

# Petition Exhibit C

## January 10, 2022 NYSDFS Consent Order In The Matter Of Columbian Mutual Life Insurance Company



NEW YORK STATE  
DEPARTMENT OF FINANCIAL SERVICES  
ONE STATE STREET  
NEW YORK, NEW YORK 10004

-----X

In the Matter of :  
COLUMBIAN MUTUAL LIFE INSURANCE COMPANY :

-----X

**CONSENT ORDER**

The New York State Department of Financial Services (the “Department” or “DFS”) and Columbian Mutual Life Insurance Company (“Columbian Mutual” or the “Company”) are willing to resolve the matters described herein without further proceedings.

WHEREAS, in 2012 the Department issued a regulation requiring life insurance companies to regularly seek out beneficiaries to pay death benefits, rather than waiting for claims to be filed;

WHEREAS, but for the promulgated regulation, Regulation 200, a significant number of New York residents would not have been aware they were named on life insurance policies and would not have filed claims;

WHEREAS, DFS commenced an investigation (“Investigation”) of Columbian Mutual, in connection with unclaimed death benefits, for the period of July 1, 2011 through March 31, 2021 (“the Relevant Period”);

WHEREAS, the Department investigated Columbian Mutual's compliance with the requirements of Regulation 200 and related law with respect to unclaimed death benefits;

WHEREAS, the Department found that, in violation of New York law, Columbian Mutual (1) failed to cross-check all Columbian Mutual policies against the Death Master File ("DMF") on a quarterly and annual basis; (2) failed to commence beneficiary outreach within ninety (90) days, following the identification of DMF Matches in numerous instances; and (3) failed to escheat death benefit proceeds when Columbian Mutual could reasonably confirm the deaths of certain insureds but was unable to locate beneficiaries;

WHEREAS, the Department found Columbian Mutual failed to consider exact DMF Matches on contract holders' Social Security Numbers as matches for further review independent of other criteria, as required by New York law; and

WHEREAS, the Department found that while Columbian Mutual had Inexact DMF Match ("Fuzzy Match") procedures in place during the Relevant Period since September 2013, these procedures failed to comply with New York law.

NOW, THEREFORE, to resolve this matter without further proceedings pursuant to the Superintendent's authority under the New York Insurance Law, the Department finds as follows:

**THE DEPARTMENT'S FINDINGS**

**Respondent**

1. Columbian Mutual is a domestic mutual life insurance company, incorporated in the State of New York.
2. Columbian Mutual is authorized to write life insurance, annuities, and accident and health insurance, and is licensed to transact business in the District of Columbia and fifty states, including New York State.

3. Colombian Mutual's principal products subject to the Department's investigation during the Relevant Period were fixed annuities and life insurance, including individual whole life and term life insurance contracts.

4. Colombian Mutual primarily sold and issued small face value life insurance policies during the Relevant Period.

5. Independent agents market Colombian Mutual's products.

6. Colombian Mutual is headquartered in Binghamton, New York.

**Terms**

7. For purposes of this Consent Order, the following terms shall have the meanings set forth herein:

- a. "Policy" means a life insurance policy, annuity contract, or certificate under a life insurance or annuity contract, under which benefits are to be paid by Colombian Mutual upon the death of an insured, including policies that lapsed or terminated, as provided in Insurance Law § 3240(a)(6).
- b. "Insured" means an individual covered by a policy or an annuitant when the annuity contract provides for benefits to be paid or other monies to be distributed upon the death of the annuitant, as provided in Insurance Law § 3240(a)(3).
- c. "Beneficiary" or "Beneficiaries" means the person(s) entitled to receive death benefit proceeds under a policy.
- d. "Death Master File" or "DMF" is a data source created from internal Social Security Administration ("SSA") records of deceased persons

containing social security numbers, names, dates of birth, and dates of death and whose deaths were reported to the SSA. The DMF contains more than 94 million records.

- e. “DMF Match” means a match of the insured contained in Columbian Mutual’s policy records to an individual listed in the DMF, as required by the matching criteria and standards set forth in Insurance Law § 3240 and Regulation 200.
- f. “Fuzzy Match” means a DMF Match, accounting for common variations in data that would otherwise preclude an exact match with the DMF or a comparable death index, as provided in 11 NYCRR 226.4(e).
- g. “Escheat” means the transfer of unclaimed death benefits to state authorities as abandoned property as required, for example, by the New York State Abandoned Property Law.

