



Janet T. Mills  
Governor

STATE OF MAINE  
DEPARTMENT OF PROFESSIONAL & FINANCIAL REGULATION  
BUREAU OF INSURANCE

Robert L. Carey  
Superintendent



Joan F. Cohen  
Commissioner

June 26, 2025

Robert L. Carey, Superintendent  
Maine Bureau of Insurance  
34 State House Station  
Augusta, ME 04333-0034

Dear Superintendent:

Pursuant to the provisions of 24-A M.R.S. §221 and in conformity with your instructions, a financial examination has been made of the

**STARMOUNT LIFE INSURANCE COMPANY**

as of December 31, 2023. The following report is respectfully submitted.



**STATE OF MAINE  
BUREAU OF INSURANCE**

**REPORT OF FINANCIAL EXAMINATION**

**STARMOUNT LIFE INSURANCE COMPANY  
PORTLAND, MAINE**

**AS OF DECEMBER 31, 2023**

**NAIC COMPANY CODE: 68985**

**NAIC GROUP CODE: 565**

### ACCEPTANCE OF REPORT OF EXAMINATION

WHEREAS a verified Report of Examination of Starmount Life Insurance Company dated June 26, 2025, was delivered to that insurer on July 28, 2025; and

WHEREAS Starmount Life Insurance Company and Bureau of Insurance staff have agreed to certain modifications with respect to the Report of Examination; and

WHEREAS I find such modifications proper; and

WHEREAS no hearing with respect to the Report of Examination has been requested by Starmount Life Insurance Company;

NOW THEREFORE, I accept the Report of Examination and hereby order it placed on file in the Bureau of Insurance as provided for by 24-A M.R.S. §226 (3).

Dated: July 31, 2025

Robert Carey  
Robert L. Carey, Superintendent

## TABLE OF CONTENTS

<b>SCOPE OF EXAMINATION .....</b>	<b>1</b>
<b>SUMMARY OF SIGNIFICANT FINDINGS .....</b>	<b>1</b>
<b>PRIOR EXAMINATION .....</b>	<b>1</b>
<b>CURRENT EXAMINATION .....</b>	<b>1</b>
<b>THE COMPANY .....</b>	<b>2</b>
<b>HISTORY .....</b>	<b>2</b>
<b>MANAGEMENT AND CONTROL .....</b>	<b>2</b>
<b>CORPORATE RECORDS .....</b>	<b>3</b>
<b>CORPORATE GOVERNANCE .....</b>	<b>3</b>
<b>TRANSACTIONS WITH AFFILIATES .....</b>	<b>5</b>
<b>TERRITORY &amp; PLAN OF OPERATION .....</b>	<b>5</b>
<b>REINSURANCE .....</b>	<b>6</b>
<b>FINANCIAL STATEMENTS .....</b>	<b>6</b>
<b>STATEMENT OF ADMITTED ASSETS, LIABILITIES AND SURPLUS .....</b>	<b>7</b>
<b>SUMMARY OF OPERATIONS .....</b>	<b>9</b>
<b>STATEMENT OF CAPITAL AND SURPLUS .....</b>	<b>10</b>
<b>COMMENTS ON THE FINANCIAL STATEMENTS .....</b>	<b>11</b>
<b>SUBSEQUENT EVENTS .....</b>	<b>11</b>
<b>SUMMARY OF RECOMMENDATIONS .....</b>	<b>11</b>

## **SCOPE OF EXAMINATION**

Starmount Life Insurance Company (“Starmount” or the “Company”) was last examined as of December 31, 2018, by the State of Maine Bureau of Insurance (MBOI). The present full-scope risk focused examination covered the period from January 1, 2019, through December 31, 2023.

This examination was performed pursuant to the risk-focused approach promulgated by the National Association of Insurance Commissioners (NAIC), in conformity with the 2024 Financial Condition Examiners Handbook (“the Handbook”) and the laws, rules, and regulations prescribed or permitted by the State of Maine. The Handbook requires that we plan and perform the examination to evaluate the financial condition, assess corporate governance, identify current and prospective risks and evaluate systems controls and procedures used to mitigate those risks. The examination also included the identification and evaluation of significant risks that could cause the Company’s surplus to be materially misstated both currently and prospectively. The external auditors’ work papers were utilized for this examination to the extent deemed appropriate in order to enhance the effectiveness and efficiency of this examination.

