



PAT QUINN
Governor

ANDREW BORON
Director

NEWS

Illinois Department of Insurance

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CONTACT:

Kimberly Parker: 312-814-1577

Department of Insurance Announces Multi-State Settlement with Bankers Life and Casualty Company

*Illinois participated in multi-state effort to protect consumers and will share part
of a \$3 million penalty against the insurance company*

CHICAGO – November 20, 2012. Illinois Department of Insurance (DOI) Director Andrew Boron today announced an agreement has been reached with Bankers Life and Casualty Company (Bankers) as part of a multi-million dollar settlement with several states. Under the settlement, Bankers agreed to pay \$3,200,000 to states that are a party to the settlement. Illinois will receive \$391,566 under the settlement.

Today's Regulatory Settlement Agreement is the result of a multi-state re-examination to investigate Bankers' practices. The re-examination, also considered a follow up investigation, was required as part of a 2008 Settlement with Bankers that the lead regulators would conduct a follow up examination of Bankers after the initial examination in 2007. This re-examination determined that Bankers failed to come into full and timely compliance with respect to four recommendations of the 2007 Exam Report, which were related to alterations of applications, maximum benefit claims denials, timely claims investigation, and claims settlements. These four issues of non-compliance related to the annuities, long-term care, and life insurance lines of business.

"We applaud the cooperative efforts of our fellow regulators in working together to protect consumers," said DOI Director Boron. "This settlement demonstrates the diligence exercised by all the parties in following up on violations found in an earlier examination and ensuring compliance on the part of the company."

In addition to Illinois, states participating in this Regulatory Settlement Agreement are Indiana, Pennsylvania, Texas, and Florida.

A copy of the settlement agreement is available on the DOI website at <http://insurance.illinois.gov/Home/ImpLinks.asp>. Consumers who have any questions regarding this settlement, or who have any questions or concerns about their insurance, should contact the Department's Consumer Division at <http://insurance.illinois.gov> or call 866-445-5364.

About the Illinois Department of Insurance

The Department's mission is to protect consumers by providing assistance and information, by efficiently regulating the insurance industry's market behavior and financial solvency, and by fostering a competitive insurance marketplace. The Department assists consumers with all insurance complaints, including health, auto, life, and homeowner.

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