

**STATE OF MAINE
DEPARTMENT OF PROFESSIONAL AND FINANCIAL REGULATION
BUREAU OF INSURANCE**

IN RE:

Companion Life Insurance Company
NAIC Co. Code: 77828
ME License No. LHF89767

Docket No. INS-25-219

**CONSENT AGREEMENT
AND ORDER**

Companion Life Insurance Company (“Companion Life” or “Company”), the Superintendent of the Maine Bureau of Insurance (“the Superintendent”), and the Office of the Maine Attorney General (“the Attorney General”) hereby enter into this Consent Agreement pursuant to 10 M.R.S. § 8003(5)(B) to resolve, without resort to an adjudicatory proceeding, violations of Bureau of Insurance Rule Chapter 135 (“Bureau Rule Ch. 135” or “Rule 135”). As set forth in more detail below, Companion Life violated this Rule when it issued employee benefit excess insurance policies to eight (8) groups that had fewer than ten (10) employees enrolled in their group health plans based upon its misinterpretation of the safe harbor provision in the Maine rule.

APPLICABLE LAW

1. The Superintendent of Insurance is the head of the Bureau of Insurance, and he is the State official charged with administering and enforcing Maine's insurance laws and regulations under 24-A M.R.S. §§ 201 and 211.
2. Under 24-A M.R.S. § 12-A, the Superintendent may assess civil penalties, issue a cease and desist order, or take any combination of these and other actions listed within this section against any person who violates any law enforced by the Superintendent; any rule lawfully adopted by the Superintendent; or any lawful order of the Superintendent.
3. Pursuant to 10 M.R.S. § 8003(5)(B), the Superintendent may resolve an investigation without further proceedings by entering into a consent agreement with a licensee and with the consent of the Attorney General.
4. Bureau Rule Ch. 135 sets forth standards for employee benefit excess insurance providing coverage for employers maintaining group health plans.
5. Rule 135 § 5(2) states “[a]n insurer may not offer or renew an employee benefit excess insurance policy to a group with ten or fewer employees enrolled in the group health

plan, with the exception of a policy that was in force on the effective date of this rule, covering a group with ten or fewer enrolled employees.”

6. Rule 135 § 7 requires an insurer that has issued or renewed an employee benefit excess insurance policy in Maine at any time during a calendar year to file Maine’s Employee Benefit Excess Insurance Report by April 1st of the following year.
7. Rule 135 has an effective date of September 18, 2019.

STATEMENT OF FACTS

8. Companion Life timely filed its Maine Employee Benefit Excess Insurance Report for calendar year 2024.
9. The Company reported that, in 2024, it issued employee benefit excess loss policies to eight (8) Maine groups that had fewer than ten (10) employees enrolled in their group health plans.
10. In response to a Bureau inquiry, Companion Life confirmed these eight (8) policies were issued as new policies in 2024 for Companion Life. They were not renewals of policies that Companion Life had in effect for any of these groups prior to September 18, 2019.
11. When the Bureau informed Companion Life that the policies had been issued in violation of Rule 135 § 5(2), the Company responded that it issued the policies pursuant to its good faith interpretation of the safe harbor exception outlined in Rule 135 § 5(2). The Company took immediate steps to correct its error, by submitting a revised actuarial certification, issuing a corrective action plan, and non-renewing the eight (8) employee benefit excess insurance policies.
12. Companion Life acknowledges that it misinterpreted the safe harbor provision in Rule 135 § 5(2).

VIOLATIONS OF LAW

13. As set forth in paragraphs 8 through 12, Companion Life misinterpreted the safe harbor in Rule 135 § 5(2) and issued eight (8) employee benefit excess insurance policies in 2024 to Maine groups with fewer than ten (10) employees enrolled in their health plans in violation of Rule 135 § 5(2).

COVENANTS

14. Companion Life agrees to the Statement of Facts and Violations of Law.
15. The Bureau imposes a civil penalty in the amount of twenty (20) thousand dollars (\$20,000). However, given Companion Life’s immediate corrective action the Bureau

will suspend this civil penalty in its entirety for a period of one (1) year; subject to the provisions of paragraph 16.