**Background**

8. A life insurance policy is a contract between a purchaser and an insurance company in which the insured agrees to make regular timely periodic payments, known as premium, in exchange for a guarantee that the insurer will pay a lump sum death benefit to the named beneficiary upon the insured’s death. An annuity is a contract between a purchaser and an insurance company in which the contract holder agrees to make a lump sum payment or series of payments to the insurer in return for a regular stream of income payments for a specified period or the remainder of life. Upon the contract holder’s death, an annuity with a death benefit is designed to provide the beneficiary with remaining guaranteed payments pursuant to the payout option.

9. Sometimes, individuals may not know that they were named as beneficiaries under life insurance policies or annuities. Insurers are uniquely suited, however, to initiate and facilitate the death claims process to locate beneficiaries. Among other things, insurers have the means to determine whether insureds have died by reviewing the DMF.

10. In July 2011, the Department's Life Bureau sent an industry-wide letter request for information to life insurers, including Columbian Mutual, pursuant to Insurance Law § 308. The July 2011 § 308 letter put insurers on notice that "[t]he Department expects life insurers to identify any death benefits that may be due under life insurance policies . . . that have not been previously reported through the historical claim reporting processes, implement procedures to locate the appropriate beneficiaries, and make prompt payments as necessary."<sup>1</sup>

11. The Department requested life insurers to cross-check the DMF with insureds' personal information and to include policies in-force as far back as electronic records permitted. Upon completion, insurers were required to file reports with DFS indicating if death benefit payments were due, and the procedures implemented to locate beneficiaries and pay proceeds.

12. In making this request, the Department was concerned of the possibility that following insureds' deaths, life insurers were continuing to deduct premiums from policies' cash values; declaring certain policies to have lapsed or terminated even though premiums were no longer due; and failing to make death benefit payments to beneficiaries.<sup>2</sup>

13. Columbian Mutual purchased the DMF in July 2011, after receiving the Department's July 2011 § 308 Request. Prior to July 2011, Columbian Mutual did not cross-check policies against the DMF.

---

<sup>1</sup> Department's July 5, 2011 letter, pursuant to Insurance Law § 308, to life insurers.

<sup>2</sup> *Id.*

14. In 2012, DFS promulgated Regulation 200 to ensure contract holders and beneficiaries are provided with the benefits for which they have paid and to which they are entitled. *See* Section 226(c). The Legislature subsequently enacted Insurance Law § 3240, which became effective in June 2013, and served to codify Regulation 200.

15. In addition to measures that require life insurers to use the DMF to cross-check every policy on a quarterly basis, pursuant to Insurance Law § 3240(d)(1) and 11 NYCRR 226.4(b)(1), life insurers must also perform cross-checks of every policy using the entire DMF at least once annually, as provided in Insurance Law § 3240(d)(1) and 11 NYCRR 226.4(b)(3). Insurance Law § 3240(d)(2) and 11 NYCRR 226.4(b)(2) require that the DMF cross-checks are performed using: (1) the insured’s social security number; or (2) where the insurer does not know the insured’s social security number, the name and date of birth of the insured.

16. Moreover, Insurance Law § 3240 and New York Regulation 200 require life insurers to implement procedures to account for common variations in data while performing cross-checks that would otherwise preclude exact matches with the DMF.<sup>3</sup>

17. New York Insurance Law sets forth standards for insurers to locate beneficiaries, make prompt payments, and remit unclaimed proceeds to states as abandoned property. Insurance Law § 3240(f)(1), for example, provides that life insurers must reasonably confirm the deaths of insureds and begin to locate beneficiaries within ninety (90) days following the identification of potential DMF Matches. If an insurer cannot locate a beneficiary within 90 days after the identification of a potential DMF Match, then the insurer must continue to search for the

---

<sup>3</sup> *See* 11 NYCRR 226.4(e), for example, which sets forth the Fuzzy Match criteria that insurers must account for in identifying and confirming potential DMF Matches, including: (1) nicknames, initials used in lieu of first or middle names, use of middle names, compound first and middle names, and interchanged first and middle names; (2) compound last names, and blank spaces or apostrophes in last names; (3) incomplete date of birth data, and transposition of the “month” and “date” portions of the date of birth; (4) incomplete social security numbers; and (5) common data entry errors in name, date of birth and social security data.

beneficiary, until the death benefits escheat in accordance with applicable state law.

