



Illinois Department of Insurance

Bruce Rauner
Governor

Anne Melissa Dowling
Acting Director

February 26, 2016

Scott L. Goldberg, President
Bankers Life & Casualty Company
111 East Wacker Drive, Suite 2100
Chicago, IL 60601

Re: Bankers Life & Casualty Company, NAIC 61263
Market Conduct Examination Report Closing Letter

Dear Mr: Goldberg

The Department has reviewed you Company's proof of compliance and deems it adequate and sufficient. Therefore, the Department is closing its file on this exam.

I intend to ask the Director to make the Examination Report available for public inspection as authorized by 215 ILCS 5/132. At the Department's discretion, specific content of the report may be subject to redaction for private, personal, or trade secret information prior to making the report public. However, any redacted information will be made available to other regulators upon request.

Please contact me if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "Jack Engle".

Jack Engle, MCM
Assistant Deputy Director-Market Conduct and Analysis
Illinois Department of Insurance
320 West Washington- 5th Floor
Springfield, IL 62767
217-558-1058
E-mail: Jack.Engle@Illinois.gov

**BANKERS LIFE AND CASUALTY COMPANY
EXAMINATION REPORT**

MARKET CONDUCT EXAMINATION REPORT

DATE OF EXAMINATION: September 15, 2014 through May 12, 2015

EXAMINATION OF: Bankers Life and Casualty Company
NAIC Number: 61263

LOCATION: 11825 N. Pennsylvania Street
Carmel, IN 46032

PERIOD COVERED
BY EXAMINATION: January 1, 2013 through December 31, 2013

EXAMINERS: André J. Ham, AMCM, Examiner-In-Charge
Frank Kyazze, CIE, MCM, FLMI, ALHC
Lewis Bivona, CPA, AFE
Phillip Chesson, MCM

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I. SUMMARY

A comprehensive Market Conduct Examination of Bankers Life and Casualty Company was performed to determine compliance with Illinois Statutes and the Illinois Administrative Code.

The following table represents the general findings with the details of each review located in specific sections of the report.

<u>TABLE OF TOTAL VIOLATIONS</u>						
Crit #	Statute/Rule	Description of violation	Population	Files Reviewed	Number of Violations	Error %
1	215 ILCS 5/500-15	Life Comm Life Issued - The producer was not licensed at the time application was signed.	1501	26	1	3.85%
3	50 Ill. Adm. Code 916.40	Life Pro Life Issued - The Company used forms that were not filed and approved by the Department.	4677	82	1	1.22%
6	50 Ill. Adm. Code 930.50	Life Comm Term Issued - The Company failed to maintain proof of policy summary.	445	80	2	2.5%
6	50 Ill. Adm. Code 917.70	Life Comm Term Issued - The required replacement question was not answered on the application.	445	80	1	1.25%
10	50 Ill. Adm. Code 919.30	Life Pro Annuity Contracts Terminated - The Company failed to maintain/provide copy of annuity calculations.	322	107	1	0.93%
10	50 Ill. Adm. Code 919.50(a)	Life Pro Annuity Contracts Terminated - The Company failed to maintain/provide copy of evidence of claim payment within 30 days of determination.	322	107	1	0.93%
11	215 ILCS 5/363a(5)	Medicare Supplement Issued - The Company failed to maintain evidence of the policy check list.	1925	107	1	0.93
11	215 ILCS 5/363a(6)(b)	Medicare Supplement Issued - The Company failed to maintain evidence of the outline of coverage was provided to the applicant.	1925	107	107	100%