16. If, during a period of one (1) year that commences on the date of the Superintendent's signature hereto, Companion Life issues an employee benefit excess insurance policy to a Maine group with ten (10) or fewer employees enrolled in the group's health plan, the Superintendent will assess the \$20,000 civil penalty.
 - A. The assessment of the civil penalty will be in the sole and absolute discretion of the Superintendent. In exercising that discretion the Superintendent shall provide Companion Life with written notice of the penalty imposition and shall take into account any written response Companion Life submits.
 - B. If the Superintendent determines in his sole and absolute discretion that Companion Life has complied with the Rule 135 § 5(2) requirements in issuing employee benefit excess insurance policies to groups during the one-year period, the civil penalty will be waived and no longer enforced.
17. This Consent Agreement is not subject to appeal. Companion Life waives any right it might have to appeal any matter that is a subject of this Consent Agreement.
18. This Consent Agreement constitutes an Order of the Superintendent. A violation of its terms is enforceable by the Superintendent pursuant to 24-A M.R.S. §§ 12-A and 211.
19. This Consent Agreement is also enforceable by an action in Maine Superior Court pursuant to 24-A M.R.S. § 214, 10 M.R.S. § 8003(5)(B), and 14 M.R.S. § 3138.
20. The effective date of this Consent Agreement is the date of the Superintendent's signature hereto.
21. This Consent Agreement may be modified only by a written agreement executed by all the parties hereto. Any decision to modify, continue or terminate any provision of this Consent Agreement rests in the discretion of the Superintendent and the Attorney General.
22. This Consent Agreement is a public record as that term is defined by 1 M.R.S. § 402(3). It is subject to the provisions of the Maine Freedom of Access Act, 1 M.R.S. §§ 401 through 410, and it will be available for public inspection and copying as provided for by 1 M.R.S. § 408-A.
23. This Consent Agreement is also an adverse action and will be reported to the Regulatory Information Retrieval System ("RIRS") database at the National Association of Insurance Commissioners ("NAIC").
24. Nothing in this Consent Agreement shall be construed to affect any right or interest of any person not a party hereto.

25. Terms of this Consent Agreement constitute the entire agreement between and among the parties.
26. If any provision of this Consent Agreement is for any reason determined to be invalid, the effectiveness and enforceability of all other provisions of the Consent Agreement shall not be affected by such determination.
27. By the duly-authorized signature of its representative on this Consent Agreement, Companion Life warrants that it has consulted with counsel before signing the Consent Agreement or has knowingly and voluntarily decided to proceed in this matter without consulting counsel, that it understands this Consent Agreement, and that it enters into the Consent Agreement voluntarily and without coercion of any kind from any person to resolve this matter without further administrative proceedings or litigation.
28. As consideration for Companion Life's execution of and compliance with the terms of this Consent Agreement, the Superintendent and the Attorney General agree to forego pursuing further disciplinary measures or other civil or administrative sanctions for the specific conduct described above in this Consent Agreement. However, should Companion Life fail to comply with any term or condition of this Consent Agreement, it may be subject to any available remedy under the law for such a failure or violation.

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COMPANION LIFE INSURANCE COMPANY

Dated: December 2, 2025



Name: J. Anderson Folsom
Title: President

FOR THE OFFICE OF THE ATTORNEY GENERAL

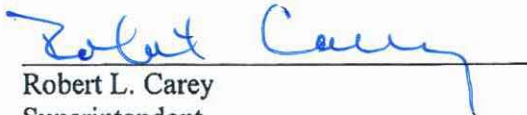
Dated: Dec. 3, 2025



Name: Thomas C. Shurtivant, Jr.
Assistant Attorney General

THE SUPERINTENDENT OF THE MAINE BUREAU OF INSURANCE

Dated: December 4, 2025



Robert L. Carey
Superintendent