Illinois Department of Insurance

PAT QUINN
Governor

ANDREW BORON
Director

VIA USPS CERTIFIED MAIL
RETURN RECIEPT REQUESTED

August 1, 2014

Mr. Todd Dean Meek
President
Pennsylvania Life Insurance Co.
411 North Baylen Street
Pensacola, Florida 32501

Re: ***Pennsylvania Life Insurance Company-NAIC #67660***
Market Conduct Examination Report Closing letter

Dear Mr. Meek:

The Department has reviewed your 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.

If you have any questions, my contact information is listed below.

Sincerely,

Lysa Saran /mr

Lysa Saran
Deputy Director
Consumer Outreach and Protection
Illinois Department of Insurance
122 S. Michigan Avenue, 19th Floor
Chicago, IL 60603
Phone: 312-814-1767
Cell: 312-833-4396
E-mail: Lysa.Saran@Illinois.gov

STATE OF ILLINOIS

DEPARTMENT OF INSURANCE

IN THE MATTER OF THE EXAMINATION OF

PENNSYLVANIA LIFE INSURANCE COMPANY
27 NORTH 12TH STREET
HARRISBURG, PA 17101-1606

MARKET CONDUCT EXAMINATION WARRANT

I, the undersigned, Director of Insurance of the State of Illinois, pursuant to Sections 132, 401, 401.5, 402, 403 and 425 of the Illinois Insurance Code (215 ILCS 5/132, 5/401, 5/401.5, 5/402, 5/403, and 5/425) do hereby appoint Examiner-In-Charge, David Bradbury and associates as the proper persons to examine the insurance business and affairs of Pennsylvania Life Insurance Company, NAIC #67660, and to make a full and true report to me of the examination made by them of Pennsylvania Life Insurance Company, with a full statement of the condition and operation of the business and affairs of Pennsylvania Life Insurance Company, with any other information as shall in their opinion be requisite to furnish me a statement of the condition and operation of its business and affairs and the manner in which it conducts its business. The costs of this examination shall be borne by the company.

The persons so appointed shall also have the power to administer oaths and to examine any person concerning the business, conduct, or affairs of Pennsylvania Life Insurance Company

SEAL OF THE STATE OF ILLINOIS
AUG. 26TH 1818

IN TESTIMONY WHEREOF, I hereto set my hand and cause to be affixed this Seal.

Done at the City of Chicago this 14th day of December, 2012.

Andrew Boron

Andrew Boron *Director*

Pennsylvania Life Insurance Company

MARKET CONDUCT EXAMINATION REPORT

DATE OF EXAMINATION:	February 4, 2013 through July 3, 2013
EXAMINATION OF:	Pennsylvania Life Insurance Company NAIC # 67660
LOCATION:	411 North Baylen Street TPA – CHCS Inc. Pensacola, Florida 32501
PERIOD COVERED BY EXAMINATION:	
Claims	January 1, 2012 through December 31, 2012
Complaints	January 1, 2011 through June 15, 2013
EXAMINER:	David Bradbury, Examiner-in-Charge

INDEX

I. SUMMARY

1. The Company was criticized for failure to notify the beneficiary of the availability of interest due to delayed payment of a life insurance claim as required by 215 ILCS 5/224(l).

2. The Company was criticized under 50 Ill. Admin. Code 919.70(a)(2) for failing to include a “Notice of the Availability of the Department of Insurance” when it provided the reasonable written explanation for the delay when a claim had not been paid within 45 days after the claim was reported.

3. The Company was criticized for failure to pay interest on two long term care insurance claims not paid within 30 days as required by 215 ILCS 5/357.9.

4. The Company was criticized under 215 ILCS 5/154.6(d) for underpayment of a claim.

5. The Company was criticized under 50 Ill. Admin. Code 919.60(a) for indicating to the insured that the payment is “final” when the policy limit has not been met.

