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**STATE OF MINNESOTA
COMMISSIONER OF COMMERCE**

In the Matter of the Certificate of Authority of
Bankers Life and Casualty Company (NAIC No. 61263) and
Colonial Penn Life Insurance Company (NAIC No. 62065),
Insurance companies licensed to do business in the
State of Minnesota.

CONSENT ORDER

TO: Bankers Life and Casualty Company
111 East Wacker Drive, Suite 2100
Chicago, IL 60601-4508

Commissioner of Commerce Steve Kelley (Commissioner) has determined as follows.
The Commissioner has advised Bankers Life and Casualty Company and Colonial Penn Life
Insurance Company and any parent, subsidiaries and affiliates (collectively "the Companies")
that he is prepared to commence formal action, pursuant to Minn. Stat. §§ 45.027 and 60A.031
(2018) and other applicable law, against the Companies Certificate of Authority to engage in the
business of insurance in Minnesota based on the Minnesota Department of Commerce's
(Department) May 2, 2017 market conduct exam.

BACKGROUND

1. Bankers Life and Casualty Company was licensed in Minnesota March 13, 1960, to sell
life insurance, accident and health insurance and annuities. The company is domiciled in
Illinois.

2. Colonial Penn Life Insurance Company was licensed in Minnesota July 28, 1967, to sell life insurance, accident and health insurance and annuities. The company is domiciled in Pennsylvania.

3. CNO Financial Group, Inc., the parent company, is a financial services holding company based in Carmel, Indiana. Its insurance subsidiaries provide life insurance, annuity and supplemental health insurance products to customers in the United States. CNO markets primarily through captive or direct insurance agents and has approximately 4,200 insurance agents at over 260 offices across the country.

ALLEGATIONS

The Department alleges the following.

4. Did not in some instances have reasonable grounds based upon the file documentation and other information for believing that recommendations to applicants for the purchase of Bankers' life insurance, Medicare supplement, long term care insurance policies and certificates and annuity contracts were suitable, and permitted as a result some unsuitable sales, in violation of Minn. Stat. §§ 60K.46, Subd. 4, 72A.20, Subd. 34 and 72A.2032 to 72A.2035 (2018),

5. Did not adequately maintain a system and procedures for the supervision, detection and review of recommendations for the sale of the products identified in A. above to ensure that there is a reasonable basis to determine that a recommendation is suitable, in violation of Minn. Stat. §§ 60K.46, Subd. 4, 72A.20, Subd. 34, and 72A.2032 to 72A.2035 (2018),

6. Did not in some instances adequately supervise and monitor its insurance producers in violation of Minn. Stat. § 72A.20, Subd. 1 (2018) and Minn. R. 2790.0800 (2017),

7. Did not establish the required marketing procedures related to its Medicare supplement and long term care insurance business in violation of Minn. Stat. §62A.31, Subd. 1(q) (2018),
8. Did not have adequate policies and procedures in place and effectively supervise and monitor its insurance producers for the replacement of life insurance in violation of Minn. Stat. §§ 61A.56 and 61A.57 (2018),
9. Did not adequately establish and maintain a system of control over the content of its advertisements and representations in violation of Minn. R. 2790.2100, Subp. 1 (2017),
10. The Companies acknowledge that they have been advised of their right to a hearing in this matter, to present argument to the Commissioner, and to appeal from any adverse determination after a hearing. The Companies hereby expressly waives those rights. Bankers further acknowledges that it has been represented by legal counsel throughout these proceedings.
11. Bankers has agreed to informal disposition of this matter without a hearing as provided under Minn. Stat. § 14.59 (2018) and Minn. R. 1400.5900 (2017).
12. The following Order is in the public interest.

ORDERS

NOW, THEREFORE, IT IS HEREBY ORDERED that Bankers shall, within sixty days of the date of this order, establish a corrective action plan which shall be administered under Minnesota Laws, specifically Minn. Stat. § 60A.031 (2018). The corrective action plan will establish policies, procedures, and/or remedies to address the issues identified in this Consent Order. The corrective action plan is an examination workpaper and confidential under Minn. Stat. § 60A.031 (2018).


IT IS FURTHER ORDERED, pursuant to Minn. Stat. § 45.027, Subd. 6 (2018), that the Companies shall pay a civil penalty in the amount of \$175,000 to the State of Minnesota.

This Order shall be effective upon signature by or on behalf of the Commissioner.

Dated: 8/23/2019

Steve Kelley
Commissioner

By:



Matthew Vatter
Assistant Commissioner of Enforcement
Minnesota Department of Commerce
85 Seventh Place East, Suite 280
Saint Paul, Minnesota 55101
(651) 539-1600

CONSENT TO ENTRY OF ORDER

The undersigned states that they have read the foregoing Consent Order; that they know and fully understand its contents and effect; that they have been advised of their right to a hearing in this matter; that they have been represented by legal counsel in this matter; and that they consent to entry of this Order by the Commissioner. It is further understood that this Consent Order constitutes the entire settlement agreement between the parties, there being no other promises or agreements, either express or implied.

Date: 8 | 12 | 19

Bankers Life and Casualty Company

Colonial Penn Life Insurance Company

William D. Fritts

By: WILLIAM D. FRITTS

Its: SVP, REGULATORY AFFAIRS