

**STATE OF MAINE
DEPARTMENT OF PROFESSIONAL AND FINANCIAL REGULATION
BUREAU OF INSURANCE**

In re:

**BANKERS LIFE AND
CASUALTY COMPANY**

CONSENT AGREEMENT

Docket No. INS 05 - 202

This document is a Consent Agreement (hereafter, "Consent Agreement" or "Agreement"), authorized by 10 M.R.S.A. § 8003(5)(B), entered into by and among Bankers Life and Casualty Company (hereafter "Bankers Life"), the Superintendent of the Maine Bureau of Insurance (hereafter "the Superintendent"), and the Office of the Attorney General. Its purpose is to resolve, without resort to an adjudicatory proceeding, failure to comply with the requirements of the Maine Insurance Code as set forth below.

STATEMENT OF FACTS

1. The Superintendent of Insurance is the official charged with administering and enforcing Maine's insurance laws and regulations, and the Bureau of Insurance is the administrative agency with such jurisdiction.
2. Bankers Life and Casualty Company (hereinafter referred to as "Bankers Life") is licensed in Maine as a foreign life and health insurance company, under Maine license number LHF 127 and NAIC company code number 61263. Bankers Life is domiciled in the State of Illinois.
3. Bankers Life operates two branch sales offices in the State of Maine located at the following addresses:
 - 32 Atlantic Place, South Portland, Maine 04106
 - 27 Bangor Mall Boulevard, Bangor, Maine 04401
4. The South Portland branch sales office is managed by Gary Russell Smith, a licensed resident producer of the State of Maine.
5. The Bangor branch sales office is managed by Alan Knowlton, a licensed resident producer of the State of Maine.
6. As of April 4, 2005, Bankers Life had 56 active resident producers appointed to sell Bankers Life products in the State of Maine.
7. From October 1, 2002, through April 4, 2005, Bankers Life terminated the appointments for 204 resident producers licensed in the State of Maine.

8. Between January 1, 2002, and April 11, 2005, the Maine Bureau of Insurance received 70 formal complaints alleging violations of the Maine Insurance Code by resident producers appointed by Bankers Life including Gary Smith and Alan Knowlton. A list of these complaints is attached to this Consent Agreement as Exhibit A.

9. The Maine Bureau of Insurance has not determined the merits of each of the complaints, but the purpose of this Agreement is to resolve general and specific issues concerning the supervision and sales practices of Bankers Life that pertain directly to the company's branch sales offices in South Portland and Bangor, Maine.

10. This Agreement includes, but is not limited to, a settlement as to the company's responsibility under the following Bureau of Insurance administrative petitions, identified as follows:

INS-04-204, *IN RE*: Bankers Life and Casualty Company, Paul A. Landry and Jerold S. Smith;

INS-04-228, *IN RE*: Bankers Life and Casualty Company and Gary R. Smith;

INS-04-229, *IN RE*: Bankers Life and Casualty Company and Mary E. Matarazzo; and

INS-04-2000, *IN RE*: Bankers Life and Casualty Company and Alan D. Knowlton.

11. Nothing in this consent Agreement resolves the responsibility of any appointed producers of Bankers Life, including the above named individuals.

12. In addition to resolving the above referenced petitions as to Bankers Life, this Agreement sets forth a mechanism for resolving all other consumer complaints as to Bankers Life involving the South Portland and Bangor branch offices that have been reported to the Bureau from January 1, 2002 through April 11, 2005. By agreeing to the terms of this Agreement, the Superintendent of Insurance agrees that (A) no further enforcement action against Bankers Life will be taken by the Superintendent for the complaints identified in Exhibit A, and (B) enforcement action for complaints reported to the Bureau in the future for conduct occurring between January 1, 2002 and April 11, 2005 by Bankers Life or any of its licensed producers for which Bankers Life may be responsible shall be limited to restitution, reimbursement of money, payment of interest to the consumer, or a Section 1035 exchange. The provisions of this paragraph do not apply to the Attorney General.

13. Bankers Life shall file with the Superintendent at least 30 days prior to its first regular quarterly meeting with the Superintendent a corrective action plan which includes, among other things, actions to be taken by Bankers Life to institute a new process for responding to and resolving complaints filed with the Maine Bureau of Insurance filed after the date of this Agreement.

APPLICABLE LAW

14. Pursuant to 24-A M.R.S.A. § 2153, no person shall make any statement misrepresenting the terms of any policy or the benefits or advantages promised therein or make any misleading representation or any misrepresentation as to the financial condition of any insurer.

15. Pursuant to 24-A M.R.S.A. § 2154, no person shall make an announcement or statement containing any assertion, representation, or statement with respect to the business of insurance that is untrue, deceptive, or misleading.