6. The Company was criticized under 215 ILCS 5/154.6(i) for failure to affirm or deny an insurance coverage within a reasonable time which is defined in 50 Ill. Admin. Code 919.50(a) as 30 days.

7. The Company was criticized under 50 Ill. Admin. Code 919.50(a)(1) for failure to include a “Notice of the Availability of the Department of Insurance” when it provided the reasonable written explanation for the denial of an insurance claims.

8. The Company was criticized under 215 ILCS 5/234.1 for failure to provide a “Notice of Enactment of the Non-forfeiture Options” that includes all available options to the policy owner.

9. The Company was criticized under 215 ILCS 5/154.6(c) & (d) for failure to promptly investigate claims for policies on a reduced paid-up non-forfeiture status.

II. BACKGROUND

On January 12, 1948 Pennsylvania Life, Health and Accident Insurance Company, a limited life insurance company, was incorporated in Pennsylvania. Subsequently, the Company merged with Pennsylvania Accident and Health Insurance Company, and the surviving entity was reincorporated as Pennsylvania Life, Health and Accident Insurance Company, a stock life insurance company.

In May 1964, Pennsylvania Life Company, a Nevada corporation, acquired the Company. In December of 1968, Pennsylvania Life Company reincorporated in Delaware and changed its name to Penncorp Financial, Inc.

In September 1989, the Company was acquired by PCF Acquisition Company. In December 1989, the Company's stock was contributed to American Financial Life Insurance Company, a Texas company wholly owned by Primerica Life Insurance Company. In August of 1990, the Company's stock was purchased by Resource Development, Inc., a subsidiary of PCF. In October 1991 PCF purchased Occidental Insurance Company and Peninsular Life Insurance Company, both North Carolina insurers. The Company's operations were then moved to Raleigh, North Carolina.

On January 1, 1993, Penncorp Life Insurance Company was incorporated as a wholly-owned subsidiary of the Company. Penncorp Life is incorporated under the laws of Canada. On September 29, 1995, the Company sold its subsidiary, Occidental, to Penncorp Financial Group, Inc. On June 30, 1996, the Company and its subsidiary, Executive Fund Life Insurance Company were merged, with the Company being the surviving entity.

On February 3, 1999, the Pennsylvania Department of Insurance received an application from Universal American Financial Corp, through its wholly owned subsidiary, American Exchange Life Insurance Company; Capital Z Financial Services Fund II, L.P.; and Capital Z Financial Services Private Fund, L.P. to acquire all stock of all classes of the company. Amended applications were filed on February 16, 1999, June 15, 1999 and June 25 1999.

Pursuant to an Amended Shares Purchase agreement, Capital Z agreed to acquire from Universal American between 54.6% and 61.3 % of its outstanding Capital stock on a fully diluted basis. As a result of the Universal American Purchase Agreement, Capital Z acquired a controlling interest in Universal American and its subsidiaries, including the Company. The Company subsequently became a 100% wholly owned affiliate of American Exchange which in turn was a wholly-owned subsidiary of Universal American.

The Company continued to be a wholly owned subsidiary of Universal American until April 2011, at which time it was sold to CVS Caremark Corporation. Currently, all of the Company's traditional insurance business is 100% reinsured by Union Bankers Insurance Company, a wholly owned subsidiary of Universal American. Additionally, Union Bankers is responsible for the administration of such business. Union Bankers shares management with all of Universal American's wholly-owned insurance companies.

	Life Insurance Premiums Direct	Accident and Health Ins. Premiums Direct
2010	47,169,440	57,240,564
2011	43,811,067	53,308,078

PLIC's 2010 and 2011 NAIC Annual Statements (p. 24, part 2, line 23) indicate that its in force Illinois life insurance was $47,169,440 as of 12/31/10 and $43,811,067 as of December 31, 2011. There were no new policies during the period under review.