This examination was a group coordinated examination. The MBOI served as the lead state on the examination and four other states accepted the invitation to participate on the coordinated examination of certain Unum Group companies. The Vermont Department of Financial Regulation, Tennessee Department of Commerce and Insurance, Massachusetts Division of Insurance, and New York Department of Financial Services served in the capacity of participating states.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process. This may include assessing significant estimates made by management and evaluating management’s compliance with Statutory Accounting Principles. The examination does not attest to the fair presentation of the financial statements included herein. Comments on various balance sheet items, for purposes of this report, may be limited to examination adjustments, matters involving clarification, departures from laws, rules and regulations, and/or significant changes in amounts. To the extent deemed necessary, transactions occurring subsequent to the examination date were reviewed.

This examination report includes significant findings of fact, pursuant to 24-A M.R.S. §225 (1), and general information about the Company and its financial condition. There may be other items identified during the examination that, due to their nature, are not included herein, and are instead separately reported to other regulators and/or the Company.

## **SUMMARY OF SIGNIFICANT FINDINGS**

### **PRIOR EXAMINATION**

None noted.

### **CURRENT EXAMINATION**

None noted.



## **THE COMPANY**

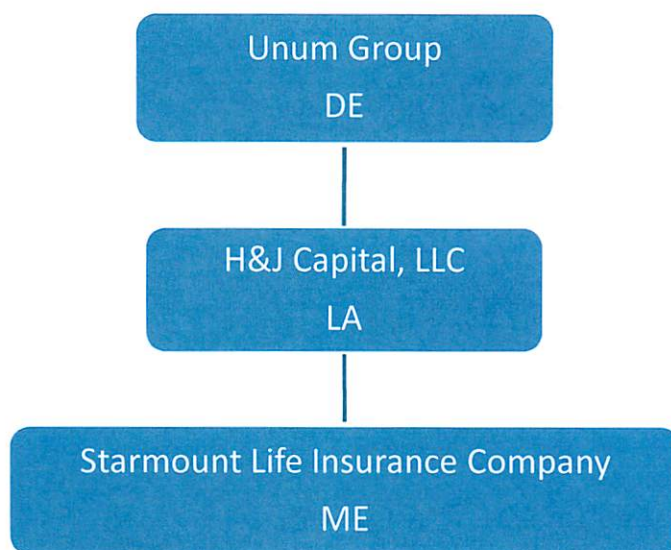
### **HISTORY**

The Company is a life and health insurance company, originally incorporated in 1983 as Goudchaux/Maison Blanche Life Insurance Company under the laws of the State of Louisiana. The Company's name was changed in 1989 to Maison Blanche Life Insurance Company and again in 1992 to Starmount Life Insurance Company. The Company is a direct subsidiary of H&J Capital, LLC (HJC), which in turn is owned by Unum Group.

HJC was acquired by Unum Group effective August 1, 2016, and the Company redomesticated from Louisiana to Maine on December 20, 2018.

### **MANAGEMENT AND CONTROL**

The Company is a wholly owned subsidiary of Unum Group, a Delaware general business corporation that acts as a holding company for insurance and non-insurance subsidiaries. The Company is significantly dependent on Unum Group for business operations, administrative and other services. Unum Group's insurance and non-insurance subsidiaries operate in the United States (U.S.), the United Kingdom, Poland and in certain other countries. As of December 31, 2023, Unum Group consisted of twenty-seven affiliated companies operating under common management and control. An abbreviated organizational chart as of December 31, 2023, is presented below:



Unum Group's reportable segments as of December 31, 2023, included the following: Unum US, Unum International, Colonial Life, Closed Block and Corporate. The Company's business is part of the Unum US reportable segment. The Unum US segment includes the following lines of

business: group long-term and short-term disability insurance, group life and accidental death and dismemberment (AD&D) products, individual disability insurance, voluntary benefits, and dental and vision products. Unum US products are issued primarily by Unum Life Insurance Company of America, Provident Life and Accident Insurance Company, Starmount, and Unum Insurance Company (UIC). The Closed Block segment consists of group and individual long-term care and other insurance products that are no longer actively marketed.