16. Pursuant to 24-A M.R.S.A. § 2155, no person shall make or issue, or cause to be made or issued any written or oral statement misrepresenting or making incomplete comparisons as to the terms, conditions, or benefits contained in any policy for the purpose of inducing or attempting or tending to induce the policyholder to lapse, forfeit, surrender, exchange, convert, or otherwise affect or dispose of any insurance policy.

17. Pursuant to 24-A M.R.S.A. § 2156, no person shall make, publish, disseminate, circulate or deliver to any person any false statement of financial condition of an insurer with intent to deceive.

18. Pursuant to 24-A M.R.S.A. § 2157, no person shall make directly or indirectly or aid, abet, or encourage the making of any statement that is false and that is calculated to injure any person engaged in the business of insurance.

19. Pursuant to 24-A M.R.S.A. § 1420-K(1)(H), insurance producers are prohibited from using fraudulent or dishonest practices or demonstrating incompetence or untrustworthiness in the conduct of business.

20. Pursuant to 24-A M.R.S.A. § 1420-K(1)(J), insurance producers are prohibited from forging another's name to an application for insurance or to any document related to an insurance transaction.

21. Pursuant to 24-A M.R.S.A. § 1445(1)(A) an insurer must ensure adequate training for its appointed producers.

22. Pursuant to 24-A M.R.S.A. § 1445(1)(B) an insurer must provide supervision of its appointed producers who sell insurance on its behalf.

23. Pursuant to 24-A M.R.S.A. § 1445(1)(C) an insurer is responsible for injuries to consumers resulting from the actions of its appointed producers to the extent of restitution, reimbursement of money, or payment of interest to the consumer.

24. Pursuant to 24-A M.R.S.A. § 1445(1)(D) an insurer is accountable and may be penalized by the Superintendent for the actions of its producers.

CONCLUSIONS OF LAW

25. Bankers Life has failed to ensure adequate training for its appointed producers and thus violated 24-A M.R.S.A § 1445(1)(A).

26. Bankers Life has failed to provide adequate supervision of its appointed producers who sell insurance on behalf of Bankers Life and thus violated 24-A M.R.S.A. § 1445(1)(B).

27. Pursuant to 24-A M.R.S.A. § 1445(1)(C) Bankers Life is responsible for injuries to consumers resulting from the actions of its appointed producers to the extent of restitution, reimbursement of money, or payment of interest to the consumer including facilitating a Section 1035 exchange, to be determined in accordance with Paragraphs 45 and 46 of this Consent Agreement.

28. Pursuant to 24-A M.R.S.A. § 1445(1)(D) and based upon the facts alleged in the above-referenced Petitions for Enforcement, docket numbers INS 04-204, INS 04-228, INS 04-229, and INS 04-2000, Bankers Life is accountable and may be penalized by the Superintendent for actions by its appointed producers that violate any provision of the Maine Insurance Code.

COVENANTS

29. No later than May 15, 2005, pursuant to 10 M.R.S.A. § 8003 (5), 24-A M.R.S.A. § 12-A, and as a penalty for violations of law enumerated in paragraphs 25 through 28 above, Bankers Life shall remit to the Superintendent a civil penalty in the amount of Four Hundred Thousand Dollars (\$400,000.00), payable to the Treasurer of the State of Maine.

30. Over the course of the next two years Bankers Life shall invest \$100,000 in organizations and initiatives which benefit senior citizens in the State of Maine. Bankers Life shall have discretion as to how the funds are invested, however, it shall report to the Superintendent on a quarterly basis the investments made in the prior quarter.

31. Bankers Life shall undertake the corrective and preventive actions with regard to its sales practices in Maine as specified in the following paragraphs.

32. Bankers Life shall ensure that within 14 days of the execution of this Consent Agreement, all of its current Maine producers, including branch and unit sales managers, have successfully completed the following online producer courses available on the Bankers Life Learning Network:

Generic Online Product Courses

- Life Insurance (The National Underwriter)
- Medicare (The National Underwriter)

Bankers Life Proprietary Online Courses

- Bankers' Security Builder Annuities

- Bankers' Home Health Care Products
- Bankers' Long Term Care Essential Products
- Bankers' Long Term Care Comprehensive Products
- Bankers' Field Underwriting

Bankers Life shall ensure that all of its producers appointed to sell products in the State of Maine have successfully completed the above courses prior to commencing producer activities on behalf of Bankers Life. Should any producer fail to successfully complete all of the specified training, Bankers Life shall not allow such producer to remain actively engaged in producer activities on behalf of Bankers Life until he or she successfully completes the training. Bankers Life shall document the completion of said courses using Bankers Life training form #14805 and shall require signatures of both attendee and facilitator or trainer.