III. METHODOLOGY

The Market Conduct Examination places emphasis on evaluating an insurer's system and procedures used in dealing with insureds and claimants. The Market Conduct Examination did not examine all systems and procedures used in dealing with insureds and claimants. The following categories are the general areas examined:

1. Producer Licensing and Production Analysis
2. Policy Forms and Advertising Material Analysis
3. Claims
4. Consumer and Insurance Department Complaints
5. Underwriting and Policy Administration

The review of these categories is accomplished through examination of producer files, cash surrendered policy files, extended term and reduced paid-up policy files, claim files, Insurance Department complaint files, policy forms and advertising material. The examination focuses on compliance with selected Department regulations and applicable State laws.

The report concerns itself with improper practices performed with such frequency as to indicate general business practices. Individual criticisms are identified and communicated to the insurer, but not cited in the report if not indicative of a general trend, except to the extent that there were underpayments in claim surveys or undercharges and/or overcharges in underwriting surveys.

The following methods were used to obtain the required samples and to assure a methodical survey:

Producer Licensing and Production Analysis

Because no new business was written and no first year commissions were paid, this review was not conducted.

Policy Forms and Advertising Material Analysis

Because no new business was written, a review of advertising materials and policy forms was not conducted.

Claims

Claim survey selection used the following criteria:

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

3. Individual or Franchise Claims - Determine whether the contracts were issued on an individual or franchise basis.

All claims were reviewed for compliance with policy contracts and endorsements, applicable sections of the Illinois Insurance Code (215 ILCS 5/1 *et seq.*) and Title 50 of the Illinois Administrative Code.

All median payment periods measured from the receiving date of necessary proofs of loss to the date of payment or denial to the insured or the beneficiary.

The examination period for the claims review was January 1, 2012 through December 31, 2012.

Complaints

Pennsylvania Life Insurance Company was requested to provide all files relating to complaints which had been received via the Department of Insurance as well as those received directly by the company from the insured or his/her representative. A copy of the Pennsylvania Life's complaint register was also reviewed.

Median periods measured from the date of notification of the complaint to the date of response to the Department.

The examination period for complaints was January 1, 2011 through June 15, 2013.

IV. SELECTION OF SAMPLE

Survey	Population	Reviewed	% Reviewed
CLAIMS ANALYSIS			
Paid Individual Life	64	64	100%
Denied Individual Life	1	1	100%
Paid Long Term Care	7	7	100%
Denied Long Term Care	2	2	100%
Paid Hospital Medical Surgical	148	27	18%
Denied Hospital Medical Surgical	20	20	100%
Paid Individual Medicare Supplement	22133	120	1%
Denied Individual Medicare Supplement	5562	120	2%
Paid Specified Disease	11	11	100%
Paid Disability	10	10	100%
Denied Disability	20	20	100%
Paid Senior Dental	659	55	8%
Denied Senior Dental	1528	44	3%
COMPLAINTS			
Department of Insurance Complaints	9	9	100%
Consumer Complaints	9	9	100%
UNDERWRITING & POLICY ADMINISTRATION			
Life Cash Surrender	10	10	100%
Annuity Cash Surrender	20	20	100%
Extended Term Insurance - Reduced Paid-Up	14	14	100%
Life Policies Declined	1	1	100%
Paid Annuity Death Settlements	10	10	100%

V. FINDINGS

A. Claims Analysis

1. Paid Individual Life

A review of 64 paid individual life claim files produced two (2) general criticisms. The first general criticism was for failure to notify the beneficiary of the availability of interest in the event of delayed payment of a life insurance claim as required by 215 ILCS 5/224(l).

The second general criticism was for not including a Notice of the Availability of the Department of Insurance with the reasonable written explanation for the delay when a claim remains unresolved for 45 days from the date it is reported as required by 50 Ill. Admin. Code 919.70(a)(2).

The median for payment was 15 days.

2. Denied Individual Life

A review of one (1) denied individual life claim file produced no criticisms.

