

MARKET CONDUCT  
EXAMINATION REPORT OF  
MEDICO LIFE AND HEALTH 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 LIFE AND HEALTH 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. Medico Life and Health Insurance Company, hereinafter referred to as the “Company”, was last examined as of December 31, 2015, by examiners of the Iowa Insurance Division (“Division”).

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

SCOPE OF EXAMINATION

The risk-focused, market conduct examination covers the intervening 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

Effective August 1, 2013, Lincoln Republic Insurance Company (formerly, Lincoln Mutual Life and Casualty Insurance Company) became a part of the American Enterprise Mutual Holding Company (“AEMHC”) system and through an agreement; the company became a stock life insurance company, as permitted by the North Dakota mutual insurance company reorganization act, N.D.C.C Chapter 26.1-12.1 (the Reorganization). Under the Reorganization,

all of the shares of the Company were contributed to American Enterprise Group, Inc. (“AEG”), an intermediate stock holding company and wholly owned subsidiary of AEMHC.

Effective July 1, 2015, the company was re-domesticated from North Dakota to Iowa, and its name was changed to Medico Life and Health Insurance Company, which is now a directly owned subsidiary of AEG and an indirectly owned subsidiary of AEMHC.

### TERRITORY AND PLAN OF OPERATION

The Company is licensed to write business in 21 states. The Company offers primarily Medicare supplement insurance. The Company has an older block of individual and group life and accident and health insurance business that is in run-off. Except for reinsurance agreements in place with various reinsurers covering its closed block of life business, the Company cedes one-hundred percent of written premiums to its parent ARIC.

### TREATMENT OF POLICYHOLDERS

#### Claim Practices

The Company has an older block of individual and group life and accident and health insurance business that is in run-off. Due to the number of policies being immaterial, Examiner passed on claim sampling. No concerns were noted with the Company's policies and procedures, nor complaint trends related to this block.

#### 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 \_\_\_\_\_  
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Iowa Insurance Division  
State of Iowa