Crit #	Statute/Rule	Description of violation	Population	Files Reviewed	Number of Violations	Error %
11	215 ILCS 5/363a(6)(c)	Medicare Supplement Issued - The Company failed to maintain evidence that the buyer's guide was provided to the applicant.	1925	107	107	100%
12	215 ILCS 5/351A-8	Long Term Care Issued - The Company failed to maintain evidence that the outline of coverage was provided to the applicant	82	60	60	100%
12	215 ILCS 5/351A-9.2	Long Term Care Issued - No proof that contract or certificate was delivered 30 days after approval.	82	60	19	31.6%
17	215 ILCS 5/355a(5)(a)	Accident and Health Miscellaneous Issued - The Company failed to maintain evidence of the outline of coverage was provided to the applicant.	2559	107	66	61.6%
19	50 Ill. Adm. Code 917.70	Life Term Conversion - The required replacement question was not answered on the application.	33	33	1	3%
19	50 Ill. Adm. Code 930.50	Life Term Conversion - The Company failed to maintain proof of policy summary.	33	33	1	3%
19	50 Ill. Adm. Code 1406.80(b)(1)	Life Term Conversion - The Company failed to maintain proof of the signed certification and acknowledgment that no illustration was used in the sale of the policy.	33	33	6	18%
19	50 Ill. Adm. Code 1406.80 (b)(2)	Life Term Conversion - The Company failed to maintain proof of the signed certification and acknowledgment of the delivery of an illustration at time of policy issuance and delivery.	33	33	1	3%

Crit #	Statute/Rule	Description of violation	Population	Files Reviewed	Number of Violations	Error %
20	50 Ill. Adm. Code 919.50	Claims – Life - The Company failed to maintain evidence of affirmation/payment within 30 days of determination of liability.	1060	105	4	3.8%
20	50 Ill. Adm. Code 919.70	Claims – Life - The Company failed to maintain evidence for delay of processing claim.	1060	105	2	1.9%
20	215 ILCS 5/224(1)(l)	Claims – Life - The Company failed to maintain evidence of interest payment.	1060	105	1	0.95%
21	50 Ill. Adm. Code 919.30	Claims – Medicare Supplement - The Company failed to provide pertinent information for the processing of the claim.	164142	109	1	0.92%
22	50 Ill. Adm. Code 919.30	Claims - Accident and Health Miscellaneous - The Company failed to provide pertinent information for the processing of the claim.	908	105	7	6.6%
22	50 Ill. Adm. Code 919.50	Claims - Accident and Health Miscellaneous - The Company failed to provide evidence of claim payment within 30 days.	908	105	1	0.95%
23	50 Ill. Adm. Code 916.40	Forms - The Company used forms that were not filed and approved by the Department.	120	120	3	2.5%

II. BACKGROUND

Bankers Life and Casualty Company is a stock life and health insurance company domesticated in the State of Illinois. The present Bankers Life and Casualty Company (herein referred to as Bankers Life, BLC and/or the Company) is the outgrowth of the consolidation of the Illinois Standard Life Insurance Company, a stock legal reserve life insurance company incorporated November 30, 1942; Hotel Men's Assessment Association of the United States and Canada, a mutual assessment association incorporated April 6, 1880; and Bankers Life, a mutual assessment company formed on May 24, 1932. Hotel Men's was consolidated with Illinois Standard Life on December 18, 1942, and with Bankers Life on December 31, 1942, with the latter title adopted for the consolidated Company. In accordance with 215 ILCS 5/166(3), Bankers Life adopted the age of the oldest merged or consolidated company, which was Hotel Men's.

Management and financial control of the Company had been held by the former chairman of the board, John D. MacArthur, who had been associated with the Company for more than three decades, until his death on January 6, 1978. Control of the Company was subsequently transferred to the John D. and Catherine T. MacArthur Foundation, an Illinois not-for-profit corporation for the benefit of the charity. On October 30, 1984, I.C.H. Corporation, a Louisville, KY holding company, through its wholly-owned subsidiary, Great Southern Life Insurance Company, Texas, acquired the Company from the MacArthur Foundation.

The Company became part of the Consecos, Inc. (Conseco) Insurance Holding Company system on November 9, 1992, through the purchase by Bankers Life Insurance Company of Illinois (BLIC) for 100% of the outstanding common stock of Bankers Life from Southwestern Life Insurance Company, a subsidiary of I.C.H. Corporation. At the time, Bankers Life was a subsidiary of Bankers Life Holding Corporation (BLHC), a Delaware corporation and an indirect subsidiary of Conseco, which was organized for the purpose of acquiring Bankers Life.

