

**REPORT OF EXAMINATION**  
**OF THE**  
**MARKET CONDUCT AFFAIRS**  
**OF**  
**SECURITY PLAN LIFE**  
**INSURANCE COMPANY**

**DONALDSONVILLE, LOUISIANA**

**AS OF**

**December 31, 2003**

**NAIC CODE 60076**

**NAIC ETS EXAM NO. LA071-M25**

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June 25, 2004

Honorable J. Robert Wooley  
Commissioner of Insurance  
P O Box 94214  
Baton Rouge, Louisiana 70804-9214

Sir:

Pursuant to statutory provisions and in compliance with your instructions, a limited market conduct examination has been made of the affairs of the

**SECURITY PLAN LIFE INSURANCE COMPANY**

**205 RAILROAD AVENUE**

**DONALDSONVILLE, LOUISIANA**

as of December 31, 2003 and the report of examination is herewith submitted.

## **FOREWORD**

A market conduct examination was performed of the activities of Security Plan Life Insurance Company from January 1, 2000 through December 31, 2003. The examination was performed by test and all tests applied during the examination are included in this report.

### **PURPOSE AND SCOPE OF MARKET CONDUCT EXAMINATION**

In accordance with **LSA-R.S. 22:1301 D**, the market conduct examination of Security Plan Life Insurance Company, hereinafter referred to as ("Company"), was a limited market conduct examination authorized by the Louisiana Department of Insurance ("Department").

The purpose of this examination was to review compliance by the Company with Louisiana Insurance Laws, Regulations, Directives and the National Association of Insurance Commissioners ("NAIC") Guidelines. The NAIC Guidelines set the standards of conduct for a life insurer and promote a program of fair treatment of policyholders. The *NAIC Market Conduct Examiner's Handbook, Volume I* was used as a measure of compliance.

The ACL Program, a data manipulation program, provided by the Louisiana Department of Insurance was utilized in this examination. Samplings were utilized to test the Company's records and procedures. The ACL Program was used to automatically generate a random sampling of claims records. "Random" is a theoretical concept meaning that all items in a population or file (before selection) have an equal chance of

appearing in the sampling. In instances in which ACL was not used, a systematic (sequential) sampling of certain company record listings was performed.

Generally, a random or systematic sampling size of Sixty (60) records will be selected for review. A minimum confidence level of ninety-five percent (95%) with a maximum error rate of five percent (5%) will be used for all samples. Based on a review of the sampling's error rate, additional samplings may be required.

The examination included, but was not limited to, the following areas of the Company's operation:

- Company Operations,
- Complaints,
- Producer Licensing & Appointments,
- Marketing and Sales,
- Underwriting and Rating and
- Claims.

## **COMPANY OPERATIONS**

### ***Company History***

The Company was formed on October 26, 1995, as a wholly-owned subsidiary of Loewen Group International, Inc. Prior to March 27, 1996, the Company had no insurance operations. On March 27, 1996, the Company acquired all of the insurance business of SI-SI Insurance Company, formerly Security Industrial Insurance Company, organized May 10, 1948, controlled by Ourso Investment Corporation.

Prior to August 1998, the Company was wholly-owned by Loewen Group International, Inc., a registered insurance holding company domiciled in the state of Delaware. Effective August 1, 1998, Loewen Group International, Inc. contributed its common stock investment in the Company to Mayflower National Life Insurance

Company, whereby the Company became a wholly-owned subsidiary of Mayflower. Mayflower, an Indiana domiciled insurance corporation, is wholly owned by Alderwoods Life Insurance Group, Inc., which is, in turn, wholly owned by Alderwoods Group, Inc.

***Parent, Subsidiaries, and Affiliates***

The following schedule depicts certain affiliations with the Company. Ownership is denoted by indenture.

Alderwoods Group, Inc.  
Alderwoods Life Insurance Group, Inc.  
Mayflower National Life Insurance Company  
Security Plan Life Insurance Company  
Security Plan Agency, Inc.  
Security Plan Fire Insurance Company  
Funeral Service, Inc.  
National Capital Life Insurance Company  
Mayflower Corporate Services, Inc.

***Certificate of Authority***

The Company's Certificate of Authority was reviewed during the examination and was originally issued with an effective date of March 21, 1996 and was amended on April 25, 2003. It authorized the Company to write life, annuities, health and accident and variable life insurance.