A median could not be established.

3. Paid Long Term Care

A review of seven (7) paid long term care files produced one (1) general and two (2) individual criticisms. The general criticism was for not including a Notice of Availability of the Department of Insurance with the reasonable written explanation for the delay when a claim remains unresolved for 45 days from the date it is reported as required by 50 Ill. Admin. Code 919.70(a)(2).

Two individual criticisms were written under 215 ILCS 5/357.9 for failure to pay interest on claims not paid within 30 days of receipt of due written proof of loss. The company agreed with the criticisms and made payment in the amount of $36.43 prior to completion of the on-site review.

Claim #	Interest Due to Late Payment
	$26.94
	$9.49
Total	$36.43

The median for payment was 48 days.

4. Denied Long Term Care

A review of two (2) denied long term care files produced one individual criticism. The individual criticism was written under 215 ILCS 154.6(d) for a claim underpayment. Interest was due on this underpayment since the correct amount was not paid within 30 days of submission of the claim as required by 215 ILCS 5/357.9 The company agreed with this criticism and made payment including interest prior to completion of the on-site review.

Claim #	Amount Due on claim underpayment w/o interest	Interest Due to Late Payment	Total
	$1500.00	$109.11	$1609.11

A median could not be established.

5. Paid Hospital Medical Surgical

A review of 27 paid hospital medical surgical claim files produced one general criticism for violating 50 Ill. Admin. Code 919.60(a). That regulation prohibits a statement that a claim payment is "final" or constitutes "a release" unless the policy limit has been paid or there is a *bona fide* dispute either over coverage or the amount payable under the policy. The Explanations of Benefit for five of the twenty seven claims indicated that the payment was final even though the policy limit had not been paid and there was no *bona fide* dispute over coverage or the amount payable under the policy.

The median for payment was nine (9) days.

6. Denied Hospital Medical Surgical

A review of 20 denied hospital medical surgical claim files produced three (3) general criticisms and one individual criticism. The first general criticism was for not including a Notice of Availability of the Department of Insurance with the reasonable written explanation for the delay when a claim remains unresolved for 45 days from the date it is reported as required by 50 Ill. Admin. Code 919.70(a)(2).

The second general criticism was for failure to affirm or deny coverage within thirty days as required by 215 ILCS 5/154.6(i) and 50 Ill. Admin. Code 919.50(a) which defines 30 days as a reasonable time.

The third general criticism was failure to include a Notice of Availability of the Department of Insurance with the reasonable written explanation for the denial of a claim as required by 50 Ill. Admin. Code 919.50(a).

An individual criticism was written under 215 ILCS 154.6(d) for a claim underpayment. Interest was due on this underpayment since the correct amount was not paid within 30 days of submission of the claim as required by 215 ILCS 5/357.9 The company agreed with this criticism and made payment including interest prior to completion of the on-site review.

Claim #	Amount of claim underpayment w/o interest	Interest Due on underpayment	Total
	$400.00	$41.03	$441.03

The median for denial was 15 days.

7. Paid Individual Medicare Supplement

   A review of 120 paid Medicare supplement files produced no criticisms.

   The median for payment was five days.

8. Denied Individual Medicare Supplement

   A review of 120 denied individual Medicare supplement files produced no criticisms.

   The median for denial was two (2) days.

9. Paid Specified Disease

   A review of eleven (11) paid specified disease policies produced one general criticism for violating 50 Ill. Admin. Code 919.60(a). That regulation prohibits a statement that a claim payment is "final" or constitutes "a release" unless the policy limit has been paid or there is a *bona fide* dispute either over coverage or the amount payable under the policy. The company would indicate to the insured that the payment was final even though the policy limit had not been paid and there was no *bona fide* dispute over coverage or the amount payable under the policy.

   The median for payment was 21 days.