Effective December 31, 1996, BLHC was merged with and into CIHC, Inc. (CIHC), a wholly-owned subsidiary of Conseco. Conseco owned 90% of BLHC's stock at the time of the merger. The remaining stock was acquired in exchange for Conseco common stock. Effective January 1, 1999, 100% of the outstanding common stock of Bankers Life was contributed by CIHC to Jefferson National Life Insurance Company of Texas, now named Conseco Life Insurance Company of Texas.

Effective January 1, 2000, Certified Life Insurance Company (Certified Life), an Illinois domiciled company, merged with and into Bankers Life after obtaining regulatory approvals from the Illinois Department of Insurance and the California Insurance Department. Certified Life re-domiciled from California, effective June 3, 1996, and had been a member of the Conseco Insurance Holding Company system since 1992. Effective November 20, 2007, Bankers Life's then parent company was merged into the Company after approval by the Illinois Department of Insurance with Bankers Life being the surviving entity.

Bankers Life offers several insurance products, including Life, Annuities, Long Term Care, Home Health Care, Accident and Other Health (Cancer, Heart/Stroke, Hospital Indemnity and Limited Benefit Convalescent Care) policies. Bankers Life stopped selling Medicare Supplement products in June 2010.

Total Direct Premiums Written in Illinois for Bankers Life and Casualty are as follows:

Year	Per Schedule T of the Annual Statement	Individual Life	Current market share	Annuities	Current market share	Accident and Health	Current market share
2012	\$56,473,438	\$15,645,573	0.00343	\$14,151,356	0.00189	\$26,676,508	0.00013
2013	\$56,699,181	\$17,292,245	0.00343	\$14,031,737	0.00188	\$25,375,198	0.00015

III. METHODOLOGY

The Market Conduct Examination covered the business written from January 1, 2013 through December 31, 2013. Specifically, the examination focused on a review of the following areas:

1. Sales and Advertising
2. Producer Licensing
3. Underwriting Procedures
4. Claim Procedures
5. Forms Review
6. Department Complaints and Consumer Appeals

The review of the categories was accomplished through examination of producer lists, claim files, underwriting files and complaint files. Each of the categories was examined for compliance with Illinois Department of Insurance (IDOI) Regulations and applicable state laws.

Criticisms were prepared and communicated to the Company addressing violations found in the review process. All found violations are cited in the report.

The following methods were used to obtain the required samples and to ensure a methodical selection:

Sales and Advertising

A list of all advertising materials used during the timeframe of the examination was compiled. The examiners reviewed a sample of these materials along with the Company's marketing procedures to ensure they are in compliance with the advertising laws and regulations.

Producer Licensing

New business was reviewed to determine if solicitations were made by duly licensed persons.

Underwriting Procedures

The examiners reviewed the Company's underwriting and rating practices, such as the use of policy forms and endorsements/riders; adherence to underwriting guidelines and Company manuals; determination and assessment of premium; and declination and termination procedures. The types of practices the examiners reviewed for include, but were not limited to: miscalculations of premium based upon the information in the file; improper acceptance or denial of an application; and failure of the Company to comply with Illinois' laws and regulations.

Claim Procedures

1. Paid Claims – Payment for claims made during the examination period.
2. Denied Claims – Denial of benefits during the examination period for losses not covered by policy provisions.

All claims were reviewed for compliance with policy contracts and applicable Sections of the Illinois Insurance Code (215 ILCS 5/1 *et seq.*) and the Illinois Administrative Code.

The period under review was January 1, 2013 through December 31, 2013.

Forms Review

The examiners reviewed the Company's policy forms to determine compliance with filing approval and content requirements, to ensure that the contract language was not ambiguous and that the provisions of the policies adequately protected the insureds.

Department Complaints and Consumer Appeals

Bankers Life and Casualty was requested to provide all consumer complaint files and all formal appeals received by the IDOI and those received directly from consumers during the survey period.