18. Additionally, at no later than policy delivery, insurers must request detailed information sufficient to ensure death benefits are distributed to the appropriate persons upon the insured's death, including at a minimum: the name, address, social security number, date of birth, and telephone number of every owner, insured, and beneficiary under a policy, as provided in Insurance Law § 3240(c)(1) and 11 NYCRR 226.4(a)(1).

**Factual Findings**

19. Failure to cross-check policies against the DMF costs beneficiaries unclaimed death benefits.

20. Columbian Mutual failed to perform quarterly and annual DMF cross-checks for more than a year after the enactment of Regulation 200. In sum, Columbian Mutual failed to perform required cross-checks between June 2012 and October 2013, for a period of sixteen months following the effective date of Emergency Regulation 200.

21. When Columbian Mutual began performing quarterly cross-checks, it carved out policies from the cross-checks. Between November 2013 and October 2018, Columbian Mutual failed to cross-check quarterly against the DMF (1) policies with face values less than \$100, and (2) policies with recurring premiums paid by electronic funds transfers (EFTs).

22. Likewise, Columbian Mutual failed to cross-check every policy against the entire DMF at least once annually for more than eight years -- from June 2012 to November 2020 -- as required by 11 NYCRR 226.4(b)(3) and Insurance Law § 3240(d)(1).

23. In addition, from November 2013 through October 2016, Columbian Mutual failed to perform quarterly cross-checks on policies from two companies Columbian Mutual

acquired: Mutual of Detroit Life Insurance Company and Philanthropic Mutual Life Insurance Company.

24. During the Relevant Period, Columbian Mutual placed numerous policies in lapsed, terminated, and non-forfeiture statuses for missed premium payments even though the insureds responsible for payments were deceased.

25. In other cases, following the deaths of insureds, Columbian Mutual continued to deduct premiums from policy cash values until whole life policies lapsed without value or terminated. Similarly, the Company placed hundreds of term life policies in expired statuses following insureds' deaths.

26. Furthermore, in many cases where the Company identified DMF Matches and did not locate beneficiaries, the Company failed to continue to search for beneficiaries or escheat death benefits in accordance with applicable state law, in violation of Insurance Law § 3240(f)(1).

27. In many instances where the Company confirmed insureds' deaths through the DMF Matching process or alternative sources, the Company closed claim files pursuant to its internal policies, if certified death certificates were not provided by beneficiaries.

28. For thousands of policies where Columbian Mutual could reasonably confirm that certain insureds had died but could not identify or locate beneficiaries, Columbian Mutual failed to escheat death benefit proceeds to New York State as required by law.

29. Moreover, Columbian Mutual failed to timely commence beneficiary outreach within 90 days following the identification of potential DMF Matches on numerous occasions, as required by Insurance Law § 3240(f)(1). For thousands of policies, Columbian Mutual initiated outreach efforts months following the 90-day statutory period. In hundreds of additional cases,

Columbian Mutual failed to commence any beneficiary outreach for confirmed DMF Matches during the Relevant Period.

30. From November 2013 through August 2018, Columbian Mutual sent letters to the last-known addresses of insureds when Columbian Mutual identified potential DMF Matches but could not otherwise validate the deaths through a third-party database. In numerous instances, however, a third-party database provided Columbian Mutual with potential insured deceased dates based on "fuzzy" standards. After receiving no responses from insureds on thousands of occasions, Columbian Mutual failed to conduct follow-up research into policy statuses or conduct further outreach, as required by law, and omitted the policies from subsequent DMF cross-checks.

31. After August 2018, Columbian Mutual discontinued the practice of sending letters to insureds with respect to the DMF Match validation process yet failed to conduct due diligence to reasonably validate or confirm potential DMF Matches for approximately 2,300 policies. Columbian Mutual failed to have procedures in place to reasonably validate potential DMF Matches in many instances.

32. Throughout the Relevant Period, Columbian Mutual also omitted numerous policies from subsequent DMF cross-checks that were identified as potential DMF Matches but not validated, in violation of Insurance Law § 3240(d)(1) and 11 NYCRR 226.4(b)(1).

33. The Department's investigation found that Columbian Mutual failed to recognize exact Social Security Number matches alone as potential DMF Matches independent of other criteria, in violation of Insurance Law § 3240(d)(2)(A) and 11 NYCRR 226.4(b)(2)(i).

34. As a result of these facts, the Department finds that Columbian Mutual did not satisfy its obligations regarding the identification and payment of unclaimed benefits, as required

by Insurance Law § 3240 and Regulation 200.