As of December 31, 2023, Unum Group has one Vermont domiciled captive insurer, Fairwind Insurance Company, that was established for the limited purpose of reinsuring risks attributable to certain policies issued or reinsured by Unum Life Insurance Company of America, an affiliate insurance company domiciled in Maine.

The corporate ownership structure for U.S. based insurance entities within Unum Group follows:

	NAIC Co. <u>Code</u>	Domiciliary <u>State</u>
Unum Group		DE
First Unum Life Insurance Company	64297	NY
Unum Life Insurance Company of America	62235	ME
Colonial Life & Accident Insurance Company	62049	SC
Fairwind Insurance Company	15463	VT
The Paul Revere Life Insurance Company	67598	MA
Unum Insurance Company	67601	ME
Provident Life and Accident Insurance Company	68195	TN
Provident Life and Casualty Insurance Company	68209	TN
H&J Capital, LLC		LA
<b>Starmount Life Insurance Company</b>	<b>68985</b>	<b>ME</b>

### **CORPORATE RECORDS**

The Company's articles of incorporation, bylaws, and minutes of the board of directors' meetings held during the period under examination were reviewed.

### **CORPORATE GOVERNANCE**

As of December 31, 2023, Unum Group's Board of Directors (the "Board") consisted of Richard P. McKenney, the President and Chief Executive Officer of Unum Group, and eleven independent directors. The Board approves the strategic direction of Unum Group's business and financial objectives, monitors the effectiveness of management's implementation of policies and plans, and provides oversight and support in achieving corporate objectives. The Board has five standing committees: Audit Committee, Risk and Finance Committee, Governance Committee, Human Capital Committee, and Regulatory Compliance Committee. The duties and responsibilities of the committees are set forth in Unum Group's bylaws and committee charters as applicable. Unum Group also has an Investment Committee comprised of senior officers of Unum Group.

The Company maintains its own board of directors and corporate officers. As of December 31, 2023, Starmount's board of directors consisted of the following members:

<b><u>Name</u></b>	<b><u>Principal Occupation</u></b>
Michael Quinn Simonds*	Executive Vice President, Chief Operating Officer, Unum Group
Timothy Gerald Arnold	Executive Vice President, Voluntary Benefits, Unum Group and President, Colonial Life
Puneet Bhasin*	Executive Vice President, Chief Information and Digital Officer, Unum Group
Lisa Gonzalez Iglesias	Executive Vice President, General Counsel, Unum Group
Christopher Wallace Pyne*	Executive Vice President, Group Benefits, Unum Group
Daniel Jason Waxenberg*	Senior Vice President, Global Financial Planning and Analysis, Unum Group
Steven Andrew Zabel	Executive Vice President, Chief Financial Officer, Unum Group

As of December 31, 2023, the Company's principal officers were:

<b><u>Name</u></b>	<b><u>Title</u></b>
Michael Quinn Simonds*	Chairman, President and Chief Executive Officer
Timothy Gerald Arnold	Executive Vice President
Puneet Bhasin*	Executive Vice President, Chief Information and Digital Officer
Lisa Gonzalez Iglesias	Executive Vice President, General Counsel
Steven Andrew Zabel	Executive Vice President, Finance
Walter Lynn Rice, Jr.	Senior Vice President, Chief Accounting Officer
Daniel Jason Waxenberg*	Senior Vice President, Global Financial Planning and Analysis
Jean Paul Jullienne	Vice President, Managing Counsel and Corporate Secretary
Benjamin Seth Katz	Vice President, Treasurer
Jeffery Glenn Wild*	Assistant Vice President, Finance Lead, Dental and Vision

\* See below for a summary of changes to the Company's officers and directors subsequent to December 31, 2023:

Effective February 9, 2024, Michael Quinn Simonds terminated service as an officer of Unum Group and as an officer and director of the Company. Martha Davies Leiper was elected as a director and Christopher Wallace Pyne was elected as Chairman, President and Chief Executive Officer of the Company effective the same date.