The period under review was January 1, 2013 through December 31, 2013.

IV. FINDINGS

A. COMPANY OPERATIONS AND MANAGEMENT

1. Company procedures, plans and guidelines

A review was conducted of Bankers Life and Casualty's underwriting guidelines and procedures, internal audits, disaster recovery plan, anti-fraud program and third-party vendor contracts. No violations were noted.

2. Company Privacy Procedures

A review was conducted of Bankers Life and Casualty's privacy procedures, including compliance with 215 ILCS 5/355b, which requires the implementation of policies and procedures to prevent the wrongful disclosure of certain data/identifiable information. No violations were noted.

B. COMPLAINTS AND APPEALS

A review was conducted of the complaints received by Bankers Life and Casualty, received by the IDOI and all Appeals. No violations were noted.

C. MARKETING AND SALES

A review was conducted of Bankers Life and Casualty's Marketing and Sales. No violations were noted.

D. PRODUCER LICENSING

A review was conducted of Bankers Life and Casualty's producer licensing guidelines and procedures, as well as a review of a random sample of licensed producers. No violations were noted.

E. UNDERWRITING AND RATING

1. Life Comm Life Issued

Field Size	1,501
Sample Size	26
Files in Error	1
Error Ratio	3.85%

FINDING: In one (1) of the files examined, the Company accepted business from a producer that was not licensed at the time the application was signed and/or solicited, as required by 215 ILCS 5/500-15.

2. Life Comm Life Terminated

Field Size	3,008
Sample Size	105
Files in Error	0
Error Ratio	0%

3. Life Pro Policy Issued

Field Size	4,677
Sample Size	82
Files in Error	1
Error Ratio	1.22%

FINDING: In one (1) of the files examined, the Company used forms that were not filed and approved by the Department, as required by 50 Ill. Adm. Code 916.40.

4. Life Pro Policy Declined

Field Size	175
Sample Size	50
Files in Error	0
Error Ratio	0%

5. Life Policy Issued and Not Taken

Field Size	86
Sample Size	86
Files in Error	0
Error Ratio	0%

6. Life Comm Term Policy Issued

Field Size	445
Sample Size	80
Files in Error	3
Error Ratio	3.75%

FINDING: In two (2) files examined, (2.5%), the Company failed to provide verification of the policy summary to the insured at time of policy delivery, pursuant to 50 Ill. Adm. Code 930.50; in one (1) file examined, (1.25%) the Company failed to complete the replacement question on the application, as required by 50 Ill. Adm. Code 917.70.

7. Life Comm Term Policy Terminated

Field Size	410
Sample Size	82
Files in Error	0
Error Ratio	0%

8. Life Pro Annuity Issued

Field Size	273
Sample Size	50
Files in Error	0
Error Ratio	0%

9. Life Pro Annuity Terminated

Field Size	322
Sample Size	107
Files in Error	2
Error Ratio	1.86%

FINDING: In one (1) file examined, (0.93%), the Company failed to provide/maintain pertinent information for annuity calculations, pursuant to 50 Ill. Adm. Code 919.30; in one (1) file examined, (0.93%), the Company failed to maintain evidence of the claim payment, pursuant to 50 Ill. Adm. Code 919.50(a).

10. Medicare Supplement Issued

Field Size	1,925
Sample Size	107
Files in Error	107
Error Ratio	100%

FINDING: In 107 files examined, (100%), the Company failed to maintain evidence that the Outline of Coverage was provided, pursuant to 215 ILCS 5/363a(6)(b); in the same 107 files examined, (100%), the Company failed to maintain evidence of delivery of the Buyer's Guide, as required by 215 ILCS 5/363a(6)(c); within the 107 files, in one (1) file (0.93%), the Company failed to provide the required policy checklist completed by the agent, as required by 215 ILCS 5/363a(5).

