

MARKET CONDUCT  
EXAMINATION REPORT OF  
UNITED LIFE INSURANCE COMPANY  
CEDAR RAPIDS, IOWA  
AS OF DECEMBER 31, 2018

Cedar Rapids, Iowa  
February 15, 2020

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 marketing practices of

UNITED LIFE INSURANCE COMPANY

CEDAR RAPIDS, IOWA

AS OF DECEMBER 31, 2018

at its Home Office, 118 Second Avenue SE, Cedar Rapids, 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 non-complying practices may not have been identified. The failure to identify specific company practices does not constitute acceptance of these practices.

#### SCOPE OF EXAMINATION

This risk-focused, market conduct examination of United Life Insurance Company, hereinafter referred to as the Company, covers the period from January 1, 2014 through December 31, 2018. The risk-focused examination reviews the Company's internal policies, procedures, and control structures for compliance with applicable Iowa statutes and administrative rules. The examination then focuses on the Company's compliance with those policies, procedures, and control structures.

This Report of Examination reflects the examination of the Company's activities with Iowa consumers.

#### HISTORY

The Company was organized on May 8, 1962, under Chapters 491 and 508, Code of Iowa, for the purpose of engaging in the business of a stock legal reserve life insurance company. Authorization was also obtained at this time to write accident and health insurance. The original Articles of Incorporation provided for authorized capital stock in the amount of \$1,000,000 divided into 100,000 shares of common stock with a par value of \$10 per share. The corporate existence is perpetual.

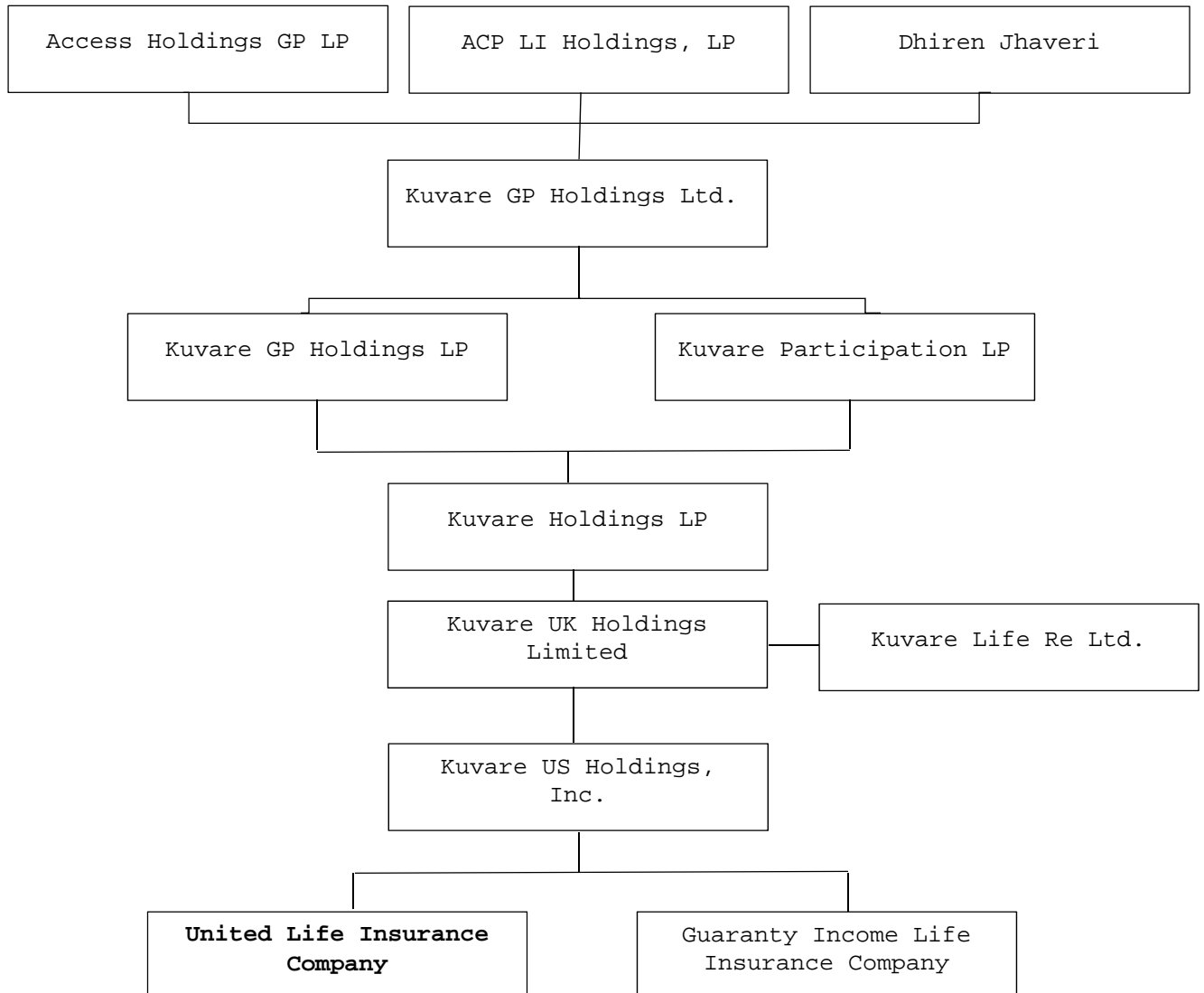
On September 18, 2017, United Fire & Casualty signed a definitive agreement to sell the Company to Kuvare US Holdings, Inc.. The sale closed on March 30, 2018, after regulatory approval.