35. Pursuant to Emergency Regulation 200, life insurers were required to implement DMF Fuzzy Match procedures by November 2012 and within 150 days of the effective date of Section 226.4(f)(2),<sup>4</sup> to account for common variations in data that would otherwise preclude exact matches with the DMF or a comparable death index. Columbian Mutual first implemented DMF Match procedures to account for Fuzzy Match criteria in September 2013, ten months late.

36. Even after Columbian Mutual finally implemented DMF Fuzzy Match procedures, the procedures did not comply with Regulation 200. In sum, the procedures failed to account for common variations in data that would otherwise preclude exact DMF Matches in some instances, as required by 11 NYCRR 226.4(e).

37. Since June 2013, some of Columbian Mutual's life insurance application forms did not request beneficiaries' dates of birth, as required by Insurance Law § 3240(c)(1) and 11 NYCRR 226.4(a)(1).

38. Moreover, Columbian Mutual failed to file copies of annual reports of unclaimed benefits with the Department for calendar years 2014 through 2020, as required by 11 NYCRR 226.6 and Insurance Law § 3240(i).

**Violations of Law and Regulations**

39. Based on the foregoing, the Department finds that Columbian Mutual violated Insurance Law § 3240 and Regulation 200.

NOW, THEREFORE, to resolve this matter without further proceedings, the Department and the Company stipulate and agree to the following terms and conditions:

---

<sup>4</sup> Citation to earlier version of Regulation 200 at 11 NYCRR 226.4(f)(2) (2012).

**SETTLEMENT PROVISIONS**

**Monetary Penalty**

40. No later than ten (10) days after the Effective Date of this Consent Order, the Company shall pay a civil monetary penalty pursuant to Insurance Law § 109 to the Department in the amount of three million dollars (\$3,000,000). The payment shall be in the form of a wire transfer in accordance with instructions provided by the Department.

41. The Company shall not claim, assert, or apply for a tax deduction or tax credit with regard to any U.S. federal, state, or local tax, directly or indirectly, for any portion of the civil monetary penalty paid pursuant to this Consent Order.

42. The Company shall neither seek nor accept, directly or indirectly, reimbursement or indemnification with respect to payment of the penalty amount from any other person or entity, including but not limited to, payment made pursuant to any insurance policy.

**Injunctive Relief**

43. Going forward, Columbian Mutual will perform cross-checks against the full DMF annually and against DMF updates quarterly for every policy required by Insurance Law § 3240 and Regulation 200. Policies will be included in quarterly and annual DMF cross-checks regardless of face amount or policy issue date. Within 30 days of the Effective Date of this Consent Order, Columbian Mutual will submit revised Unclaimed Property, Unclaimed Property Death Master Search and DMF Fuzzy Match procedures to the Department for review and approval.

44. Columbian Mutual shall comply with Insurance Law § 3240 and Regulation 200, as well as all applicable provisions of the New York State Abandoned Property Law, including all reporting, mailing, and remittance requirements.

**Remediation**

45. Columbian Mutual and the Department have agreed upon the Remediation Plan set forth below in paragraphs 46 through 66 for Columbian Mutual to identify and remediate all policies with payable death benefits that have not yet been paid or escheated.

46. Columbian Mutual will identify policies for remediation by (i) reviewing all prior DMF Matching efforts since July 1, 2011 and (ii) performing a new comprehensive cross-check against the entire DMF of all New York policies in-force at any time since July 1, 2011 pursuant to the terms of the Remediation Plan described below. Columbian Mutual will conduct beneficiary outreach and due diligence to promptly pay beneficiaries or escheat appropriate death benefit proceeds due (the “Review and Remediation Process”).

47. New DMF Cross-Check of Policies in-force since July 2011. Within ninety (90) days of the Effective Date of this Consent Order or other time period approved by the Department, Columbian Mutual will perform a new comprehensive DMF cross-check of all New York policies in-force at any time on or after July 1, 2011, irrespective of whether the policies are listed as active, and including, but not limited to, policies identified as terminated, lapsed, expired, matured, or rescinded, and including policies in non-forfeiture statuses, such as reduced paid-up and extended term, but not including policies where the full death benefit was already paid to a beneficiary, policies where the full death benefit was already escheated, surrendered policies, or policies not taken. The new DMF cross-check will incorporate all policies regardless of face amount or issue date. Columbian Mutual will perform the new cross-check pursuant to revised Unclaimed Property Death Master Search procedures and DMF Fuzzy Match criteria, subject to the Department’s approval, to ensure compliance with Regulation 200 and Insurance Law § 3240.