11. Long Term Care Issued

Field Size	82
Sample Size	60
Files in Error	60
Error Ratio	100%

FINDING: In sixty of the files examined, (100%), the Company failed to maintain evidence of receipt of the Outline of Coverage, as required by 215 ILCS 5/351A-8. Within the sixty files, in nineteen files (31.6%), the Company also failed to maintain evidence of the policy delivery, as required by 215 ILCS 5/351A-9.2.

12. Long Term Care Declined

Field Size	95
Sample Size	50
Files in Error	0
Error Ratio	0%

13. Long Term Care Terminated

Field Size	322
Sample Size	75
Files in Error	0
Error Ratio	0%

14. Long Term Care Issued and Not Taken

Field Size	4
Sample Size	4
Files in Error	0
Error Ratio	0%

15. Life Comm Annuity Issued

Field Size	6
Sample Size	6
Files in Error	0
Error Ratio	0%

16. Accident and Health Miscellaneous Issued

Field Size	2,559
Sample Size	107
Files in Error	66
Error Ratio	61.6%

FINDING: In sixty-six of the files examined, (61.6%), the Company failed to maintain evidence of receipt of the Outline of Coverage, as required by 215 ILCS 5/355a(5)(a).

17. Accident and Health Miscellaneous Issued and Not Taken

Field Size	78
Sample Size	50
Files in Error	0
Error Ratio	0%

18. Life Term Conversion

Field Size	33
Sample Size	33
Files in Error	9
Error Ratio	27%

FINDING: In one (1) of the files examined, (3%), the applicant's replacement question was not answered as required by 50 Ill. Adm. Code 917.70; in one (1) of the files examined, (3%), the Company failed to provide verification that the Policy Summary was issued at the time of policy delivery, as required by 50 Ill. Adm. Code 930.50; in six (6) of the files examined, (18%), the Company failed to maintain signed certification and acknowledgement that no illustration was used in the sale of the policy, pursuant to 50 Ill. Adm. Code 1406.80(b)(1); and in one (1) of the files examined, (3%), the Company failed to maintain the signed certification and acknowledgement of an illustration at the time of policy issuance and delivery, as required by 50 Ill. Adm. Code 1406.80(b)(2).

F. CLAIMS

1. Life Claims

Field Size	1,060
Sample Size	105
Files in Error	7
Error Ratio	6.6%

FINDING: In four (4) of the files examined, (3.8%), the Company failed to provide evidence of claim payment within 30 days, pursuant to 50 Ill. Adm. Code 919.50; in two (2) of the files examined, (1.9%), the Company failed to provide evidence or explanation for claim processing delays, as required by 50 Ill. Adm. Code 919.70; in one (1) of the files examined, (.95%), the Company failed to provide evidence of interest payment, as required by 215 ILCS 5/224(1)(l).

2. Medicare Supplement

Field Size	164,142
Sample Size	109
Files in Error	1
Error Ratio	.92%

FINDING: In one (1) of the files examined, (.92%), the Company failed to provide pertinent information for the processing of the claim, as required by 50 Ill. Adm. Code 919.30.

3. Accident and Health Miscellaneous

Field Size	908
Sample Size	105
Files in Error	8
Error Ratio	7.6%

FINDING: In seven (7) of the files examined, (6.6%), the Company failed to provide pertinent information for the processing of the claim, as required by 50 Ill. Adm. Code 919.30; in one (1) of the files examined, (.95%), the Company failed to provide evidence of claim payment within 30 days, as required by 50 Ill. Adm. Code 919.50.

G. FORMS

1. Forms

Field Size	120
Sample Size	120
Files in Error	3
Error Ratio	2.5%

FINDING: In three (3) of the files examined, the Company used forms that were not filed and approved by the Department, as required by 50 Ill. Adm. Code 916.40.

V. INTERRELATED FINDINGS

Actuarial Review of Long Term Care Premium Rates

As part of this examination, INS Consultants, Inc. (INS) conducted a review of the Company's Long Term Care (LTC) rates in Illinois to determine whether or not these rates were excessive.