***Territory and Plan of Operations***

The Company is a Louisiana domiciled life and health insurance company with licenses to operate in Louisiana and Mississippi, of which almost all of its business is written in Louisiana. The Company principally writes individual life insurance products through its home service marketing distribution system. The Company serves insurance clients by providing a means for funding final expenses. These final expenses primarily consist of funeral and cemetery costs related to the death of a family member.

For the period under examination, the Company's annual statements reflected the following gross premium volume:

<u>YEAR</u>	<u>PREMIUM VOLUME</u>
2000	\$38,057,750
2001	\$37,223,440
2002	\$36,811,981
2003	\$36,490,275

### ***Antifraud Policy***

The Company has a Special Investigation Unit (SIU) that was established to detect and investigate suspected fraudulent activity on life and fire insurance policies and provide for appropriate disposition. The SIU provides fraud education and training at least on a semi-annual basis to personnel integral to the fraud unit.

The fraud detection plan and procedures were reviewed and they seem adequate for handling questionable claims and detecting fraudulent new business.

### ***Privacy Policies and Procedures***

The Company has privacy procedures and a privacy policy in place that complies with federal and state laws. The privacy notice was reviewed and it contains all of the requirements of Regulation 76. The notice is mailed or hand-delivered to each premium payer annually and sent to each premium payer if a policy lapses or becomes paid up. If an application is declined or cancelled, a notice is sent with the refund of the premium.

### **Comments and Recommendations from Previous Reports**

The Louisiana Department of Insurance conducted an examination of the Security Plan Life Insurance Company as of December 31, 1999, but this examination report did not contain any recommendations relating to the Company's market conduct activities.

## COMPLAINT REVIEW

This review was conducted in accordance with the provisions of Louisiana Revised Statute **22:1214(17)** which states as follows:

**"The following are declared to be unfair methods of competition and unfair or deceptive acts or practices in the business of insurance: ...**

**Failure to maintain adequate complaint handling procedures. Failure of any insurer to maintain a complete record of all the complaints that it received since the date of its last examination. This record shall indicate the total number of complaints, their classification by line of insurance, the nature of each complaint, the disposition of each complaint, and the time it took to process each complaint. For purposes of this Paragraph, "complaint" shall mean any written communication primarily expressing a grievance received by the insurer from the Department of Insurance."**

The Company's complaint procedure was reviewed. It seems adequate for handling complaints and for the recording of the complaints and the responses in the AS400 computer system.

The Company complaint register was reviewed. The complaints are entered into a database on the AS400 computer. The company considers the database to be the register. The database contains all of the requirements of the statute except for the total number of complaints. A report listing the complaints is available which does show the total number of complaints per year.

The Department's complaint register contains one hundred forty-one (141) complaints that have been submitted to the Company for investigation. The following table summarizes the complaints for the four (4)-year period under examination by category:

Category	2000	2001	2002	2003
Claims Handling	23	17	12	20
Underwriting	2	1	0	0
Policyholder Service	14	21	11	14
Marketing & Sales	3	2	1	0
Other				
<b>Complaint Total</b>	<b>42</b>	<b>41</b>	<b>24</b>	<b>34</b>

The Company's complaint register did not contain one (1) of these complaints. This is not in compliance with **LSA-R.S. 22:1214 (17)** which is stated above.

It is recommended that the Company implement procedures to ensure that all of the complaints received from the Department are entered in the Company's complaint register.

During the course of the examination, the Company added the missing complaint to the database complaint register. The Company stated that while this complaint had not been entered into the computerized complaint register, it was logged into a manual register maintained by the Company and a full response was made to the Department.

A systematic sample of sixty (60) complaints filed with the Department during the examination period was reviewed and they generally consist of complaints relating to denials of claims, delays in payment of claims, amount of premiums, cash value of policies and claimants unhappy with the settlements received. In all cases, the Company

adequately addressed the issues and either explained its position or resolved the complaint. A summary of the reasons for the complaints follows:

<u>Reason for Complaint</u>	<u>No. of Complaints</u>
Claim Delays	9
Claim Denials	16
Unsatisfactory Settlement	5
Agent Handling	2
Cancellation of Policy	2
Policy Services (premium & refunds)	19
Claims Handling	3
Cash Value of Policy	2
Forged claim check	1
Other (Inquiry from Prudential)	1
Total	<u>60</u>

The Company's response to fourteen (14) complaints was not within the time limit specified in the Department's directives. It is recommended that the Company implement procedures to ensure that they respond to complaints submitted by the Department within the time limits specified in the Department's directives or request an extension to the time limit in writing.