10. Paid Disability

A review of ten (10) paid individual disability files produced one general criticism for violating 50 Ill. Admin. Code 919.60(a). That regulation prohibits a statement that a claim payment is "final" or constitutes "a release" claim unless the policy limit has been paid or there is a *bona fide* dispute either over coverage or the amount payable under the policy. The company would indicate to the insured that the payment was final even though the policy limit had not been paid and there was no *bona fide* dispute over coverage or the amount payable under the policy.

The median for payment was 12 days.

11. Denied Disability

A review of twenty denied disability policies produced one general and one individual criticism. The general criticism was for not including a Notice of Availability of the Department of Insurance with the reasonable written explanation for the delay when a claim remains unresolved for 45 days from the date it is reported as required by 50 Ill. Admin. Code 919.70(a)(2).

The median for denial was nine days.

12. Paid Senior Dental

A review of 55 paid senior dental policies produced no criticisms.

The median for payment was nine (9) days.

13. Denied Senior Dental

A review of 44 denied senior dental policies produced one general criticism for not including a Notice of Availability of the Department of Insurance with the reasonable written explanation for the denial of the claim as required by 50 Ill. Admin. Code 919.50(a).

The median for denial was eight (8) days.

B. COMPLAINTS

1. Department of Insurance Complaints

A review of all nine (9) Department of Insurance complaints produced no criticisms.

The median for response to the Department was 13 days.

2. Consumer Complaints

A review of all nine consumer complaints produced no criticisms.

The median for response was 33 days.

C. Underwriting and Policy Administration

1. Life Cash Surrender

A review of ten life cash surrenders produced no criticisms.

The median for surrender was 12 days.

2. Annuity Cash Surrender

A review of twenty annuity cash surrender policies produced no criticisms.

The median for surrender was 20 days.

3. Extended Term Insurance – Reduced Paid-Up

A review of 14 non forfeiture files produced one general criticism. The general criticism was written for failure to provide a "Notice of Enactment of Non Forfeiture Option" that includes all available options to the policy owner as required by 215 ILCS 5/234.1.

The examiner had asked the company to provide all non forfeiture activity during the period covered by the examination. During the course of the examination the examiner determined that that the Company had failed to provide eleven life insurance policies which had been converted to reduced paid-up status.

4. Life Policies Declined

A review of one declined life application produced no criticisms.

5. Paid Annuity Death Settlements

A review ten paid annuity death settlements produced no criticisms.

The median for processing was 19 days.

D. INTERRELATED FINDINGS

1. Unpaid Reduced Paid-Up Life Policies

A review of all life policies on reduced paid-up status produced 58 individual criticisms. The individual criticisms were written under 215 ILCS 5/154.6(c) & (d) for failing to promptly investigate claims for policies on reduced paid-up non forfeiture status.

The total amount of the claim underpayments based upon the reduced paid-up limit was $71,831. The criticisms were for failing to pay the reduced paid-up limit after the insured died. This amount remained unpaid at the conclusion of the examination.

Crit	Agree Disagreed	Date of Death	Face amt.
DB 17	D	03/18/91	127
DB 18	D	11/16/87	232
DB 19	D	11/01/98	117
DB 20	D	12/14/11	122
DB 21	D	11/11/09	122
DB 22	D	08/03/94	121
DB 23	D	09/05/89	751
DB 24	D	04/04/05	121
DB 25	D	08/30/01	986
DB 26	D	09/29/88	504
DB 27	D	04/01/95	619
DB 28	D	09/19/94	232
DB 29	D	05/01/90	34
DB 30	D	03/21/98	34
DB 31	D	05/03/99	435
DB 32	D	01/21/10	3,268
DB 33	D	05/01/90	101
DB 34	D	03/21/98	101
DB 35	D	01/04/11	108
DB 36	D	06/19/04	1,201
DB 37	D	09/02/95	1,294
DB 39	D	07/24/10	117
DB 40	D	08/13/08	359
DB 41	D	07/24/10	6,177
DB 42	D	08/25/93	627