On January 13, 2015, INS submitted a request for information asking the Company to provide the following:

- A chart showing the following: Illinois LTC Policy Forms, Issue Dates, Closed/Open, Number of Policyholders as of December 31, 2013 (Illinois), Average Premium as of December 31, 2013 (Illinois), Number of Policyholders as of December 31, 2013 (Nationwide), and Average Premium as of December 31, 2013 (Nationwide).
- History of rate increases by LTC policy form in Illinois.
- Cumulative rate increase as of December 31, 2013, by LTC policy form for both Illinois and Nationally.
- National and Illinois experience (incurred claims, earned premiums, loss ratio, actual to expected loss ratio, number of policyholders) by policy form for all calendar years through December 31, 2013; this information is typically provided in rate increase filings.

The Company provided the requested information on February 11, 2015. INS used this information as part of the review of the Company's Long Term Care rates. INS also performed experience projections to determine compliance with the pre-rate stability loss ratio of 60% [50 Ill. Adm. Code 2012.110(b)] and post-rate stability rate increase requirements [50 Ill. Adm. Code 2012.112(c)].

Based on INS review and analysis of the information provided by the Company, it appears to INS that the Company's Long Term Care rates are not excessive and meet the requirements of the Illinois Administrative Code sections cited above.

VI. TECHNICAL APPENDICES

No Technical Appendices were created.

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

Cynthia Amann, Supervising Insurance Examiner, being first duly sworn upon his/her oath, deposes and says:

That Andre J. Ham was appointed by the Director of Insurance of the State of Illinois (the "Director") as Examiner-In Charge to examine the insurance business and affairs of Bankers Life and Casualty Company, (the "Company"), NAIC #61263.

That the Examiner-In-Charge was directed to make a full and true report to the Director of the examination with a full statement of the condition and operation of the business and affairs of the Company with any other information as shall in the opinion of the Examiner-In-Charge be requisite to furnish the Director with a statement of the condition and operation of the Company's business and affairs and the manner in which the Company conducts its business;

That neither the Examiner-In-Charge nor any other persons so designated nor any members of their immediate families is an officer of, connected with, or financially interested in the Company nor any of the Company's affiliates other than as a policyholder or claimant under a policy or as an owner of shares in a regulated diversified investment company, and that neither the Examiner-In-Charge nor any other persons so designated nor any members of their immediate families is financially interested in any other corporation or person affected by the examination;

That an examination was made of the affairs of the Company pursuant to the authority vested in the Examiner-In-Charge by the Director of Insurance of the State of Illinois;

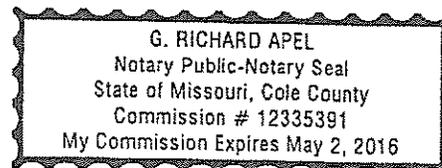
That she/he was the Examiner-in-Charge of said examination and the attached report of examination is a full and true statement of the condition and operation of the insurance business and affairs of the Company for the period covered by the Report as determined by the examiners;

That the Report contains only facts ascertained from the books, papers, records, or documents, and other evidence obtained by investigation and examined or ascertained from the testimony of officers or agents or other persons examined under oath concerning the business, affairs, conduct, and performance of the Company.

Cynthia M Amann
Supervising Insurance Examiner

Subscribed and sworn to before me this 26th day of October, 2015.

G. Richard Apel
Notary Public



STATE OF ILLINOIS

DEPARTMENT OF INSURANCE



IN THE MATTER OF:

BANKERS LIFE AND CASUALTY COMPANY
111 EAST WACKER DRIVE, SUITE 2100
CHICAGO, IL 60601

STIPULATION AND CONSENT ORDER

WHEREAS, the Acting Director ("Acting Director") of the Illinois Department of Insurance ("Department") is a duly authorized and appointed official of the State of Illinois, having authority and responsibility for the enforcement of the insurance laws of this State; and

WHEREAS, Bankers Life and Casualty Company ("Company"), NAIC 61263, is authorized under the insurance laws of this State and by the Acting Director to engage in the business of soliciting, selling and issuing insurance policies; and

