

**STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
INSURANCE DIVISION**

In the Matter of **Bankers Life and Casualty Company**) **STIPULATION** and
) **FINAL ORDER**
) Case No. INS 10-05-002

STIPULATION

The Director of the Oregon Department of Consumer and Business Services (director) commenced this administrative proceeding, pursuant to Oregon Revised Statutes (ORS) 731.256, to take enforcement action against Bankers Life and Casualty Company (Bankers Life).

Bankers Life desires to conclude this proceeding without a hearing by entering into this stipulation pursuant to ORS 183.417(3).

Bankers Life waives all rights relative to an administrative hearing and judicial review thereof.

Bankers Life stipulates to the following facts, conclusions, action, and to the issuance of a final order incorporating this stipulation.

Facts and Conclusions

Licensing Information

Bankers Life has been licensed in Oregon as a foreign insurer since 12/16/52. Bankers Life's last recorded principal business address is located in Carmel, Indiana.

Violated Order of the Director

Bankers Life is subject to enforcement action pursuant to ORS 731.418(1)(a) because of the following circumstances. ORS 731.418(1)(a) prohibits an insurer from violating or failing to comply with, among other things, any lawful order of the director. On 10/30/08, the director issued an order, case number INS 08-10-004, requiring Bankers Life to, among other things, review a second time, using Bankers Life's elevated review processes and criteria, all annuity applications that exceed certain criteria but the local branch manager recommends be issued. From 7/1/09

to 12/31/09, Bankers Life received 25 annuity applications that should have been, but were not, reviewed a second time. Bankers Life notified the director of the failure to review the applications a second time.

Action

Pursuant to ORS 731.988(1), Bankers Life is assessed a civil penalty of \$25,000. The payment shall be made in the form of a check payable to the "Department of Consumer and Business Services" for the full amount due. The payment shall be delivered or mailed to the Insurance Division at the Labor and Industries Building, 350 Winter Street NE Room 300, Salem, Oregon 97301-3880; or mailed to the Insurance Division at PO Box 14480, Salem, OR 97309-0405. The payment shall be *received* by the Insurance Division by the date of the final order.

Dated June 8, 2010

/s/ Jim Valdez
[Signature of Representative]
Jim Valdez
[Printed Name of Representative]
Associate General Counsel
[Printed Title of Representative]
Bankers Life and Casualty Company

FINAL ORDER

The director incorporates herein the above stipulation, adopts it as the director's final decision in this proceeding, and orders that the action stated therein be taken.

Dated June 24, 2010

/s/ Cory Streisinger
Cory Streisinger
Director
Department of Consumer and Business Services

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