Effective March 3, 2024, Jeffrey Glenn Wild terminated service as an officer of Unum Group and the Company.

Effective September 19, 2024, Puneet Bhasin terminated service as an officer of Unum Group and as an officer and director of the Company. Effective April 28, 2025, Sheila Anderson was appointed as EVP, Chief Information and Digital Officer at Unum Group.



Effective October 4, 2024, Elizabeth Claire Ahmed, Unum Group's Executive Vice President, People and Communications, was elected as a director of the Company.

Effective November 4, 2024, Daniel Jason Waxenberg's title with Unum Group and the Company changed from Senior Vice President, Global Financial Planning and Analysis to Senior Vice President, Chief Finance Lead.

Effective April 4, 2025, Martha Davies Leiper terminated service as an officer of Unum Group and as a director of the Company, and Lori Brown Finlay, Unum Group's Senior Vice President, Chief Investment Officer, was elected as a director of the Company effective the same date.

#### **TRANSACTIONS WITH AFFILIATES**

The Company receives certain management, administrative, and product support services, including but not limited to: general management services and consultation; facilities management; information systems and records management; legal, regulatory, and compliance counsel; risk management; tax; human resources; internal audit; cash management; financial management; actuarial; pricing; corporate relations; marketing; sales management; underwriting; claims; client services; and system support from Unum Group under the terms of a written general services agreement.

The Company is a party to a written tax sharing agreement with its parent and affiliates. The agreement provides that the portion of the consolidated tax liability allocated to the Company is based on its separate return tax liability.

The Company is party to a written investment management agreement with its affiliate, Provident Investment Management, LLC (PIM), under which PIM serves as the Company's investment advisor with regard to designated assets.

The Company provides administrative services to Unum Group's employees under Unum Group's self-insured and self-funded dental plan.

The Company is party to a service agreement with Colonial Life and Accident Insurance Company ("Colonial"), under which Colonial pays a monthly network access fee for use of Starmount's dental provider network.

The Company engages in short-term intercompany lending activities from Unum Group. During the exam period, the Company borrowed amounts of \$3,900,000 or less with no principal amounts outstanding as of any year-end during the exam period.

The Company received capital contributions from HJC in the amount of \$24,800,000 for 2023, \$24,700,000 for 2022, \$14,500,000 for 2021, \$15,700,000 for 2020 and \$20,000,000 for 2019, for a total of \$99,700,000 in capital contributions for the exam period.

#### **TERRITORY & PLAN OF OPERATION**

The Company was licensed and writing business in the District of Columbia and all states except New York as of December 31, 2023. The Company's business is primarily dental and vision

products, which are generally marketed and distributed through the Unum Group distribution system. There is a closed life block that consists primarily of individual non-participating whole life and term life sold through direct response marketing programs.

The five states with greatest premium were Louisiana, Mississippi, Georgia, Texas and California. These states produced \$139,998,037, approximately 50%, of the total direct business reported by the Company for 2023.

### **REINSURANCE**

The Company assumes and cedes business through various reinsurance agreements. The Company's significant reinsurance agreements are discussed below.

#### ***Assumed***

During 2002, the Company assumed 50% of the group dental, vision, disability, and accident and health business produced and serviced by AlwaysCare Benefits (ACB) and Starmount Insurance Agency (SIA), former affiliates which have since merged with and into HJC, under administrative and marketing agreements for policies issued by National Guardian Life Insurance Company (NGL) and its designated subsidiaries. Effective October 1, 2016, the marketing agreement was amended to terminate for new business and the Company assumed 100% of the business written under this agreement.

During 2009, the Company entered into an agreement with NGL to reinsure NGL's group life coverage as produced and serviced by ACB and SIA.

As of December 31, 2023, the Company's total assumed reserves amounted to \$2,260.

#### ***Ceded***

On October 1, 2013, Starmount entered into a fifty percent quota share reinsurance agreement with National Health Insurance Company (NHIC) to reinsure a block of individual dental business that was marketed by NHIC affiliates. As of December 31, 2023, there were no ceded reserves reported.