WHEREAS, a Market Conduct Examination of the Company was conducted by a duly qualified examiner of the Department pursuant to Sections 132, 401, 402, 403, 407, and 425 of the Illinois Insurance Code (215 ILCS 5/132, 5/401, 5/402, 5/403, 5/407, and 5/425); and

WHEREAS, as a result of the Market Conduct Examination, the Department examiner filed a Market Conduct Examination Report which is an official document of the Department; and

WHEREAS, the Market Conduct Examination Report cited various areas in which the Company was not in compliance with the Illinois Insurance Code (215 ILCS 5/1 *et seq.*) and Department Regulations (50 Ill. Adm. Code 101 *et seq.*); and

WHEREAS nothing herein contained, nor any action taken by the Company in connection with this Stipulation and Consent Order, shall constitute, or be construed as, an admission of fault, liability or wrongdoing of any kind whatsoever by the Company; and

WHEREAS, the Company is aware of and understands its various rights in connection with the examination and report, including the right to counsel, notice, hearing and appeal under Sections 132, 401, 402, and 407, 407.2 of the Illinois Insurance Code and 50 Ill. Adm. Code 2402; and

WHEREAS, the Company understands and agrees that by entering into this Stipulation and Consent Order, it waives any and all rights to notice and hearing; and

WHEREAS, the Company and the Acting Director, for the purpose of resolving all matters raised by the report and in order to avoid any further administrative action, hereby enter into this Stipulation and Consent Order.

NOW, THEREFORE, IT IS agreed by and between the Company and the Acting Director as follows:

1. The Market Conduct Examination indicated various areas in which the Company was not in compliance with provisions of the Illinois Insurance Code and Department Regulations; and
2. The Acting Director and the Company consent to this Order requiring the Company to take certain actions to come into compliance with provisions of the Illinois Insurance Code and Department Regulations.

THEREFORE, IT IS HEREBY ORDERED by the undersigned Acting Director that the Company shall:

1. Institute and maintain procedures whereby the Company documents when a Medicare Supplement policy is provided to the applicant with an Outline of Coverage as required by 215 ILCS 5/363a.(6)(b), and with a Buyer's Guide as required by 215 ILCS 5/363a(6)(c).
2. Institute and maintain procedures whereby the Company documents when a Long Term Care insurance policy is provided to the applicant with an Outline of Coverage as required by 215 ILCS 5/351A-8, and maintain proof of delivery as required by 215 ILCS 5/351A-9.2.
3. Institute and maintain procedures whereby the Company documents when an Accident and Health policy is provided to the applicant with an Outline of Coverage as required by 215 ILCS 5/355a (5)(a).
4. Institute and maintain procedures whereby the Company obtains a signed certification and acknowledgement that no illustration was used in the sale of the policy as required by 50 Ill. Adm. Code 1406.80(b)(1).
5. Submit to the Acting Director of Insurance, State of Illinois, proof of compliance with the above four (4) orders within 30 days of execution of this Order.
6. Pay to the Acting Director of Insurance, State of Illinois, a civil forfeiture in the amount of \$31,200 to be paid within 30 days of execution of this Order.

NOTHING contained herein shall prohibit the Acting Director from taking any and all appropriate regulatory action as set forth in the Illinois Insurance Code, including but not limited to levying additional forfeitures, should the Company violate any of the provisions of this Stipulation and Consent Order or any provisions of the Illinois Insurance Code or Department Regulations.

On behalf of BANKERS LIFE AND CASUALTY COMPANY

William D. Fritts Jr

Signature

WILLIAM D FRITTS JR

Name

SVP Regulatory & Govt Affairs

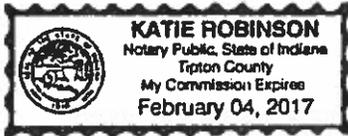
Title

Subscribed and sworn to before me this

25th day of January 2016

Katie Robinson

Notary Public



DEPARTMENT OF INSURANCE of the
State of Illinois:

DATE 1-28-16

Anne Melissa Dowling
Anne Melissa Dowling
Acting Director