The Company responded that they have established a new procedure whereby all complaints will be routed to one supervisor who will be responsible for ensuring that the responses to the complaints are sent within the time allowed in the Department's directives.

The average response time for the complaints in the sample was twenty-one (21) days.

### **PRODUCER REVIEW**

The Company's list of appointed producers as of December 31, 2003 contained four hundred thirty-five (435) producers. This list was compared to the Department's list of appointed producers. All of the producers were properly appointed.

During this examination, the Company was reminded of the DOI's Bulletin #99-01 dated June 1, 1999 referencing "Consent for Prohibited Person to engage in Insurance Business". This Bulletin was a notification to all persons and entities engaged in or contemplating being engaged in the business of insurance in this state and that the Louisiana Department of Insurance has enacted guidelines and requirements for granting written consent to engage in the business of insurance for individuals who are considered "prohibited persons" under The Violent Crime Control and Law Enforcement Act of 1994, Title 18 U.S. Code, Sections 1033 and 1034.

The Company believes its procedures for contracting producers are in compliance with the DOI's Bulletin #99-01.

One (1) producer was unlicensed and unappointed. Allowing the producer to sell insurance without a license or appointment after his application for a license was denied is not in compliance with **LSA-R.S. 22:1133 A** which states:

**"No person shall act as or hold himself out to be an insurance producer unless licensed by the Department of Insurance."**

This is also not in compliance with **LSA-R.S. 22:1141 C (1)** which states:

**"The authority to act as a home service life insurance producer shall be granted to an applicant by the commissioner for a time period to commence with the date of certified mailing of the license application by the insurer and shall terminate upon the issue or denial of a permanent license..."**

Further, this is not in compliance with **LSA-R.S. 22:1144 A (1)** which states:

**"An insurance producer shall not act as an agent of an insurer unless the insurance producer becomes an appointed agent of that insurer, except for surplus lines policies placed through licensed surplus lines brokers, surplus lines policies placed with unauthorized insurers by licensed surplus lines brokers, and workers'**

**compensation policies placed with the Louisiana Workers' Compensation Corporation."**

It is recommended that the Company implement procedures to ensure that all producers are properly licensed and appointed in order to be in compliance with the above statutes.

The Company's procedure for recruiting producers was reviewed. It requires an employment application, drug and alcohol testing, a background check, driver's license, auto insurance card and a vehicle inspection report. Choice Point Inc. conducts the background check and provides an MVR report, Social Security Number match, criminal background check and a credit check. Also, the candidate must sign a form stating whether or not he or she has been convicted of any felonies.

The Company provided a list of twenty-five (25) producers that had been terminated during the examination period. Six (6) of those producers were terminated for reasons set forth in **LSA-R.S. 22:1145 B**. The Department had been notified by letter of these terminations. However, the notification letters for five (5) of the producers were not sent out within the fifteen (15) day time period required by statute **LSA-R.S. 22:1145**

**B** which states:

**"An insurer or authorized representative of the insurer that terminates the appointment, employment, contract, or other insurance business relationship with a producer shall notify the commissioner of insurance within fifteen days following the effective date of the termination, in a manner prescribed by the commissioner, if the reason for termination is one of the reasons set forth in R.S. 22:1142, or the insurer has knowledge the producer was found by a court, government body, or self-regulatory organization authorized by law to have engaged in any of the activities specified in R. S. 22:1142. Upon the written request of the commissioner, the insurer shall provide additional information, documents, records, or other data pertaining to the termination or activity of the producer."**

Nineteen (19) of those producers were terminated for other reasons not set forth in **LSA-R.S. 22:1142**. The Department had been notified by letter of these terminations.

However, the notification letters for five (5) of the producers were not sent out within the thirty (30) day time period required by statute **LSA-R.S. 22:1145 A** which states:

**“An insurer or authorized representative of the insurer that terminates the appointment, employment, or contract with a producer for any reason not set forth in R.S. 22:1142, shall notify the commissioner of insurance within thirty days following the effective date of the termination, in a manner prescribed by the commissioner, stating the circumstances of the termination. Upon written request of the commissioner, the insurer shall provide additional information, documents, records, or other data pertaining to the termination.”**

It is recommended that the Company implement procedures to ensure that notification letters are sent out within the time period required by the statute.