Starmount also ceded to various reinsurers much of its life and AD&D business on legacy products that are no longer actively marketed. Starmount primarily ceded such business to Swiss Re Life and Health America, Inc. ("Swiss Re"). As of December 31, 2023, the Company ceded reserves of \$620,130, approximately 86% of total ceded reserves, to Swiss Re.

## **FINANCIAL STATEMENTS**

The Statement of Admitted Assets, Liabilities and Surplus, the Summary of Operations, and the Statement of Capital and Surplus are as presented by management and audited by the Company's external auditors. It should be noted that these financial statements have not been audited by the MBOI and thus the MBOI does not express an opinion on the financial statements as a whole.

**STATEMENT OF ADMITTED ASSETS, LIABILITIES AND SURPLUS  
AS OF DECEMBER 31, 2023**

**Assets**

Bonds	\$ 95,046,407
Stocks:	
Common stocks	70,700
Real estate:	
Properties occupied by the company	4,893,894
Cash and cash equivalents	10,796,607
Contact loans	1,155,486
Receivables for securities	45,000
Subtotals, cash and invested assets	<u>112,008,094</u>
Investment income due and accrued	808,826
Premiums and considerations:	
Uncollected premiums and agents' balances in the course of collection	10,745,434
Deferred premiums, agents' balances and installments booked but deferred and not yet due	1,576,675
Reinsurance:	
Amounts recoverable from reinsurers	622,747
Other amounts receivable under reinsurance contracts	39,882
Amounts receivable relating to uninsured plans	541,693
Current federal and foreign income tax recoverable and interest thereon	871,662
Guaranty funds receivable or on deposit	427,829
Electronic data processing equipment and software	5,390
Receivables from parent, subsidiaries and affiliates	11,927,952
Aggregate write-ins for other than invested assets	<u>449,500</u>
Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts	<u>140,025,684</u>
Total Assets	<u>\$140,025,684</u>

**Liabilities**

Aggregate reserve for life contracts	\$ 29,083,524
Aggregate reserve for accident and health contracts	19,149,982
Contract claims:	
Life	1,489,242
Accident and health	12,424,245
Premiums and annuity considerations for life and accident and health contracts received in advance	7,209,395
Commissions to agents due or accrued	1,746,985
General expenses due or accrued	491,546
Taxes, licenses and fees due or accrued, excluding federal income taxes	1,482,423
Unearned investment income	46,476
Remittances and items not allocated	367,641

Miscellaneous liabilities:

Asset valuation reserve	1,112,499
Aggregate write-ins for liabilities	<u>11,965</u>
Total liabilities excluding Separate Accounts business	<u>74,615,925</u>
Total liabilities	<u>\$ 74,615,925</u>

Capital and Surplus

Common capital stock	\$ 3,000,000
Gross paid in and contributed surplus	134,280,000
Aggregate write-ins for special surplus funds	226,134
Unassigned funds (surplus)	<u>(72,096,376)</u>
Surplus	<u>62,409,759</u>
Total capital and surplus	<u>\$ 65,409,759</u>
Total liabilities, capital and surplus	<u>\$ 140,025,684</u>

**SUMMARY OF OPERATIONS**  
**YEAR ENDED DECEMBER 31, 2023**

Premiums and annuity considerations for life and accident and health contracts	\$ 274,983,194
Net investment income	3,582,060
Amortization of Interest Maintenance Reserve	(6,235)
Commissions and expense allowances on reinsurance ceded	436,906
Miscellaneous income:	
Aggregate write-ins for miscellaneous income	<u>1,251,034</u>
Total	<u>\$ 280,246,959</u>
Death benefits	4,144,267
Disability benefits and benefits under accident and health contracts	197,641,292
Surrender benefits and withdrawals for life contracts	347,101
Interest and adjustments on contract or deposit-type contract funds	97,230
Increase in aggregate reserves for life and accident and health contracts	<u>(2,609,424)</u>
Totals	199,620,466
Commissions on premiums, annuity considerations, and deposit-type contract funds	31,641,315
General insurance expenses and fraternal expenses	73,155,943
Insurance taxes, licenses and fees, excluding federal income taxes	11,418,539
Increase in loading on deferred and uncollected premiums	(20,153)
Aggregate write-ins for deductions	<u>7,859</u>
Totals	<u>\$ 315,823,969</u>
Net loss from operations before dividends to policyholders and federal income taxes	<u>(35,577,009)</u>
Net loss from operations after dividends to policyholders and before federal income taxes	(35,577,009)
Federal and foreign income taxes incurred	<u>(7,979,666)</u>
Net loss from operations after dividends to policyholders and federal income taxes and before realized capital gains	(27,597,343)
Net realized capital gains (losses) less capital gains tax	<u>114,663</u>
Net loss	<u><u>\$(27,482,680)</u></u>