48. Review of Potential Matches from July 2011 DMF Cross-Check. Within one hundred eighty (180) days of the Effective Date of this Consent Order or other time period approved by the Department, Columbian Mutual will review the full set of potential matches identified from its July 2011 DMF cross-check of all policies in-force during the period from January 1986 through October 2011 (i.e., 8,732 policies identified as “Exact Matches to be Investigated” and 20,021 policies identified as “SSN/Name Mismatch, Other Inconsistencies”). For any policy with a valid DMF Match that has not been paid or escheated, Columbian Mutual will commence outreach efforts to locate beneficiaries within ninety (90) days of the confirmation of a DMF Match, or other time period approved by the Department, in accordance with the requirements set forth in Insurance Law § 3240(f).

49. Review of Potential Matches from all DMF Cross-Checks Performed Since July 2011. Within one hundred eighty (180) days of the Effective Date of this Consent Order or other time period approved by the Department, Columbian Mutual will review the potential matches identified from all DMF cross-checks performed subsequent to the cross-check responsive to the Department’s July 2011 § 308 letter. Columbian Mutual will perform a review of every DMF potential match list in Columbian Mutual’s records and previously provided to DFS to identify all policies with payable death benefits that have not yet been paid or escheated. For every potential DMF Match identified as invalid and not payable pursuant to prior efforts, Columbian Mutual will review the policy in accordance with revised DMF Match validation procedures, subject to the Department’s approval. For any potential DMF Match categorized by Columbian Mutual as “No DMF Match” in inventories previously produced to DFS, these policies shall be cross-checked against the DMF and the potential matches reviewed pursuant to revised

validation procedures. Columbian Mutual shall provide supporting documentation (i.e., policy data compared to DMF data) in reports to the Department with further justification for any match identified as a potential match that Columbian Mutual subsequently concludes is either (i) not a DMF Match or (ii) not confirmed as a valid and payable DMF Match.

50. Columbian Mutual has retained an independent third-party administrator (“TPA”) to assist with the Review and Remediation Process. Columbian Mutual will conduct a review of its DMF Match cross-check criteria and technical matching standards (i.e., DMF Matching criteria, algorithms and logic; DMF Fuzzy Match criteria; and DMF Match validation process) with the TPA and will submit revised procedures to the Department for approval. Columbian Mutual and the Department have agreed upon procedures regarding the TPA’s independent policy review and validation function to ensure policies are appropriately categorized for remediation. Columbian Mutual and the Department have agreed that any validation sampling proposal will be subject to DFS’s review and approval.

51. The TPA will assist Columbian Mutual in DMF Matching (i.e., identification and confirmation of potential matches), beneficiary search and outreach, payment, escheatment, and remediation efforts pursuant to the terms of this Consent Order. Columbian Mutual shall be fully and solely responsible for all proper fees, expenses, and disbursements of the TPA in connection with the Review and Remediation Process provided for in this Consent Order and the TPA’s retainer agreement.

52. Columbian Mutual will submit detailed DMF Match validation procedures to the Department within thirty (30) days of the Effective Date of this Order for review and approval. The DMF Match validation procedures shall describe the specific criteria (i.e., including match categories, scores, and standards) used by Columbian Mutual to validate potential DMF

Matches, and clearly explain validation criteria used for Fuzzy Matches. Columbian Mutual shall conduct individualized reviews of policy files, insureds' personal information compared to DMF information, and third-party source data, such as Accurant records, to reasonably confirm whether the individuals identified in the DMF are the same insureds identified in Columbian Mutual policy records.

53. Columbian Mutual and the Department have agreed upon remediation for certain identified beneficiaries. Proceeds under life insurance policies for affected beneficiaries shall be determined in accordance with policy terms as of the insureds' dates of death and shall include reversals of any amounts deducted from the policies following the dates of death, including, but not limited to, amounts deducted for premium payments, loans and loan interest charged, or service charges. Proceeds under annuity contracts with death benefits shall be determined in accordance with the specific annuity payout options and contract terms as of the insureds' dates of death. Columbian Mutual will include in these amounts the applicable interest, agreed to by the Department and Columbian Mutual. Interest shall be calculated from the insured's date of death through the payment date.

