

MARKET CONDUCT
EXAMINATION REPORT OF
EMC NATIONAL LIFE COMPANY
DES MOINES, IOWA
AS OF DECEMBER 31, 2023

Des Moines, Iowa
July 30, 2025

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

EMC NATIONAL LIFE COMPANY

WEST DES MOINES, IOWA

AS OF DECEMBER 31, 2023

with its headquarters at 699 Walnut Street Suite 1100, 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 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 EMC National Life Company, herein referred to as the "Company", covers the period from January 1, 2019, to the close of business on December 31, 2023, including any material transactions and events occurring and noted subsequent to the examination period. EMC National Life Company was previously examined as of 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 examination report primarily reflects the Company's transactions and activities with Iowa consumers.

HISTORY

The Company was incorporated as a legal reserve, stock life insurance company with perpetual existence on August 1, 1962, under the name of Employers Life Company. The name Employers Modern Life Company was adopted by amendment to the Articles of Incorporation on January 3, 1964.

Employers Mutual Casualty company purchased all 250,000 outstanding common shares, effective December 31, 1991, from EMC Insurance Group for \$15,500,000 and became the Company's sole shareholder.

On March 10, 1998, at the annual meeting of the stockholders, the stockholders agreed to sell 25 percent of the shares of stock of the Company to Hamilton Mutual Insurance Company of Cincinnati, Ohio.

On March 12, 2003, the Board of Directors of National Travelers Life Mutual Holding Company (NTLMHC), National Travelers Life Company (NTL), Employers Modern Life Company (EML), Employers Mutual Casualty Company (EMCC), and Hamilton Mutual Insurance Company (HMIC), unanimously approved an Agreement and Plan of Merger. The merger combined NTL with EML with the surviving entity called EMC National Life Company. NTLMHC remains a mutual holding company and continues to operate independently but was renamed EMC National Life Mutual Holding Company (MHC). IN the merger, NTLMHC's wholly owned subsidiary, National Travelers Company (an Iowa Stock Company) changed names to EMC National Company. As a result of the merger, EMC National Company has 51% of the voting control of EMC National Life Company, EMCC has 36.75% and HMIC has 12.25%. The merger was effective July 1, 2003.

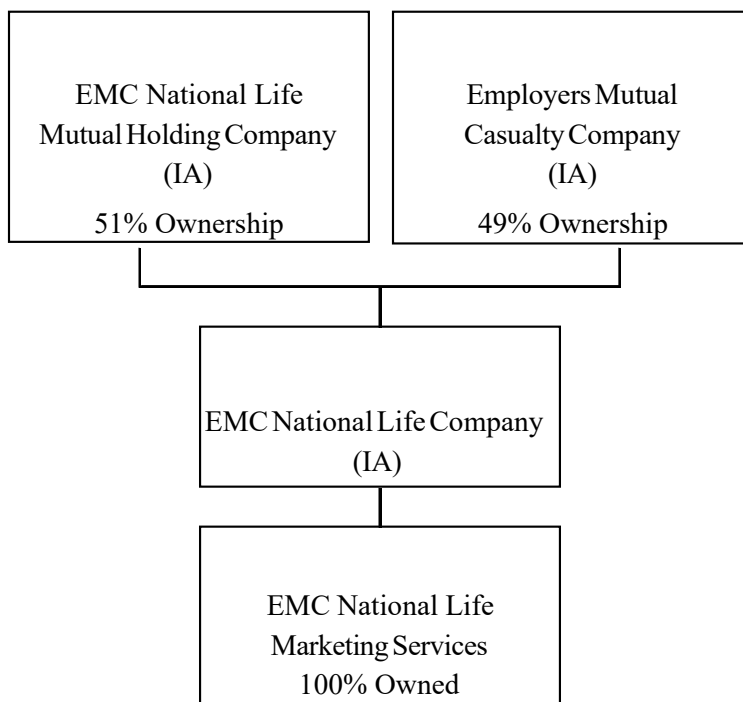
During 2008, EMCC acquired HMIC's 12.25% interest in the class A common stock and its 25% interest in the class B common stock of EMC National Life Company.

On May 14, 2009, the Board of Directors approved the dissolution of EMC National Company. As a result of the dissolution, MHC has 51% of the voting control of EMC National Life Company and EMCC has 49%.

INSURANCE HOLDING COMPANY SYSTEM

The Company is a member of a Holding Company System as defined by Chapter 521A, Code of Iowa. MHC is the ultimate controlling person for the group. An Insurance Holding Company System Registration Statement was filed with the Iowa Insurance Division for each year of the examination period.

An abbreviated organizational chart identifying the Companies within the Holding Company System follows:



TERRITORY AND PLAN OF OPERATION

The Company is authorized to transact business in the District of Columbia and all states except for New Jersey and New York.

The Company sells individual life, individual annuity, workplace life, and group term life insurance products through independent agents.

TREATMENT OF POLICYHOLDERS

Claim Practices

The Examiner reviewed the Company's claim handling policies and procedures. The Examiner sampled 49 paid claims and 10 denied claims from the Company to verify timeliness of settlement, accuracy of payments, and adherence to claim policies and procedures. Of the 49 paid claims sampled, 5 paid claims were not acknowledged within 5 business days and 2 claims were not processed and paid timely in accordance with Company standards. The Company agrees these claims did not meet their timeliness standards and will reinforce expectations with the claims staff to prevent a recurrence. All 10 denied claims were handled in accordance with policies and procedures.

Complaints

The Examiner reviewed the complaint register and complaint handling process. The Company complaint register was determined to be in compliance with applicable statutes and regulations. The Examiner reviewed a sample of 4 complaints filed against the Company received during the examination period and reviewed them for compliance with the Company's own policies and Iowa standards. The Examiner noted there were no issues or concerns with complaint handling.

Underwriting

The Examiner reviewed the Company's underwriting guidelines, policies, procedures, and rating practices for reasonableness and to ensure adherence to underwriting standards. The Examiners reviewed a sample of 17 policies and 30 declined applications to verify the Company was in compliance with underwriting guidelines and declinations were handled appropriately according to Iowa standards. All samples tested were determined to follow underwriting guidelines and were in compliance with applicable statutes and regulations.

PRODUCER LICENSING

The Examiner reviewed the Company's producer licensing policies and procedures. The Examiner reconciled and verified the Iowa Insurance Division's listing of licensed and appointed agents and terminated agents to the Company's records. The Examiner determined that the Company licensing policies, procedures and records were in compliance with applicable statutes and regulations.

MARKETING AND SALES

The Examiner reviewed the advertising log, advertising materials, and pulled a sample of advertising materials for evidence of review and approval. The advertising materials were appropriately documented and appeared to follow the Company's guidelines. The Examiner determined that the Company is 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, Aaron Syverson, Financial Examiner with the Iowa Insurance Division examiners participated in the examination and preparation of this report.

Respectfully submitted,

/s/ Will Speicher
Will Speicher, CPCU
Market Conduct Coordinator
Iowa Insurance Division
State of Iowa