DB 43	D	05/30/97	460
DB 44	D	08/21/12	100
DB 45	D	07/01/95	112
DB 46	D	07/26/95	428
DB 47	D	06/30/08	2,228
DB 48	D	11/19/09	360
DB 49	D	12/01/79	200
DB 50	D	12/01/79	100
DB 51	D	05/01/80	200
DB 52	D	07/21/01	5,000
DB 53	D	02/15/05	1,000
DB 54	D	03/03/93	68
DB 55	D	05/23/92	200
DB 56	D	05/08/09	47
DB 57	D	02/11/09	747
DB 58	D	12/24/05	300
DB 59	D	12/24/05	100
DB 60	D	11/24/11	144
DB 61	D	11/24/11	1,690
DB 62	D	11/24/11	1,303
DB 63	D	Feb 1978	100
DB 64	D	09/08/12	165
DB 65	D	09/16/96	4,100
DB 66	D	06/07/01	397
DB 67	D	05/10/12	22
DB 68	D	11/27/05	300
DB 69	D	12/30/90	949
DB 70	D	03/17/05	11,104
DB 71	D	02/20/13	455
DB 72	D	11/15/92	10,000
DB 73	D	10/09/12	6,692
DB 74	D	May 1987	4,580
DB 75	D	02/15/91	270

The Company offered a variety of responses such as “policy identified for escheatment”, “attempting to locate beneficiary” and “No claim was received nor was the company notified of the loss.”

VI. APPENDICES

None.

STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

David Bradbury, being first duly sworn upon his/her oath, deposes and says:

That he 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 Pennsylvania Life Insurance (the "Company"), NAIC #67660;

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.

Examiner-In-Charge

Subscribed and sworn to before me
this 3rd day of March, 2014.

Notary Public

MIRYAM RAMIREZ
OFFICIAL SEAL
Notary Public - State of Illinois
My Commission Expires
March 21, 2017

STATE OF ILLINOIS
DEPARTMENT OF INSURANCE

IN THE MATTER OF:

Pennsylvania Life Insurance Company
411 North Baylen Street
Pensacola, Florida 32501

STIPULATION AND CONSENT ORDER

WHEREAS, the Director (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, Pennsylvania Life Insurance Company, NAIC Number 67660, ("Company") is authorized under the insurance laws of this State and by the Director as a foreign life, accident and health insurance company to engage in the business of soliciting, selling and issuing insurance policies; and

WHEREAS, a Market Conduct Examination of the Company was conducted by duly qualified examiners appointed by the Director pursuant to Sections 132, 401, 401.5, 402, 403 and 425 of the Illinois Insurance Code (215 ILCS 5/132, 5/401, 5/401.5, 5/402, 5/403 and 5/425); and

WHEREAS, the appointed examiners have filed an examination report as an official document of the Department as a result of the Market Conduct Examination; and

WHEREAS, said 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. Admin. 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;

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

2. The 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/or Department Regulations.

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

1. Institute and maintain procedures to effectuate prompt, fair and equitable settlement of claims submitted in which liability has become reasonably clear as required by 215 ILCS 5/154.6(d).

2. Institute and maintain procedures to notify to provide the insured, or when applicable the insured's beneficiary, a Notice of Availability of the Department of Insurance on denied claims as required by 50 Ill. Admin. Code 919.70(a)(2).

3. Institute and maintain procedures to ensure payment of interest for all insurance claims not paid within 30 days as required by 215 ILCS 5/357.9.

4. Institute and maintain procedures to affirm or deny coverage of claims within a reasonable time after proof of loss statements have been completed as required by 215 ILCS 5/154.6(i); reasonable time is defined in 50 Ill. Admin. Code 919.50(a) as 30 days.

5. Institute and maintain procedures to notify the beneficiary of the availability of interest due to delayed payment of a life insurance claim as required by 215 ILCS 5/224(l).