A systematic sample of twenty (20) producer files was selected for review. The files contained the application, contract, licensing applications, appointment forms, termination documentation, felony conviction form and employee withholding forms. In one (1) case, the producer contract was signed on January 30, 2003, but the appointment request was not filed until July 9, 2003. This is not in compliance with **LSA-R.S. 22:1144 B (1)** which states:

**“An insurer lawfully authorized to transact business in this state shall appoint as its agent any person or persons holding a license issued under the provisions of this Part. To appoint a producer as its agent, the appointing insurer shall file, in a manner prescribed by the commissioner of insurance, a notice of appointment within fifteen days from the date the agency contract is executed. An insurer may also elect to appoint a producer to all or some insurers within the insurer’s holding company system or group by the filing of a single appointment request.”**

It is recommended that the Company implement procedures to ensure that the appointment request is filed within fifteen (15) days after execution of the contract in order to be in compliance with the above statute.

## **MARKETING AND SALES REVIEW**

The Company does not use any radio, television or other media advertising for its products. It relies on brochures provided to customers by its producers. The brochures provided by the producers were reviewed. All sales brochures appear to be in compliance with applicable statutes.

The Company's Internet website [www.securityplan.com](http://www.securityplan.com) was reviewed. It contains an overview of the various products offered, a company overview, contact information, frequently asked questions, a glossary of terms and a way to make an appointment with an agent. It does not offer the ability for a customer to apply for insurance online.

The Company's Field Operating Manual was reviewed. It contains detailed training information for the producers and includes a rate book, company policies, list of acquired companies, plan code listing, specimen policies and a fire training manual. All producer training materials appear to be in compliance with applicable statutes, rules and regulations.

Several issues of the Company's monthly newsletter *The Key to Success* were reviewed. The newsletters appear to be in compliance with applicable statutes, rules and regulations.

This review was completed without any exceptions.

## **CLAIMS REVIEW**

### ***Claims Walkthrough***

A claims walkthrough was conducted on May 3, 2004. The examiner was accompanied by the claims supervisor. Claims are received by mail and date stamped the same day of receipt with a hand stamp. Claims are received from funeral homes,

producers and customers. The items that must be received to constitute proof of loss are the death certificate, policy or lost policy form and an assignment form or claimant's statement.

***Paid Claims Review***

The Company provided a listing of all paid claims for the period January 1 through December 31, 2003 in an electronic file. This file was analyzed by ACL and various reports were generated.

These ACL reports are based on the actual number of claims processed and include both clean and unclean claims. The following table shows the breakdown of all paid claims processed by type of claim (adjustment entries have been excluded):

**TOTAL CLAIMS PROCESSED**

<u>Type</u>	<u>Number of Claims</u>	<u>Amount</u>
Life Claims	17,131	\$16,457,721
Matured Endowments	47	\$55,828
Disability & Accident & Health	322	\$117,798
Coupons	198	\$12,377
Surrender Benefits & Withdrawals	8,026	\$1,695,167
Total	<u>25,724</u>	<u>\$18,338,891</u>

The following tables show the time it took to process and pay the different types of claims:

**LIFE CLAIMS**

- 86% were paid within 30 days
- 7% were paid within 60 days
- 2% were paid within 90 days
- 1% were paid within 120 days
- 1% were paid within 150 days
- 3% were paid 151 days or later

**MATURED ENDOWMENTS**

100% were paid within 30 days

### **DISABILITY & ACCIDENT & HEALTH CLAIMS**

94% were paid within 30 days  
4% were paid within 60 days  
2% were paid 61 days or later

### **COUPON CLAIMS**

97% were paid within 30 days  
1% were paid within 60 days  
1% were paid within 90 days  
1% were paid within 120 days

### **SURRENDER BENEFITS AND WITHDRAWALS**

91% were paid within 30 days  
5% were paid within 60 days  
1% were paid within 90 days  
1% were paid within 120 days  
2% were paid 121 days or later

#### ***Paid Claims Sample Review***

A random sample of sixty (60) paid claims was selected by ACL from a file provided by the Company of claims from January 1, 2003 to December 31, 2003. The claims were reviewed to determine the payment time from receipt of proof of death. Also, the claims were reviewed to verify that they were paid in accordance with the terms of the policy. A check of beneficiaries was performed to verify that payment was made to the correct person. Several contracts with funeral homes were reviewed to verify that claims were paid in accordance with the terms of the contracts.

It appears that one (1) claim was paid incorrectly. Death occurred within the first two (2) years of the policy and the benefit is limited to one hundred twenty percent

(120%) of the premium paid. The premium was refunded through May 2003 instead of July 2003. The date of death was August 2, 2003. It is recommended that the Company implement procedures to ensure that the benefits are paid in accordance with the terms of the policy. It is also recommended that the additional amount of the benefit be paid to the assigned payee. The Company presented evidence that the additional amount of the benefit was paid to the payee during the examination.