54. In accordance with the Review and Remediation Process, Columbian Mutual will continue to identify all policies with payable death benefits that have not yet been paid or escheated. Columbian Mutual will administer the beneficiary outreach and payment provisions discussed below in paragraphs 55 to 66 for all validated DMF Matches warranting remediation.

Beneficiary Search and Outreach

55. For every policy identified as a validated DMF Match pursuant to the Review and Remediation Process, Columbian Mutual will promptly commence efforts to locate current beneficiary contact information.

56. Columbian Mutual will use available information in Columbian Mutual policy records and will engage a third-party vendor with expertise in person-searching to search for current beneficiary contact information. The third-party vendor will use online search tools such as InfoAge, LexisNexis or a comparable database to search for current beneficiary contact information.

57. For those cases where Columbian Mutual is unsuccessful in locating current beneficiary contact information pursuant to the preceding paragraph, Columbian Mutual will engage a third-party vendor with expertise in person-searching to perform additional data searches to identify contact information for the insured's relatives. If an identified relative is the beneficiary named in Columbian Mutual policy records, Columbian Mutual will update beneficiary information accordingly.

58. If beneficiary contact information still has not been located, Columbian Mutual will send letters to at least three (3) relatives of the insured, using the contact information obtained from the third-party vendor, to inquire whether the insureds' relatives have current contact information with respect to the beneficiary.

59. Once beneficiary contact information is obtained, Columbian Mutual will follow the outreach process outlined in paragraph 60 in an effort to pay the claims.

60. Columbian Mutual will promptly commence efforts to contact beneficiaries using the best available, updated beneficiary contact information and proceed with beneficiary

outreach as follows: (i) Columbian Mutual will send two (2) letters by mail to the identified beneficiary at the best available current address; (ii) Columbian Mutual will make at least two telephone calls to the beneficiary, if a telephone number is available; and (iii) Columbian Mutual will send two emails to the beneficiary, if an email address is available.

61. If no address can be located for the beneficiary or relatives pursuant to the foregoing process, Columbian Mutual will send a letter to the beneficiary at the last known address of the insured.

62. For any letter to a beneficiary that is returned to Columbian Mutual as undeliverable with a forwarding address, Columbian Mutual shall resend a letter to the beneficiary at the updated address within 15 days of receipt of the returned letter.

63. For policies with total face values less than \$100 (i.e., total amount must be in accordance with policy terms as of the insured's date of death) and with dates of death prior to calendar year 2000, Columbian Mutual may satisfy its beneficiary search and outreach obligations by making at least one attempt to contact the beneficiary by mail at the best available address pursuant to Columbian Mutual records.

64. Columbian Mutual will perform continuous searches and outreach in an ongoing effort to locate the beneficiary prior to escheatment, in accordance with Insurance Law § 3240(f)(1).

65. Columbian Mutual's delegation of any unclaimed property functions to the third-party vendor, including, but not limited to, beneficiary search and outreach efforts, does not relieve the Company of its compliance obligations under Insurance Law § 3240 and Regulation 200. Columbian Mutual fully retains responsibility for compliance with the terms of this Consent Order and all applicable laws, rules, and regulations.

66. Columbian Mutual shall maintain clear documentation of every attempt to contact each beneficiary, relative, or insured pursuant to the terms of the Remediation Plan. Columbian Mutual shall also preserve all records and documents related to the subject matter of this Consent Order, including but not limited to, the Company's basis for dispositions and all TPA and third-party vendor records with respect to beneficiary outreach, DMF Match, and policy review and validation efforts, in accordance with Regulation 152, 11 NYCRR 243.

Payment of Death Benefit Proceeds and Escheatment

67. If Columbian Mutual is successful in locating the beneficiary through the Beneficiary Search and Outreach efforts set forth above, Columbian Mutual will follow its claim procedures to promptly pay death benefit proceeds to the identified beneficiary in accordance with Insurance Law § 3240(f)(2).

68. Columbian Mutual shall provide beneficiaries with information necessary to make claims; shall process all claims; and make prompt payments in accordance with all applicable laws, rules, and regulations. Columbian Mutual will work with each beneficiary to pay the claim irrespective of whether the beneficiary can provide a death certificate and will accept satisfactory alternate forms of proof of loss, as required by Insurance Law § 3240(f)(3).