INSURANCE HOLDING COMPANY SYSTEM

United Life Insurance Company is a subsidiary of Kuvare US Holdings, Inc. The Company's acquisition by Kuvare US Holdings was finalized on March 30, 2018. United Life is 100% owned by Kuvare US Holdings, Inc.

Kuvare US Holdings is based in Chicago, and was organized in September of 2015. Kuvare Holdings LP is funded by Altamont Capital Partners, Makena Capital Management, and Access Holdings.

An organizational chart identifying the Holding Company System as of December 31, 2018 follows:



TERRITORY AND PLAN OF OPERATION

The Company holds certificates of authority and is authorized to transact business in the following 37 jurisdictions, in 2018:

Alabama	Iowa	Montana	Pennsylvania
Arizona	Kansas	Nebraska	South Dakota
Arkansas	Kentucky	Nevada	Tennessee
California	Louisiana	New Jersey	Texas
Colorado	Maryland	New Mexico	Utah
Delaware	Michigan	North Carolina	Virginia
Florida	Minnesota	North Dakota	West Virginia
Idaho	Mississippi	Ohio	Wisconsin
Illinois	Missouri	Oklahoma	Wyoming
Indiana			

The Company's products include universal life, traditional life, single premium whole life, deferred annuity, and single pay immediate annuity. The products are distributed primarily through independent agents, banks, and brokers.

In 2018, 71.6 percent of premium was written in five states: Iowa, Wisconsin, Minnesota, Illinois, and Nebraska.

PRODUCER LICENSING AND APPOINTMENTS

The Examiners reviewed the Company's onboarding, appointment, termination and license monitoring procedures. It appeared all policies and procedures were in compliance with state statutes and regulations.

MARKETING AND SALES

The Examiners reviewed the Company's advertising policies and procedures, producer education and training requirements, and social media policies, procedures and controls. The Company does not have a documented process overseeing marketing and advertising materials.

Annuity Suitability

The Examiners reviewed the Company's suitability policies, procedures, supporting documentation, and conducted interviews of the Company's management personnel knowledgeable of the Company's suitability review and system of supervision process, practices and procedures. The Company is working to improve the suitability supervision system.

The Company does not require Iowa-specific Index Annuity training as required by Iowa Administrative Code 191-15.80.

## TREATMENT OF POLICYHOLDERS

### Claim Practices

The Examiners reviewed the Company's claim handling policies and procedures. The Examiners reviewed a sample of 115 claims to verify timeliness of settlement, accuracy of payments, and adherence to claim policies and procedures. It appeared all procedures were in compliance with applicable statutes and regulations.

### Complaints

The Examiners reviewed the Company's complaint register and complaint handling process. The Company's complaint handling procedures are not formally documented, but are routed to one individual at the Company for review. To ensure the Company is appropriately logging complaints, the Examiners reconciled the Iowa Insurance Division's complaint list to the Company's complaint register without exception. The Examiners pulled a sample of complaints received by the Company during the Examination Period to determine if the Company provided complete responses and took appropriate actions to address the complaint matters. The complaint register and samples were determined to be in compliance with Iowa Code statutes and regulations.

### Underwriting Practices

The Examiners reviewed the Company's underwriting policies and procedures. The Examiners reviewed a sample of 125 underwriting applications to ensure the underwriting files contained supporting documentation that supported the underwriting decision within reasonable timeframes. It appeared all 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 Company during this examination.

In addition to the undersigned, the following Iowa Insurance Division examiners participated in the examination and preparation of this report:

Jeff Payne, CFE  
Bob Wong, CFE, CISA  
Bouavan Kha  
Randy Guzman  
Jan Jones  
Jean Yohnke

Respectfully submitted,

    /s/ Lindsay Bates      
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Market Exam Specialist  
Iowa Insurance Division