6. Institute and maintain procedures to comply with 50 Ill. Admin. Code 919.60(a) which provides that no insurance company shall indicate to an insured on a payment draft, check or in any accompanying letter that said payment is "final" or "a release" of any claim unless the policy limit has been paid or there is a *bona fide* dispute either over coverage or the amount payable under the policy.

7. Institute and maintain procedures to provide the insured, or when applicable the insured's beneficiary, a Notice of Availability of the Department of Insurance on denied claims as required by under 50 Ill. Admin. Code 919.50(a).

8. Institute and maintain procedures to provide a "Notice of Enactment of the Non-forfeiture Options" that includes all available options to the policy owner as required by 215 ILCS 5/234.1.

9. Pay at the reduced paid up limit the following policies on which the insured has died:

Crit	Agree Disagreed	Date of Death	Face amt.
DB 17	D	03/18/91	127
DB 18	D	11/16/87	232
DB 19	D	11/01/98	117
DB 20	D	12/14/11	122
DB 21	D	11/11/09	122
DB 22	D	08/03/94	121
DB 23	D	09/05/89	751
DB 24	D	04/04/05	121
DB 25	D	08/30/01	986
DB 26	D	09/29/88	504
DB 27	D	04/01/95	619
DB 28	D	09/19/94	232
DB 29	D	05/01/90	34
DB 30	D	03/21/98	34
DB 31	D	05/03/99	435
DB 32	D	01/21/10	3,268
DB 33	A	05/01/90	101
DB 34	A	03/21/98	101
DB 35	D	01/04/11	108
DB 36	D	06/19/04	1,201
DB 37	D	09/02/95	1,294
DB 39	D	07/24/10	117
DB 40	D	08/13/08	359
DB 41	D	07/24/10	6,177
DB 42	D	08/25/93	627
DB 43	D	05/30/97	460
DB 44	D	08/21/12	100

DB 45	D	07/01/95	112
DB 46	D	07/26/95	428
DB 47	D	06/30/08	2,228
DB 48	D	11/19/09	360
DB 49	D	12/01/79	200
DB 50	D	12/01/79	100
DB 51	D	05/01/80	200
DB 52	D	07/21/01	5,000
DB 53	D	02/15/05	1,000
DB 54	D	03/03/93	68
DB 55	D	05/23/92	200
DB 56	D	05/08/09	47
DB 57	D	02/11/09	747
DB 58	D	12/24/05	300
DB 59	D	12/24/05	100
DB 60	D	11/24/11	144
DB 61	D	11/24/11	1,690
DB 62	D	11/24/11	1,303
DB 63	D	Feb. 1978	100
DB 64	D	09/08/12	165
DB 65	D	09/16/96	4,100
DB 66	D	06/07/01	397
DB 67	D	05/10/12	22
DB 68	D	11/27/05	300
DB 69	5	12/30/90	949
DB 70	D	03/17/05	11,104
DB 71	D	02/20/13	455
DB 72	D	11/15/92	10,000
DB 73	D	10/09/12	6,692
DB 74	D	May 1987	4,580
DB 75	D	02/15/91	270

10. Submit to the Director proof of compliance with the above nine (9) orders within thirty (30) days of the date on which this Stipulation and Consent Order is executed by the Director.

11. The Company shall pay to the Director a civil forfeiture of fifty thousand dollars ($50,000) within thirty days of the date on which this Stipulation and Consent Order is executed by the Director.

NOTHING contained herein shall prohibit the 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:
Pennsylvania Life Insurance Company

Signature

Todd D. Meek
Name

President
Title

Subscribed and sworn to before me this
7th Day of July 2014.

Notary Public

SUSAN M. MELNIK
Notary Public - Arizona
Maricopa County
My Comm. Expires Jul 21, 2017

DATE 7/18/14

DEPARTMENT OF INSURANCE of the
State of Illinois;

Andrew Boron
Director