



LOUISIANA DEPARTMENT OF INSURANCE

JAMES J. DONELON
COMMISSIONER

NOTICE OF VIOLATIONS AND COMMISSIONER'S ACTIONS

March 28, 2017

Certified Mail: 7011 2000 0002 0449 2631

TO: William D. Fritts, Jr.
Executive Vice President,
Government Relations
CNO Financial Group, Inc.
11825 N. Pennsylvania Street
Carmel, IN 46032

LDI No: 288 License No.: 61263
Louisiana Department of Insurance

WHEREAS, IT HAS COME TO MY ATTENTION, as Commissioner of Insurance (Commissioner) of the Louisiana Department of Insurance (LDI), that Bankers Life and Casualty Company has violated certain provisions of the Louisiana Insurance Code, Title 22, La. R.S. 22:1 et seq. As used hereinafter, "you" and "your" refer to Bankers Life and Casualty Company. Accordingly, pursuant to the power and authority vested in me as Commissioner, I issue this Notice of Violations and Commissioner's Action based on the following, to wit:

1.

Bankers Life and Casualty Company (hereafter "Bankers") is an admitted insurer (LDI No. 288; License No. 61263) in the state of Louisiana.

2.

On June 8, 2007, Bankers submitted a request for consideration and approval, LDI filing #2072432/ SERFF Tracking # BNLB-125200904, requesting approval for rate increases, on individual long term care policies, from 0% up to 40% varying by age and benefits.

3.

On June 29, 2007, the Commissioner issued a SERFF Disposition letter in response to Bankers' request for approval of rate increases notifying Bankers that the rate increase request was approved up to a maximum increase of 25%, rather than the 40% rate increase submitted for approval.

4.

On December 20, 2012, Bankers again submitted a request for consideration and approval, LDI filing #292128/ SERFF Tracking # BNLB-128822661, requesting approval of a uniform 30% rate increase on individual long term care policies issued by the company.

5.

On August 7, 2013, the Commissioner issued a SERFF Disposition letter in response to Bankers' request for approval of rate increases notifying Bankers that the rate increase request was approved up to a 25% rate increase, rather than the 30% rate increase submitted for approval.

6.

During September of 2014, while researching Bankers' rate increase history in connection with a third request by Bankers for approval of a rate increase on its individual long term care polices, rate implementation errors were discovered.

7.

An investigation into Bankers' rate increase and implementation history confirmed that Bankers implemented its year 2007 rate increase as filed, rather than as approved with the 25% maximum increase and circumscribed by the Commissioner in his June 29, 2007 SERFF Disposition letter directed to the company.

8.

Additionally, it was determined that Bankers implemented its year 2013 rate increase at a 30% increase on policy premiums, rather than at 25% increase as circumscribed by the Commissioner in his August 7, 2013 SERFF Disposition letter directed to the company.

VIOLATIONS OF LAW

9.

You violated La. R.S. 22:1191 and LDI Regulation 46, specifically, La. Admin. Code 37:XIII.1959 promulgated in accordance with La. R.S. 22:1189

La. R.S. 22:1191 and Regulation 46: by putting into force higher rates, on long term care policies, than were authorized by the Commissioner in your rate filings submitted to the Commissioner for consideration and approval for the years 2007 and 2013.

COMMISSIONER'S ACTIONS

7.

Pursuant to La. R.S. 22:1191, the Louisiana Department of Insurance hereby notifies you, Bankers Life and Casualty Company, that you are hereby fined **Ten Thousand (\$10,000.00) Dollars.**

8.

You have the right to appeal this Notice and to be granted an administrative hearing before the Division of Administrative Law. If you wish to appeal, you must make a written demand for an appeal within thirty (30) days from the date you receive this Notice. Failure to file a written demand for an appeal within thirty (30) days from the date you receive this Notice will preclude your right to an administrative hearing before the Division of Administrative Law and the action Noticed herein will become effective. Pursuant to LSA-R.S. 22:2191(B), your written demand for an appeal (1) shall reference the particular sections of the statutes and rules involved, (2) shall provide a short and plain statement of the matters asserted for review, and (3) shall attach a copy of the order or decision that you are appealing. Your written demand for an appeal shall be filed with BOTH the Division of Administrative Law and the Louisiana Department of Insurance at the addresses below:

*Division of Administrative Law
Attn: Clerk of Court
P. O. Box 44033
Baton Rouge, LA 70804-4033*

*Telephone: (225) 342-1800
Fax: (225) 342-1812*

*File in Person at:
1020 Florida Street
Baton Rouge, LA 70802*

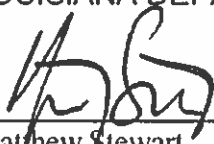
*Louisiana Department of Insurance
Attn: Arlene D. Knighten, Exec Counsel
P. O. Box 94214
Baton Rouge, LA 70804-9214*

*Telephone: (225) 342-4673
Fax: (225) 342-1632*

*File in Person at:
1702 N. Third Street
Baton Rouge, LA 70802*

JAMES J. DONELON
COMMISSIONER OF INSURANCE
LOUISIANA DEPARTMENT OF INSURANCE

BY:



Matthew Stewart
Deputy Commissioner
Fraud & Enforcement
P. O. Box 94214
Baton Rouge, LA 70804-9214
Telephone: (225)219-5819
Fax: (225) 342-7393

CERTIFICATE OF SERVICE

I hereby certify that I have served the Notice of Violations and Commissioner's Action upon Bankers Life and Casualty Company by placing a copy in the United States Mail, postage prepaid and properly addressed, this 28th day of March, 2017.

Dominique Jones
Printed Name


Signature