



Illinois Department of Insurance

BRUCE RAUNER
Governor

JAMES A. STEPHENS
Acting Director

March 3, 2015

Wilbur Lincoln Martin IV, President
Bankers Life Insurance Company
Post Office Box 15707
St. Petersburg, FL 33733

Re: Bankers Life Insurance Company, NAIC #81043
Market Conduct Examination Report Closing letter

Dear Mr. Martin:

The Department has completed the Market Conduct examination of Bankers Life Insurance and is closing its file on this exam. I intend 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,

A handwritten signature in black ink, appearing to read "Miryam Ramirez".

Miryam Ramirez
Senior Policy Advisor
Illinois Department of Insurance
122 S. Michigan Avenue, 19th Floor
Chicago, IL 60603
Phone: 312-814-2117
E-mail: Miryam.Ramirez@Illinois.gov

Cc: Nicholas Popp, Bankers Life Insurance (via email)

BANKERS LIFE INSURANCE COMPANY

MARKET CONDUCT EXAMINATION REPORT

DATE OF EXAMINATION: September 30, 2014 through November 11, 2014

EXAMINATION OF: Bankers Life Insurance Company
NAIC Number: 81043

LOCATION: 11101 Roosevelt Blvd North
St. Petersburg, FL 33716

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

EXAMINERS: André J. Ham, AMCM

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I. SUMMARY

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

Bankers Life Insurance Company currently only writes fixed annuity contracts in Illinois. No violations were noted during the examination period.

II. BACKGROUND

Bankers Life Insurance Company (the “Company”) is a Florida-domiciled insurer of life, health and annuity products. The Company is part of the Bankers Financial Corporation family of companies. It was incorporated in 1973 in Florida and received its Florida Certificate of Authority on May 9, 1973. The Company received its license to conduct business in Illinois on December 20, 2012.

The Company is a wholly owned subsidiary of Bankers Insurance Company. Bankers Insurance Company is wholly owned by Bankers Insurance Group, Inc., which is, in turn, owned by Bankers Financial Corporation.

The Company currently writes new business exclusively in fixed annuities; though in the past the Company wrote ordinary life policies as well as group health insurance products. The Company entered into an assumption agreement dated February 28, 2005, to sell its ordinary life business to Government Personnel Mutual Life Insurance Company (GPM) for \$2.6 million. The administration of the business was transferred to GPM on August 14, 2005. Approval was received for this transaction from the Florida Office of Insurance Regulation and from the Texas Department of Insurance. GPM received approval of the Assumption Agreement in all states. The Company markets through independent agents, captive agents and brokers.

Total Direct Premiums Written in Illinois for Life and Annuities insurance are as follows:

Year	Total Written Premium In Illinois (Per Schedule T of the Annual Statement)	Current IL market share
2011	0	0
2012	0	0
2013	701,752	N/A

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. Company Operations and Management
2. Sales and Advertising
3. Producer Licensing
4. Underwriting procedures
5. Appeals, Department Complaints and Complaints received directly from consumers
6. Policy Forms

The review of the categories above was accomplished through examination of Company materials, producer lists, underwriting files, complaint files and policy forms. Each of the categories was examined for compliance with Department Regulations and applicable State laws.

The report concerns itself with improper practices performed by the Company which resulted in a failure to comply with Illinois statutes and/or administrative rules.

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

Producer Licensing

Annuity Issued contracts were reviewed to determine if solicitations had been made by duly licensed persons. A total of 3 producers were reviewed for this section.

Claims

The Company had no claims during the examination period of January 1, 2013 through December 31, 2013.

Department Complaints and Consumer Appeals

The Company was requested to provide all files relating to complaints received via the Department of Insurance and those received directly from consumers. The Company was also requested to provide files of all consumer complaints and external independent reviews handled during the survey period.

The Company had no Department Complaints or Consumer Appeals during the examination period of January 1, 2013 through December 31, 2013. The scope period for this 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 the Company's underwriting guidelines and procedures, internal audits, disaster recovery plan, anti-fraud program, privacy of consumer information and third-party vendor contracts.

No criticisms were noted.

B. COMPLAINTS AND APPEALS

The Company had no Department Complaints or Consumer Appeals during the examination period covered by this exam.

C. MARKETING AND SALES

A review of the Company's marketing and sales procedures, including 10 samples of its advertising materials, produced no criticisms.

D. PRODUCER LICENSING

A review of the Company's producer licensing guidelines and procedures, and verifying that all 27 producers are licensed, produced no criticisms.

E. UNDERWRITING AND RATING

A review of the Company's 11 Issued Annuity contracts produced no criticisms.

F. FORMS

A review of the Company's form filing process, as well as verifying all 17 policy forms were approved, produced no criticisms.

V. INTERRELATED FINDINGS

No interrelated findings were identified during the review of the Company's underwriting files, policies and procedures or general business practices.

VI. TECHNICAL APPENDENCES

No Technical Appendices were created.

STATE OF PENNSYLVANIA)
COUNTY OF YORK) ss

ANDRÉ J. HAM, 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 Bankers Life Insurance Company, (the "Company"), NAIC #81043;

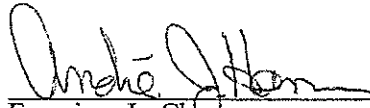
That the Examiner-In-Charge was directed to make a full and true report to the Director of the examination with a full statement of the condition and operation of the business and affairs of the Company with any other information as shall in the opinion of the Examiner-In-Charge be requisite to furnish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

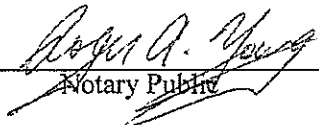
That an examination was made of the affairs of the Company pursuant to the authority vested in the Examiner-In-Charge by the Director of Insurance of the State of Illinois;

That 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 4th day of December, 2014.


Notary Public