69. Columbian Mutual shall determine and calculate the death benefit payout amounts in accordance with policy terms as of the insureds' dates of death and include reversals of any amounts deducted from policies after death, including, but not limited to, amounts deducted for premium payments, loans and loan interest charged, or service charges. Proceeds under annuity contracts with death benefits shall be determined in accordance with the specific annuity payout options and contract terms as of the dates of death. Columbian Mutual will include in these

amounts the applicable interest, agreed to by the Department and Columbian Mutual. Interest shall be calculated from the insured's date of death through the payment date.

70. Columbian Mutual shall deposit checks in the facilities of the U.S. Post Office, for delivery by first-class mail to all affected beneficiaries, or through other payment means approved by the Department, in the required amounts. All checks must be valid for six months. For any payment to a beneficiary that is mailed and returned undeliverable or any check not deposited within six months of the payment date, Columbian Mutual shall conduct a reasonable search for a current address. Should the search show a more current address, Columbian Mutual shall re-issue a check valid for six months in the amount of the returned or undeposited check, within 15 days. If a beneficiary did not cash his or her check before the expiration date of the check or the check was returned after Columbian Mutual re-sent it as described above, Columbian Mutual shall follow all applicable provisions of the New York State Abandoned Property Law.

71. If Columbian Mutual is unsuccessful in locating the beneficiary or in paying the claim pursuant to the required steps set forth in this Remediation Plan, Columbian Mutual shall follow all applicable provisions of the New York State Abandoned Property Law, including all reporting, mailing, and remittance requirements, and shall remit unclaimed proceeds to the New York Comptroller<sup>5</sup>, with payout amounts calculated pursuant to policy terms as of the insureds' dates of death and applicable interest calculated from the dates of death through the payment dates.

---

<sup>5</sup> For policies reportable as unclaimed property in states other than New York, Columbian Mutual shall comply with the unclaimed property laws of the applicable state.

Reporting Obligations

72. Columbian Mutual will document, with the assistance of the TPA, the review and remediation steps taken for each New York issued policy. Columbian Mutual will validate to the TPA that each New York issued policy has been resolved appropriately in accordance with the Review and Remediation Process. Columbian Mutual will submit reports to the Department, documenting dispositions and validation results for the policies.

73. Upon 30 days of the commencement of the Review process or other time period approved by the Department, Columbian Mutual will begin to provide certified monthly periodic reports to DFS, detailing the review statuses, dispositions, and beneficiary outreach results for each policy until the review and remediation is completed.

74. For every potential DMF Match identified, Columbian Mutual will document the review and provide to the Department the specific DMF Match disposition and supporting validation results and documentation, including, but not limited to, Columbian Mutual policy data compared to DMF data with explanations, for any potential match subsequently categorized as i) invalid or ii) not a DMF Match. Columbian Mutual will provide ongoing monthly periodic updates and reports to the Department on the status of the remediation plan and a final report on remediation for all New York issued policies. Columbian Mutual will follow the same review and remediation steps in this plan for the non-New York policies identified and provide updates of the same to the Department.

75. The periodic reports to the Department shall summarize i) every attempt to contact each beneficiary, relative, or insured, if applicable, and ii) the efforts used to identify current beneficiary contact information. The Department will require validation and certification that the policies subject to the Remediation Plan have been correctly identified and appropriately

cross-checked against the DMF, and that Columbian Mutual used the best available data for all insureds based on policy records to perform the cross-check. If Columbian Mutual concludes that certain potential DMF Matches are not valid or payable, the reports shall clearly detail the specific reasons why Columbian Mutual reached those determinations with accompanying TPA validation statuses. The periodic reports will also list the total payment amount made for each policy identified for remediation (i.e., check mailed or funds deposited) calculated in accordance with policy terms as of the insured's date of death, the number of policies remediated, including checks or proceeds deposited, undelivered, and/or not deposited, if applicable.

76. For policies where Columbian Mutual is unsuccessful in locating the beneficiary or in paying the claim, the reports shall describe the status of escheatment efforts. Upon completion of the remediation process, Columbian Mutual will provide a certified final report on the statuses of all potential DMF Matches to the Department.

**Full and Complete Cooperation**

77. The Company commits and agrees that it will fully cooperate with the Department regarding all terms of this Consent Order.

**Further Action by the Department**

78. No further action will be taken by the Department against the Company or its successors for the conduct set forth in this Consent Order, or in connection with the remediation set forth in this Consent Order, provided that the Company fully complies with the terms of the Consent Order.

