



STATE OF CONNECTICUT
INSURANCE DEPARTMENT

IN THE MATTER OF:)
)
) Docket No.: MC 08-57
BANKERS LIFE & CASUALTY)
COMPANY)

COMPLAINT, STIPULATION AND FINAL ORDER

It is hereby stipulated and agreed between Bankers Life & Casualty Company and the Insurance Commissioner of the State of Connecticut ("Commissioner") to wit:

I

WHEREAS, pursuant to an investigation, the Commissioner alleges the following with respect to Bankers Life & Casualty Company, hereinafter referred to as Respondent:

1. Respondent is an entity domiciled in the State of Illinois and is licensed to transact the business as an Insurance company in the State of Connecticut under NAIC number 61263.
2. The Insurance Department ("Department") commenced an investigation of various sales and marketing practices of Bankers producers in late 2006. As a result of such investigation, Department staff alleges that during the approximate period from July, 2006, through May, 2007, the Respondent (a) failed to establish and implement appropriate practices and procedures to adequately monitor and supervise the marketing activities of its sales force in the State of Connecticut; and (b) failed to employ consistent efforts to monitor the activities of its appointed agents to ensure that their marketing practices complied with statutory and regulatory provisions prohibiting unfair, misleading or deceptive acts or practices in the sale of insurance.
3. The Department alleges that the Respondent's failure to monitor and control the conduct of its appointed agents in the State of Connecticut resulted in questionable and/or inappropriate insurance transactions.
4. Respondent's conduct set forth above is in violation of sections 38a-815, 38a-816 and 38a-826 of the Connecticut General Statutes, and of sections 38a-819-1 through 38a-819-69 of the Regulations of Connecticut State Agencies and constitutes cause, pursuant to Sections 38a-2, 38a-41 and 38a-817 of the Connecticut General Statutes, for suspension or revocation of the Respondent's license and/or for the imposition of a fine.

II

1. WHEREAS, Respondent neither admits nor denies the allegations contained in paragraphs one through four, inclusive, of Article I of this Stipulation.
2. WHEREAS, Respondent has undertaken and agrees to continue a complete review of its practices and procedures to address the areas of concern described in Part I of this Stipulation and to establish a plan to (a) properly train its sales force; and (b) monitor compliance by its appointed agents with Connecticut statutory and regulatory requirements relating to sales practices.
3. WHEREAS, Respondent agrees to cooperate fully with any investigation by the Department relating to the issues that form the basis of this Stipulation and to aid and assist the Department in any administrative action brought against any current or former agents of the Respondent to address such agents' conduct, as outlined in Article I of this Stipulation.
4. WHEREAS, Respondent, being desirous of terminating these proceedings without the necessity of a formal hearing or litigation, consents to the entering of this Final Order and voluntarily waives:
 - a. any right to a hearing;
 - b. any requirement that the Commissioner's decision contain a statement of findings of fact and conclusions of law; and
 - c. any and all rights to object to or challenge before the Commissioner or in any judicial proceedings any aspect, provision or requirement of this Stipulation.
5. WHEREAS, Respondent agrees to pay to the State of Connecticut, a fine of one hundred thousand dollars (\$100,000.00) upon signing this Complaint, Stipulation and Final Order.
6. WHEREAS, this Complaint Stipulation and Final Order shall not be construed as limiting, curtailing, preempting, restricting or otherwise modifying any rights of third parties affected by the Respondent's conduct.
7. WHEREAS, subject to the provisions of section (D)(9) of a March 27, 2008 consent order entitled "In the Matter of Conseco Senior Health Insurance Company and Bankers Life & Casualty Company Regulatory Settlement Agreement," to which the state of Connecticut is a signator, the Department may take any and all appropriate actions should

Bankers violate any provisions of the insurance laws and regulations of the state of Connecticut, which are not related to paragraphs one through four, inclusive, of Section I of this Stipulation.

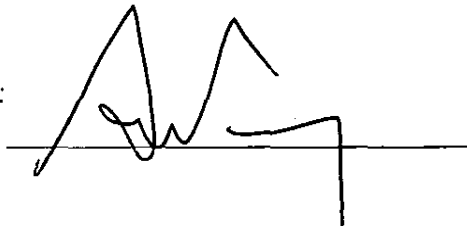
8. WHEREAS, this Stipulation, Complaint and Final Order is not intended to, nor may it be construed to, limit the authority of the Department's Consumer Services Division, in investigating and taking appropriate Action against Respondents, its producers or other representatives, or third parties, as provided by law or regulation, with regard to a valid consumer, provider or third-party complaint.

NOW THEREFORE, upon consent of the parties, it is hereby ordered and adjudged:

1. That the Insurance Department of the State of Connecticut has jurisdiction over the Respondent and over the subject matter of this administrative proceeding;
2. That Respondent shall establish and implement a plan to (a) properly train its sales force; and (b) establish appropriate practices and procedures to monitor compliance by its sales force with Connecticut statutory and regulatory requirements relating to proper sales practices;
3. That, Respondent is fined one hundred thousand dollars (\$100,000.00) for the violations herein above. Such fine shall be payable upon execution of this Complaint, Stipulation and Final Order.

Bankers Life & Casualty Company

By:



Certification Page Follows

CERTIFICATION:

The undersigned, being duly sworn, deposes and says that he/she has duly executed this Complaint, Stipulation and Final Order on this 17 day of September 2008, for and on behalf of Bankers Life & Casualty Company; that he/she is the President of such company, and that he/she has authority to execute such instrument.

[Handwritten Signature]

STATE OF) IL
) SS:
COUNTY OF) Cook



Personally appeared on this 17 day of September, 2008, Scott Perry
Signer and sealer of the foregoing Complaint, Stipulation, Final Order and Certification,
acknowledged same to be his free act and deed before me.

[Handwritten Signature: Autumn M. Faris]
Notary Public/Commissioner of the Superior Court.

SO ORDERED at Hartford, Connecticut this 17th day of September, 2008

[Handwritten Signature: Thomas R. Sullivan]
Thomas R. Sullivan
Insurance Commissioner