

BEFORE THE IOWA INSURANCE COMMISSIONER

IN THE MATTER OF)	Division Case No. 77064
)	
BANKERS LIFE AND CASUALTY CO.,)	AMENDED CONSENT ORDER
NAIC # 61263; and)	
)	
BLC FINANCIAL SERVICES, INC.,)	
CRD 126638)	
Respondents)	

WHEREAS, following a multi-jurisdictional investigation of Bankers Life and Casualty Company and BLC Financial Services, Inc. (“Bankers”) relative to certain unlicensed business activities, the respondents and the Iowa Insurance Division (“Division”) entered a Consent Order dated November 6, 2012 (“Consent Order”); and

WHEREAS, Bankers adopted and complied with all Recommendations set forth in the 2007 Examinations Reports and Corrective Action Plans and has made substantial efforts to revise its business practices to improve compliance; and

WHEREAS, the Commissioner issued Insurance Bulletin 11-4, Licensing Requirements and Permitted Activities (the “Bulletin”) on June 24, 2011 providing specific guidance to insurance producers, investment adviser representatives, and securities agents about permissible and prohibited activities of insurance-only persons and securities-only persons;

NOW THEREFORE, the Commissioner of Insurance hereby amends the Consent Order by removing current Paragraph 10 of Section III, Order, and replacing it with the following:


- 10. Bankers shall comply with the following practices:
 - a. An insurance producer who is not licensed to give advice concerning securities products (an “Insurance Producer”) may gather all financial information necessary to complete a Bankers Factfinder or similar document or tool required to determine insurance product suitability and may provide the consumer with a business card of, and pre-addressed stamped envelope to, a person properly licensed/registered to provide advice concerning securities products. The Insurance Producer may obtain a copy of the consumer’s statement(s) for securities products as part of the insurance factfinding process and to the extent that the information is used to give the Insurance Producer reasonable grounds to believe the recommendation is suitable for the consumer. The Insurance Producer may have general discussions concerning diversification of assets, financial objectives, and general market risk differences between insurance and securities products. Insurance Producers may not make recommendations or provide advice concerning the consumer’s specific securities products, compare the consumer’s specific securities or investment performance with other financial products (including annuities or life insurance), or

recommend specific securities be liquidated or used to fund an annuity or life insurance product. Upon the consumer's request, the Insurance Producer may arrange for the consumer to meet with a person properly registered to provide advice concerning securities products. The Insurance Producer shall explain that the Insurance Producer is not registered to discuss securities products and shall not use any terms or titles that tend to indicate to the consumer that the Insurance Producer is licensed to provide investment advice or sell securities. The Insurance Producer may attend a meeting attended also by securities licensed individuals so long as the meeting is scheduled, at least in part, to discuss insurance products and so long as the Insurance Producer does not engage in any prohibited activities for insurance-only licensed individuals.

- b. Bankers shall train its Iowa licensed Insurance Producers in accordance with the Bulletin and this Amended Consent Order within thirty (30) days of the issuance of this Amended Consent Order and, prospectively, within thirty (30) days of licensure for newly licensed Iowa producers.
- c. No commissions or other compensation, direct or indirect, derived from a securities transaction shall be paid to or split with an Insurance Producer.

The Consent Order shall remain in full force and effect in all other respects.

So ORDERED on this 2nd day of January, 2019.



DOUGLAS M. OMMEN
Iowa Insurance Commissioner

CONSENT TO ENTRY OF AMENDED CONSENT ORDER

I, William D. Fritts, Jr., as Senior Vice President of Regulatory Affairs, represents that I have been authorized to enter into this Amended Consent Order on behalf of Bankers Life and Casualty Company, Respondent in this matter. I have read, understood, and do knowingly consent to this Amended Order in its entirety. By executing this consent, I understand that Bankers Life and Casualty Company and I am waiving our rights to a hearing, to confront and cross-examine witnesses, to produce evidence, and to judicial review.

Bankers expressly acknowledges that other than the removal and replacement of Paragraph 10 of Section III, the Consent Order shall remain in full force and effect.

I further understand that this Amended Consent Order is considered a final administrative action that may be reported by the Division to the National Association of Insurance Commissioners and to other regulatory agencies. I also understand that this Amended Consent Order is a public record under Iowa Code Chapter 22, which will be disclosed to other state regulatory authorities, upon request, pursuant to Iowa Code section 505.8(8)(d). I also understand that this Amended Consent Order will be posted to the Division's web site and a notation will be made to the publicly available web site record that administrative action has been taken.

Date: December 20, 2018

Bankers Life and Casualty Company

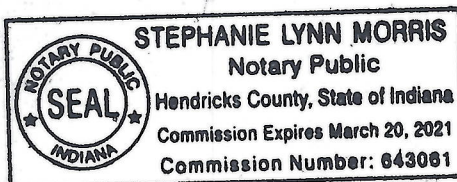
By: William D. Fritts Jr

Title: SVP, REGULATORY : GOV'T AFFAIRS

11825 N. PENNSYLVANIA ST., CARMEL IN 46032
Address of Signatory

Subscribed and sworn before me by Stephanie L. Morris on this 20th day of December, 2018.

Stephanie L. Morris
Notary Public for the State of Indiana



CERTIFICATE OF SERVICE

County of Polk)
)
State of Iowa)

The undersigned affiant certifies under penalty of perjury and pursuant to the laws of Iowa, on the 3rd day of January, 2019, the foregoing Amended Consent Order was delivered via email, by consent, to:

Copies to:

- Bill Fritz: Bill.Fritts@cnoinc.com
- Jim Valdez: j.valdez@banklife.com
- Chris Roach: croach@roachhewitt.com
- Johanna Nagel: johanna.nagel@iid.iowa.gov
- Vincent Ledlow: Vincent.ledlow@iid.iowa.gov



Hilary Foster
Iowa Insurance Division