**STATEMENT OF CAPITAL AND SURPLUS**  
**YEAR ENDED DECEMBER 31, 2023**

Capital and surplus, December 31, prior year	<u>\$ 64,967,142</u>
Net loss	(27,482,680)
Change in nonadmitted assets	3,242,986
Change in asset valuation reserve	(117,690)
Surplus adjustment:	
Paid in	<u>24,800,000</u>
Net change in capital and surplus	<u>\$ 442,616</u>
Capital and surplus, December 31, 2023	<u><u>\$ 65,409,759</u></u>



## **COMMENTS ON THE FINANCIAL STATEMENTS**

### **NOTE 1 – RESERVES**

Lewis & Ellis, LLC (“consulting actuary”) was engaged to provide actuarial assistance with the financial examination of the Company as of December 31, 2023. The consulting actuary’s review included: participation in interviews and discussions with key personnel, including the Appointed Actuary, to gain an understanding of the corporate structure, products, services, and reserving and pricing processes, and to determine where the majority of risks lie; review of controls to mitigate certain reserving and pricing risks; review of the 2023 Statement of Actuarial Opinion and Actuarial Memorandum prepared by the Appointed Actuary; and review of the external auditor’s conclusions regarding the carried reserves. The reserves as reported by the Company were determined to be reasonable based on the review performed by the consulting actuary.

### **NOTE 2 – CAPITAL AND SURPLUS**

The following table describes the capital and surplus changes for the five-year period since the MBOI’s last examination of the Company, dated December 31, 2018:

Capital and surplus, December 31, 2018	<u>\$ 45,329,752</u>
Net income	(75,517,165)
Change in nonadmitted assets	(629,518)
Change in reserve on account of change in valuation basis, (increase) or decrease	(2,750,000)
Change in asset valuation reserve	(723,310)
Surplus adjustment:	
Paid in	<u>99,700,000</u>
Net change in capital and surplus	<u>\$ 20,080,007</u>
Capital and surplus, December 31, 2023	<u>\$ 65,409,759</u>

## **SUBSEQUENT EVENTS**

The Company received \$39,800,000 in capital contributions from HJC in 2024 and \$11,400,000 during the first quarter of 2025.

Effective May 1, 2024, the Company entered into a service agreement with an affiliate, UIC. Under this agreement, UIC pays a monthly network access fee for use of Starmount’s dental provider network and related services.

## **SUMMARY OF RECOMMENDATIONS**

There are no report level recommendations.

**STATE OF MAINE**  
**COUNTY OF KENNEBEC, SS**

Vanessa J. Sullivan, being duly sworn according to law deposes and says that, in accordance with authority vested in her by Robert L. Carey, Superintendent of Insurance, pursuant to the Insurance Laws of the State of Maine, she has made an examination of the condition and affairs of the

**STARMOUNT LIFE INSURANCE COMPANY**

located in Portland, Maine as of December 31, 2023, and that the foregoing report of examination subscribed to by her is true to the best of her knowledge and belief. Noble Consulting Services, Inc., under contract with the Maine Bureau of Insurance, performed the examination. The following examiners from the Bureau of Insurance assisted:

Arias Wan, CPA, CFE  
Colin J. Greeley

  
Vanessa J. Sullivan, CFE

Subscribed and sworn to before me  
This 31 day of July, 2025



Notary Public

My Commission Expires:

**Karma Y. Lombard**  
Notary Public, State of Maine  
My Commission Expires June 12, 2030