

MARKET CONDUCT  
EXAMINATION REPORT OF  
MEDICO 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

MEDICO 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”), American Republic Corp Insurance Company (“ARCIC”), 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, formerly Mutual Projective Insurance Company and originally Central Catholic Casualty Company, was incorporated under the laws of the State of Nebraska on April 26, 1930, as a mutual assessment health and accident association and commenced business as such on that same date. By amendment to the Articles of

Incorporation on May 20, 1946, the plan of operation was changed from that of a mutual assessment association to a mutual legal reserve casualty company.

By amendment to the Articles of Incorporation on March 14, 1952, the name of the Company was changed from Central Catholic Casualty Company to Central Catholic Insurance Company. On February 15, 1957, the Articles of Incorporation were again amended to change the name to Mutual Protective Insurance Company.

The Company amended its Articles of Incorporation and By-Laws on March 26, 2003, and May 9, 2003, respectively, to authorize the writing of life insurance business. Prior to this, the Company was authorized to write only accident and health insurance.

As part of its efforts to convert to a mutual insurance holding company structure, the Company, on August 4, 2005, amended its Articles of Incorporation and By-Laws to reorganize to form a stock insurance company and change its name to Medico Insurance Company. On September 19, 2005, the NE DOI approved the Company's application to reorganize and to change its name. Additionally at that time, the Department approved the creation of an intermediary stock holding company (Medico Holdings, Inc.), and a mutual insurance holding company (Medico Mutual Holding Company). These changes became effective on January 1, 2006.

On September 28, 2007, the Company and Ability Resources, Inc. completed a transaction through which the Company sold its long-term care insurance block and its subsidiary Medico Life Insurance Company to Ability Resources, Inc. The sale of the subsidiary was approved by the NE DOI on September 26, 2007.

On July 1, 2012, the Company became part of the American Enterprise Mutual Holding Company organization ("AEMHC") after approval by the NE DOI and the Division. Upon consummation of the transaction, the Company became a direct owned subsidiary of American Enterprise Group, Inc. ("AEG").

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 47 states and the District of Columbia. Its primary lines of business are Medicare supplement, dental, vision, hearing, and hospital indemnity policies written through an independent agency network. The Company cedes one-hundred percent of written premiums to its parent 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 except one (1) complaint which was delayed due to an internal operational error for 38 days; however once received, the complaint was addressed within 24 hours.

### Underwriting

Examiners reviewed the underwriting procedures, guidelines, and rating practices for reasonableness and to ensure adherence to underwriting standards. Examiners reviewed a sample of Life and 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

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Iowa Insurance Division  
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