

MARKET CONDUCT  
EXAMINATION REPORT OF  
AMERICAN REPUBLIC CORP INSURANCE COMPANY  
DES MOINES, IOWA  
AS OF DECEMBER 31, 2020

Des Moines, Iowa  
November 29, 2023

HONORABLE DOUG OMMEN  
Commissioner of Insurance  
State of Iowa  
Des Moines, Iowa

Commissioner:

In accordance with your authorization and pursuant to Iowa statutory provisions, an Examination has been made of the records, business affairs and financial condition of

AMERICAN REPUBLIC CORP INSURANCE COMPANY

DES MOINES, IOWA

AS OF DECEMBER 31, 2020

with its home office located at 601 6<sup>th</sup> Ave, Des Moines, Iowa.

INTRODUCTION

This examination report, containing applicable comments, explanations, and findings, is presented herein. In general, this is a report by exception. Comments regarding practices and procedures reviewed during the examination have been omitted from the report if no improprieties were found. All unacceptable or noncomplying practices may not have been identified. The failure to identify specific company practices does not constitute acceptance of these practices.

In conjunction with the examination of the Company as of December 31, 2020, by the Iowa Insurance Division (“Division”), affiliates American Republic Insurance Company (“ARIC”), Medico Insurance Company (“MIC”), Medico Corp Life Insurance Company (“MCLIC”), Medico Life and Health Insurance Company (“MLHIC”) and Great Western Insurance Company (“GWIC”) were also examined by the Division with separate reports prepared for each entity.

SCOPE OF EXAMINATION

The risk-focused, market conduct examination covers the period from January 1, 2016, through December 31, 2020, and including the period up to the date of the report.

The risk-focused examination reviews internal policies, procedures, and control structures for compliance with applicable Iowa statutes and administrative rules. The examination then focuses on compliance with those policies, procedures, and control structures.

HISTORY

The Company was incorporated under the laws of the Commonwealth of Pennsylvania and commenced business in 1962 as the Pennsylvania National Life Insurance Company. At the time, the Pennsylvania National Mutual Casualty Insurance Company controlled the Company. In 1994, MidAmerica Mutual Life Insurance Company (“MAMLIC”) changed the name of the Company to MidAmerica Life Insurance Company. World

Insurance Company (“World”) acquired the Company on April 1, 1997 due to the merger of its parent, MAMLIC, with World. The Company was subsequently re-domiciled from Pennsylvania to Nebraska on December 2, 1997.

On May 18, 2006, the Company amended its Articles of Incorporation and By-Laws to change the Company’s corporate name to American Republic Corp Insurance Company.

On December 4, 2007, the Board of Directors of World adopted a resolution declaring a stock dividend to its sole shareholder, American Enterprise Group, Inc. (“AEG”), consisting of all the outstanding common stock of the Company. On January 1, 2008, the stock dividend was distributed to AEG and AEG in turn, transferred the stock as a capital contribution to ARIC. As a result of these transfers, the Company became a wholly owned subsidiary of ARIC.

Following approval from the Division and the NE DOI, the Company re-domesticated from Nebraska to Iowa, effective January 1, 2017.

### TERRITORY AND PLAN OF OPERATION

The Company is licensed to write business in 35 states and the District of Columbia. The Company offers primarily Medicare supplement insurance. The Company cedes 10.4% of the premiums from its Medicare supplement insurance policies to an unaffiliated company and cedes the remaining premiums to ARIC.

### TREATMENT OF POLICYHOLDERS

#### Claim Practices

Examiners reviewed the Company’s claim handling policies and procedures to ensure standards exist. The Examiners then reviewed a sample of paid claims to verify timeliness of settlement, accuracy of payments, and adherence to claim policies and procedures. All were found to follow claim handling guidelines and applicable statutes and regulations.

#### Complaints

Examiners reviewed the Company’s complaint handling policies and procedures. Complaints are handled and addressed by the Legal and Compliance department. Examiners found the complaint register to be in compliance with applicable state statutes. Examiners also reviewed a sample of consumer complaints, all were handled in accordance with applicable regulations.

#### Underwriting

Examiners reviewed the underwriting procedures, guidelines, and rating practices for reasonableness and to ensure adherence to underwriting standards. Examiners reviewed a sample of Accident & Health new business applications and found all to be issued in a timely manner and in accordance with Company standards. The Company did not have any declinations for Iowa during the exam period.

### MARKETING AND SALES

The Company’s Marketing Department is responsible for the development of all advertising and marketing materials. All advertisements are reviewed and approved by the Compliance department. Examiners reviewed the advertising log for the exam period and noted that it is compliance with Iowa Administrative Code 191.15.13(2).

PRODUCER LICENSING

Examiners reviewed producer licensing policies and procedures. Producer appointment and termination procedures and practices were in compliance with applicable statutes and regulations.

CONCLUSION

Acknowledgment is hereby made of the cooperation and assistance extended by the officers and employees of the Group during this examination.

In addition to the undersigned, Jan Jones, examiner for the Iowa Insurance Division, participated in the examination and preparation of this report.

Respectfully submitted,

/S/ Amanda Theisen  
Amanda Theisen, CFE, PIR, MCM  
Supervisor and Assistant Chief - Examinations  
Iowa Insurance Division  
State of Iowa