79. Notwithstanding any other provision in this Consent Order, however, the Department may undertake additional action against the Company for conduct or transactions

that were not disclosed in written materials submitted to the Department in connection with this matter.

**Waiver of Rights**

80. The Company submits to the authority of the Superintendent to effectuate this Consent Order.

81. The parties understand and agree that no provision of this Consent Order is subject to review in any court, tribunal, or agency outside of the Department.

**Parties Bound by the Consent Order**

82. This Consent Order is binding on the Department and the Company, as well as any successors and assigns. This Consent Order does not bind any federal or other state agency or any law enforcement authority.

**Breach of Consent Order**

83. In the event that the Department believes the Company to be in material breach of the Consent Order, the Department will provide written notice to the Company of the breach, and the Company must, within ten (10) days of receiving such notice, or on a later date if so determined in the Department's sole discretion, appear before the Department to demonstrate that no breach has occurred or, to the extent pertinent, that the breach is not material or has been cured.

84. The Company understands and agrees that its failure to make the required showing within the designated time period set forth in Paragraph 83 shall be presumptive evidence of the Company's breach. Upon a finding that a breach of this Consent Order has occurred, the Department has all the remedies available to it under the New York State Insurance

Law, Financial Services Law, or other applicable laws, and may use any evidence available to the Department in any ensuing hearings, notices, or orders.

**Notices**

85. All notices or communications regarding this Consent Order shall be sent to:

**For the Department:**

Laura C. Sarli  
Senior Assistant Deputy Superintendent for  
Consumer Protection and Financial Enforcement  
New York Department of Financial Services  
One State Street  
New York, New York 10004

**For Columbian Mutual:**

Frank L. Lettera  
Senior Vice President, General Counsel and Secretary  
Columbian Financial Group  
4704 Vestal Parkway East  
Binghamton, NY 13902

Wilson G. Barmeyer  
Eversheds Sutherland (US) LLP  
700 Sixth St. NW, Suite 700  
Washington DC 20001-3980

**Miscellaneous**

86. This Consent Order and any dispute thereunder shall be governed by the laws of the State of New York without regard to any conflicts of laws principles.

87. This Consent Order may not be altered, modified, or changed unless in writing and signed by the parties hereto.

88. This Consent Order constitutes the entire agreement between the Department and the Company and supersedes any prior communication, understanding, or agreement, whether written or oral, concerning the subject matter of this Consent Order.

89. The Department has agreed to the terms of this Consent Order based on, among other things, representations made to the Department by the Company. To the extent that representations made by the Company are later found to be materially incomplete or inaccurate, this Consent Order is voidable by the Department in its sole discretion.

90. Each provision of this Consent Order shall remain effective and enforceable against the Company, its successors, and assigns, until stayed, modified, suspended, or terminated by the Department.

91. In the event that one or more provisions contained in this Consent Order shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Consent Order.

92. No promise, assurance, representation, warranty or understanding other than those contained in this Consent Order has been made to induce any party to agree to the provisions of this Consent Order.

93. Nothing in this Consent Order shall be construed to prevent any consumer or any other third party from pursuing any right or remedy at law.

94. This Consent Order may be executed in one or more counterparts and shall become effective when such counterparts have been signed by each of the parties hereto and the Consent Order is So Ordered by the Superintendent of Financial Services or her designee (the "Effective Date").

IN WITNESS WHEREOF, the parties have caused this Consent Order to be signed on the dates set forth below.

**NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES**

**COLUMBIAN MUTUAL LIFE INSURANCE COMPANY**

By: /s  
LAURA C. SARLI  
Senior Assistant Deputy Superintendent for Consumer Protection and Financial Enforcement

By: /s  
FRANK L. LETTERA  
Senior Vice President, General Counsel and Secretary

December 16, 2021

December 16, 2021

By: /s  
CHRISTOPHER B. MULVIHILL  
Deputy Superintendent for Consumer Protection and Financial Enforcement

By: /s  
WILSON G. BARMAYER  
Eversheds Sutherland (US) LLP  
Attorney for Columbian Mutual Life Ins. Co.

December 16, 2021

December 16, 2021

By: /s  
KATHERINE A. LEMIRE  
Executive Deputy Superintendent for Consumer Protection and Financial Enforcement

December 17, 2021

**THE FOREGOING IS HEREBY APPROVED. IT IS SO ORDERED.**

/s  
ADRIENNE A. HARRIS  
Acting Superintendent of Financial Services

January 10, 2022