All claims payments in the sample were made within the statutory time limit and were paid in an average of fourteen (14) days after receipt of proof of death.

***Denied Claims Review***

The Company provided a listing of denied and resisted claims for the period January 1, 2001 through December 31, 2003 in an electronic file. The file contained seven hundred fifty-seven (757) claims. ACL was used to analyze the file and summarize the reasons for denial. The results are presented below:

<b><u>Reason for Denial</u></b>	<b><u>No. of Claims</u></b>
Policy lapsed	280
Event not covered	122
Drugs/alcohol involved	82
Death not accidental means	49
Misrepresentation	28
Policy had been surrendered	20
Claim previously paid	19
Claimant's signature in question	18
Insured not in sound health at time of application	14
Not a Security insured	11
Policy not on deceased	9
Other	105
Total	<u>757</u>

### *Denied Claims Sample Review*

A random sample of sixty (60) denied claims was selected by ACL from the file provided by the Company. The files were reviewed to determine the reason for the denial and to review the general handling of the claims. The following table lists the number of claims for each reason:

<u>Reason for Denial</u>	<u>No. of Claims</u>
Loss not covered	19
Drugs/alcohol involved	12
Policy lapsed	10
Death not accidental means	7
Insured not in sound health at time of application	4
Claimant's signature in question	3
Policy surrendered for cash value	2
Claim previously paid	1
Funeral Home refused casket substitution	1
Not a Security insured	1
Total	<u>60</u>

This review was completed without any exceptions.

### *Litigated Claims Review*

A systematic sample of eight (8) litigated claims was selected from a listing provided by the Company. The listing contained both open and closed litigated claims as of December 31, 2003. The sample included three (3) open and five (5) closed claims. The files were reviewed to determine if the Company's claims handling procedures compelled the claimants to institute litigation. No evidence of this was found and the review was completed without any exceptions.

## UNDERWRITING AND RATING REVIEW

### *New Business Review*

The Company provided an electronic file of all policies issued during the period of January 1, 2001 through December 31, 2003. A random sample of sixty (60) policies was selected from this listing using ACL in order to review the application forms, policy forms, timeliness in issuing policies, premium rates charged and a general review of the file. All of the applications were complete and had been signed and dated by both the applicant and the writing producer. Policies were issued in an average of ten (10) days after the applications were completed.

### ***Policy Forms Review***

All forms used by the Company during the examination period were reviewed and all had been properly approved by the Department. However, it was found that twenty-three (23) policy forms in use during the exam period do not have the form number on each page of the policy. This is not in compliance with **LSA-R.S. 22:624 B (9)** which states:

**"B. A policy shall specify and conform to the following:**

**(9) Each such form, including riders and endorsements, shall be identified by a form number in the lower left-hand corner of each page."**

It is recommended that the Company implement procedures to ensure that all policy forms contain the form number on each page as required by the statute.

### ***Writing Producer Review***

The sixty (60) policies in the new business review were reviewed to verify that the writing producers were properly appointed. No exceptions were found.

### ***Rating Review***

A systematic sample of twenty (20) policies was selected from the new business sample. The premium rates on the applications were checked against the Company's rate

manual to determine if the rates had been applied correctly. No discrepancies were found.

### ***Declined Application Review***

A random sample of sixty (60) declined applications was selected for review from an electronic file provided by the Company for the period January 1, 2001 through December 31, 2003. The files were reviewed to determine the reason for declination and to verify that the declinations are not unfairly discriminatory. The reasons for declination are listed in the computer system and in some cases on interview questionnaires attached to the applications. In two (2) cases, the applications were cancelled by the agent but no reason for the cancellation was given. It is recommended that more complete and descriptive reasons for canceling applications should be listed in the files or computer system in these cases.

## **UNIFORM DISPOSITION OF PROPERTY ACT REVIEW**

Effective July 10, 1997, Act 809 of the 1997 Regular Legislative Session requires all companies, including life insurance companies, to file a report by November 1 each year of unclaimed property in its possession.

The Company has made only one filing during the period under examination which was in November 2003. After the acquisition of the Company by the Loewen Group, Inc. in March 1996, it was discovered that the Company had not filed any unclaimed property since its inception in 1948. The 2003 filing was made under the State of Louisiana Tax Amnesty program.

