

## Cooper, Teresa

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**Subject:** FW: MCAS Life/Annuity Lawsuit Considerations

Hi,

I just sat in on the MCAS review of recent changes, I didn't post a question because I was afraid of going down a rabbit hole.

I have a lot of questions about the lawsuit considerations, especially for the life line of business.

How is the company supposed to report interpleaders? Interpleaders are generally turned over to the courts and if over \$75,000, usually to a Federal Circuit Court. The company typically deposits the monies directly into the court, the court then makes the final determination as to how to effectuate the payment. Once the company deposits the monies, they are out of the picture. So, would an interpleader be reported as a consideration?

I believe someone stated that a consideration is for the benefit of the consumer. With a life policy the insured (consumer) is deceased, the interested party is now the beneficiary. A beneficiary may be a business, a trust, an entity, or a person(s). How would a consideration be reported if it's not related to a consumer? Are their specific types of lawsuits that are being targeted? There are lawsuits that can take many, many years to settle.

A life policy has three main elements, an owner, the insured, the beneficiary. Consumer would need to be further defined.

The term "consideration" isn't utilized to my knowledge by the industry with life insurance claims. A lot of examples and explanations may be needed. There are many more questions that could be posed depending upon the circumstances.

I just checked the LOMA glossary and they define consideration as: A requirement for the formation of a valid contract that is met when each party gives or promises something that is of value to the other party.

As a regulator I would like to gain a better understanding as to what we are attempting to gather and accomplish. As a former industry member who worked with the claims legal department handling litigation and the person who formerly reported on MCAS claims data, I believe additional clarification will be needed so that the industry will report accurately.

I felt that I needed to share my thoughts and questions on this matter with you.

Thank you for your time.

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