurance Company
120 Royall Street
Canton, MA 02021


Toni Garrard
Senior Administrative Assistant