The Company stated that approximately two and one (2 ½) half years prior to the 2003 filing, the Company began preparing the data required for this filing. The project was quite cumbersome due to the fact that the Company had acquired policies from over one hundred (100) different insurance companies and the information in the computer system was not adequate to calculate the attained age of each insured. This required much manual processing.

This is not in compliance with the Uniform Disposition of Unclaimed Property Act, **LSA-R.S. 9:151-181**. It is recommended that the Company begin annual filings of the Unclaimed Property Report in order to be in compliance with the above statute.

The Company responded that they have achieved full compliance with its filing in November 2003 and that programming and procedures are in place for continued compliance.

## **COMMENTS AND RECOMMENDATIONS**

### **COMPLAINT REVIEW**

The Company's complaint register did not contain one (1) of the complaints that had been filed with the Department. This is not in compliance with **LSA-R.S. 22:1214 (17)**. It is recommended that the Company implement procedures to ensure that all of the complaints received from the Department are entered in the Company's complaint register.

The Company's response to fourteen (14) complaints was not within the time limit specified in the Department's directives. It is recommended that the Company implement procedures to ensure that they respond to complaints submitted by the Department within

the time limits specified in the Department's directives or request an extension to the time limit in writing.

### **PRODUCER REVIEW**

One (1) producer was unlicensed and unappointed. Allowing the producer to sell insurance without a license or appointment is not in compliance with **LSA-R.S. 22:1133 A** , **LSA-R.S. 22:1141 C (1)**, and **LSA-R.S. 22:1144 A (1)**. It is recommended that the Company implement procedures to ensure that all producers are properly licensed and appointed in order to be in compliance with the above statutes.

The notification letters for five (5) of the producers that the Company terminated for cause were not sent out within the fifteen (15) day time period required by statute **LSA-R.S. 22:1145 B**.

The notification letters for five (5) of the producers that the Company terminated were not sent out within the thirty (30) day time period required by statute **LSA-R.S. 22:1145 A**.

It is recommended that the Company implement procedures to ensure that notification letters are sent out within the time period required by the statute.

During the review of producer files it was found that in one (1) case the producer contract was signed on January 30, 2003, but the appointment request was not filed until July 9, 2003. This is not in compliance with **LSA-R.S. 22:1144 B (1)**. It is recommended that the Company implement procedures to ensure that the appointment request is filed within fifteen (15) days after execution of the contract in order to be in compliance with the above statute.

### **CLAIMS REVIEW**

It appears that one (1) claim was paid incorrectly. Death occurred within the first two (2) years of the policy and the benefit is limited to one hundred twenty percent (120%) of the premium paid. The premium paid was calculated incorrectly. It is recommended that the Company implement procedures to ensure that the benefits are paid in accordance with the terms of the policy. It is also recommended that the additional amount of the benefit be paid to the assigned payee. The Company has paid the additional amount to the payee.

#### **UNDERWRITING REVIEW**

It was found that twenty-three (23) policy forms in use during the exam period do not have the form number on each page of the policy. This is not in compliance with **LSA-R.S. 22:624 B (9)**. It is recommended that the Company implement procedures to ensure that all policy forms contain the form number on each page as required by the statute.

During the review of declined applications, it was found that in two (2) cases the applications were cancelled by the agent but no reason for the cancellation was given. It is recommended that more complete and descriptive reasons for canceling applications should be listed in the files or computer system in these cases.

#### **UNIFORM DISPOSITION OF PROPERTY ACT REVIEW**

The Company has made only one filing during the period under examination, which was in November 2003. This is not in compliance with the Uniform Disposition of Unclaimed Property Act, **LSA-R.S. 9:151-181**. It is recommended that the Company begin annual filings of the Unclaimed Property Report in order to be in compliance with the above statute.

The Company responded that they have achieved full compliance with its filing in November 2003 and that programming and procedures are in place for continued compliance.

## **CONCLUSION**

I, Richard S. Robison, do solemnly swear and affirm that I am an examiner for the Commissioner of Insurance of the State of Louisiana and that as such I was assigned to conduct an examination of the market conduct activities of

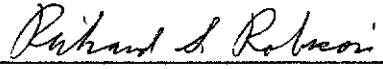
### **SECURITY PLAN LIFE INSURANCE COMPANY**

### **DONALDSONVILLE, LOUISIANA**

That I made such examination and the above and foregoing is a true and correct copy of my report of such company and the same is true and correct to the best of my knowledge, information and belief.

I would like to acknowledge the courteous cooperation of the Company's Officers and Employees.

Respectfully submitted,

  
**Richard S. Robison**  
Louisiana Department of Insurance