

**BEFORE THE INSURANCE COMMISSIONER
FOR THE STATE OF DELAWARE**

IN THE MATTER OF:)
)
BANKERS LIFE AND CASUALTY)
INSURANCE COMPANY)
) **DOCKET NO. 3090-2016**
NAIC #61263)
)
111 East Wacker Drive, Suite 2100)
Chicago, IL 60601-4508)

STIPULATION AND CONSENT ORDER

THIS STIPULATION AND CONSENT ORDER is entered into as of
27th of APRIL, 2016, by and between Bankers Life and Casualty Insurance
Company (the “Respondent”) and the State of Delaware Department of Insurance
 (“Department”). The Respondent and the Department are collectively referred to herein as the
 “Parties.”

WHEREAS, Respondent is a life and health insurance company incorporated under
 Illinois law and authorized to conduct the business of insurance in the State of Delaware; and

WHEREAS, the Department, through its examiners, conducted a target market conduct
 examination (“Examination”) of Respondent’s affairs and practices as of October 31, 2013; and

WHEREAS, the Department, through its examiners, prepared and provided to
 Respondent for review and comments draft versions of a report of the Examination; and

WHEREAS, Respondent has reviewed and commented on such draft versions of the
 report of the Examination; and

WHEREAS, after considering Respondent's comments, the Department, through its examiners, has prepared a final report of the Examination, dated as of October 31, 2013 ("Final Examination Report"); and

WHEREAS, among other findings contained in the Final Examination Report, the Department concluded that the Respondent's practices and procedures did not comply with (i) 18 *Del. C.* § 2304(17), in that it failed to maintain a complete record of all complaints it had received since the date of its last examination; (ii) 18 *Del. C.* § 320(c), in that it failed to retain and provide information relating to the subject of the examination; (iii) 18 *Del. Admin. Code* § 1401-24.1.6, in that it failed to provide long-term care policyholders with written information about the State's ElderInfo Program, including the Department's physical address; (iv) 18 *Del. Admin. Code* § 902-1.2.1.2, in that it failed to acknowledge and respond within 15 working days, upon receipt, to communications with respect to claims by insureds arising under insurance policies; (v) 18 *Del. Admin. Code* § 902-1.2.1.3., in that it failed to implement prompt investigation of claims within 10 working days upon receipt of the notice of loss; and (vi) 18 *Del. Admin. Code* § 902-1.2.1.5., in that it failed to either affirm or deny a claim in writing within 30 days after receipt of proof of loss statements (collectively hereinafter the "Notice Violations"); and

WHEREAS, after communications with the Department, Respondent desires to resolve this matter without recourse to any administrative hearing or court action (such as an appeal).

NOW, THEREFORE, IT IS AGREED, by and between Respondent and the Department as follows:

1. Respondent accepts the Final Examination Report, waives any right to a hearing thereon, and agrees that the Department may file the Final Examination Report without any further modifications.

2. Upon its execution of this Stipulation and Consent Order, Respondent shall pay to the Department an administrative penalty for the Notice Violations in the amount of Fifty-Five Thousand Five Hundred Dollars (\$55,500.00). Respondent shall make its check for the administrative penalty payable to the "State of Delaware."

3. Respondent waives any right to challenge in an administrative or court proceeding any of the terms and conditions of this Stipulation and Consent Order.

4. This Stipulation and Consent Order is the free and voluntary act of the Respondent, and its terms are binding upon the Respondent and may be admitted into evidence in any judicial or administrative proceeding against the Respondent to enforce such terms. Respondent acknowledges that it has had a full opportunity to seek and receive advice of counsel on all matters related to this Stipulation and Consent Order.

5. This Stipulation and Consent Order contains all of the terms and conditions agreed to by the parties and constitutes the final agreement between the Respondent and the Department.

6. No change, amendment, or modification hereto shall be effective or binding unless it is in writing, dated, and signed by the parties.

7. If the Department fails to act on any one or more defaults by the Respondent, such failure to act shall not be a waiver of any rights hereunder on the part of the Department to declare the Respondent in default and to take such action as may be permitted by this Stipulation and Consent Order or by law.

8. This Stipulation and Consent Order may be signed in duplicate, and both documents shall be considered originals. The person executing this Stipulation and Consent Order on behalf of Respondent shall acknowledge his or her signature before a Notary Public and, by executing this Stipulation and Consent Order, certifies that he or she is duly authorized to execute this Stipulation and Consent Order on behalf of Respondent. Respondent agrees that an uncertified copy of this Stipulation and Consent Order shall be valid as evidence in any proceeding for purposes of enforcement.

9. This Stipulation and Consent Order shall survive the Respondent and be enforceable against its successors, transferors, or assigns.

[Signature Page Follows]

