

IN THE UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF MISSOURI
CENTRAL DIVISION

MICHAEL G. VOGT, Individually and)	
On Behalf Of All Others Similarly)	
Situated,)	
)	
Plaintiffs,)	
)	Case No.
VS.)	16-04170-CV-C-NKL
)	
STATE FARM LIFE INSURANCE COMPANY,)	
)	
Defendant.)	

VIDEO DEPOSITION OF ALAN "RUSTY" HENDREN
November 30, 2017
9:00 AM CST
201 Broadway
Bloomington, IL 61701

Reported by:
Deann K. Parkinson
Job No: 52810-A

1 comment. I made my objection for the record.
2 Your question was vague. I would offer you the
3 opportunity to correct it if you'd like to.

4 MR. LYTLE: And I will just ask you to
5 keep your objections to vague, as opposed to then
6 commenting further.

7 BY MR. LYTLE:

8 Q. Does State Farm include margins over
9 mortality in the cost of insurance rates for the
10 form 94030 policy?

11 MR. ROOT: Objection, vague and
12 ambiguous for the reasons previously stated.

13 Q. You can answer.

14 A. Which cost of insurance rates are you
15 referring to?

16 Q. The cost of insurance rates that are
17 used to calculate the -- well, let me ask you
18 this: You testified that when we discussed your
19 understanding of the allegations in this case were
20 that State Farm loads profits and expenses, in
21 addition to mortality into the cost of insurance
22 rates. What did you mean by cost of insurance
23 rates when you answered that question? Your term?

24 A. The current cost of insurance rates.

25 Q. Okay. And what do you mean by -- okay.

1 Let me reask my question then using your term.
2 Does State Farm include a margin over mortality in
3 the current cost of insurance rates that you
4 referenced in your previous answer?

5 A. Yes.

6 Q. And does that margin over mortality
7 include expenses?

8 MR. ROOT: Object to form. It's vague.

9 Q. You can answer.

10 A. There is a loading over mortality, and I
11 assume it's some margin for expenses.

12 Q. And some margin for profits, correct?

13 A. Yes.

14 MR. LYTLE: Jeremy, I apologize, I know
15 this has been marked before, but we don't have the
16 previously marked copies. So we'll mark it again.
17 Try to avoid duplication.

18 MR. ROOT: Sure, that's fine. What
19 number are we on?

20 MR. LYTLE: 23.

21 MR. ROOT: I know we're higher than
22 that.

23 MR. LYTLE: I guess 22 was the last one
24 for Streily.

25 MR. ROOT: Then we took Mr. Vogt's

1 A. Yes.

2 Q. And the subject of this e-mail chain is
3 Rush: Question regarding proposed life insurance
4 article. Is that correct?

5 A. That's what it references.

6 Q. And in the first paragraph of your, or
7 the first sentence, first paragraph of your e-mail
8 to Ms. Behrens, Mr. Wieduwilt and Mr. Streily, it
9 reads, my general sense is, I don't like articles
10 of this nature and agree we are not forced to
11 change rates. Did I read that correctly?

12 A. That's what the sentence says.

13 Q. Do you recall, sir, anything about the
14 subject matter of this e-mail or the article that
15 it's referencing?

16 A. I don't recall the article.

17 Q. The next sentence reads, policy forms
18 specify the anticipated experience factors that
19 are considered when changing rates and prior to
20 2011 our UL forms indicated we would only consider
21 mortality. Did I read that correctly?

22 A. That's what this indicates.

23 Q. Okay. The next paragraph, first
24 sentence is, we have lowered COIs on pre 94000
25 series forms a few times. Did I read that

1 rates for the 94000 series policies was that
2 mainly due to expenses at that time as referenced
3 here in your e-mail? In Exhibit 40?

4 A. That's what I wrote in this e-mail.

5 Q. Okay. And that's because, as we talked
6 about earlier, expenses, or COI rates, include an
7 expense margin or expense load on top of
8 mortality, is that right?

9 MR. ROOT: Object to form.

10 A. I'm not sure what you're saying.

11 Q. Well, we talked earlier about the fact
12 that the COI rates, or cost of insurance rates,
13 include a margin over mortality, correct?
14 Remember that?

15 A. That is correct.

16 Q. And that part of that margin includes
17 expenses, correct?

18 A. It would include expenses and
19 potentially profit.

20 Q. Okay. And so the reason, at least
21 according to your e-mail here, that the 94000
22 series COIs were not changed was mainly due to
23 expenses at that time?

24 MR. ROOT: Object to form.

25 Mischaracterizes the document.

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STATE OF ILLINOIS)
) SS
COUNTY OF CHAMPAIGN)

I, DEANN K. PARKINSON, a Notary Public in and for the County of Champaign State of Illinois, do hereby certify that ALAN HENDREN, the deponent herein, was by me first duly sworn to tell the truth, the whole truth and nothing but the truth in the aforementioned cause of action.

That the foregoing deposition was taken on behalf of the Plaintiff on November 30, 2017.

That said deposition was taken down in stenographic notes and afterwards reduced to typewriting under my instruction and said transcription is a true record of the testimony given; and that it was agreed by and between the witness and attorneys that said signature on said deposition would be not waived.

I do hereby certify that I am a disinterested person in this cause of action; that I am not a relative of any party or any attorney of record in this cause, or an attorney for any party herein, or otherwise interested in the event of this action, and am not in the employ of the attorneys for either party.

In witness whereof, I have hereunto set my hand and affixed my notarial seal December 9th, 2017.



DEANN K. PARKINSON, CSR
NOTARY PUBLIC