33. All producers appointed by and managers employed by Bankers Life as of the date of this Agreement shall successfully complete Suitability, Replacement and Disclosure training as well as training on relationship between Bankers Life, its ultimate parent company and its affiliates, especially its affiliates that are insurance companies, facilitated by personnel from Bankers Life home office training department and the Regional Director for Bankers Life. Bankers Life shall file the curriculum for this training for approval by the Superintendent of Insurance 15 days in advance of the scheduled date for the training. The curriculum for Suitability training shall include specific training on the NAIC model suitability standards.

34. Effective 15 days after the date of this Agreement Bankers Life shall adopt and adhere to the NAIC model suitability form and all standards set forth in the NAIC model suitability rule for all sales in the State of Maine. Such standards and forms shall be provided to the Superintendent. If at any time the Bureau of Insurance adopts different suitability standards, Bankers Life shall take immediate steps to train its branch managers and appointed producers in the new standards.

35. As of the date of this Agreement, the applicable branch managers shall review and approve all suitability forms completed for sales in the State of Maine. Branch managers may approve such a completed form only if the applicable branch manager affirmatively determines that the proposed transaction is suitable.

36. Within 30 days of the date of this Agreement, Bankers Life shall review the hiring and recruiting practices of each branch sales office including advertisements, recruitment materials, and prelicensing training provided to new recruits. Bankers Life shall make changes consistent with ensuring that its producers comply with Maine law. Bankers Life will report its findings and its changes to the Superintendent. Bankers Life shall take all steps necessary to assure that all advertisements accurately reflect the company name and the industry for which persons are being recruited. Further, Bankers Life shall take all steps necessary to assure that all materials provided prospective employees accurately reflect the A.M. Best rating, financial strength, and parent company of Bankers Life.

37. Within 30 days of the date of this Agreement, Bankers Life shall review all telephone scripts utilized or proposed for use by each branch office in Maine. The Bankers Life home office shall ensure that all scripts are modified to the extent necessary to assure that the caller indicates that

Bankers Life is an insurance company, identifies himself or herself as an insurance producer or insurance agent, and explains that the purpose of the call is to solicit or arrange for a meeting to solicit insurance.

38. Within 30 days of the date of this Agreement, Bankers Life shall ensure that all current Maine producers that do not have clearly identified on their business cards the title of “Insurance Agent” or “Insurance Sales Representative” will have ordered and received, through Bankers Life’s approved business card vendor, new business cards identifying either respective title on their cards. Bankers Life shall ensure the destruction of current business cards that do not identify the producer with one of these two titles.

39. Bankers Life shall file with the Superintendent prior to use all modified telephone scripts, business cards, postcards, or other marketing or advertising materials to be used by any Maine producer or branch. Bankers Life shall ensure that all of its appointed producers and branch and unit managers in Maine use only those materials on file with the Bureau and approved by the Bankers Life Home Office.

40. Within 30 days of the date of this Agreement, Bankers Life shall file with the Superintendent a revised complaint handling process that, at a minimum, will identify a regulatory liaison at the Bankers Life Home Office to serve as a contact for the Bureau of Insurance related to any regulatory issues including, but not limited to, consumer complaints. Any such complaint handling process shall include a procedure for independent review of the circumstances giving rise to the complaint; a procedure for ensuring a full investigation by Bankers Life of the facts surrounding the complaint; and a procedure for negotiating a reasonable resolution of valid complaints with the Bureau. The revised complaint handling process will make clear that upon receipt of a consumer complaint from the Bureau, neither Bankers Life nor any of its employees, attorneys, or agents shall contact the consumer directly without the Bureau’s prior approval but, rather, will negotiate a resolution of the complaint through the Bureau.

41. Within 30 days of the date of this Agreement Bankers Life shall contract with an independent auditor approved by the Superintendent to conduct audits of each of its Maine branch sales offices. Bankers Life shall ensure that audits are conducted on a quarterly basis for a period of two full years. These audits shall include, but not be limited to, review of adherence to NAIC suitability standards or such other standards adopted by the Bureau of Insurance subsequent to the date of this Agreement; adherence to Bankers Life Home Office suitability requirements including appropriate completion and approval of suitability forms by both producers and branch and unit managers; review of complaint handling both at the Home Office and at the branch level; review of marketing and sales practices; review of producer licensing and appointments; and completion of all sales documents required by the Home Office, Maine law, and this Consent Agreement. Bankers Life shall file the reports of the quarterly audits with the Superintendent. The substance of the report and any corrective action recommended by the auditor shall be a topic of discussion at the next regularly scheduled quarterly meeting of Bankers Life and the Superintendent.

42. Within 30 days of the date of this Agreement, Bankers Life shall review its appraisal/performance review process for branch and unit managers. Bankers Life shall ensure

that the performance of branch and unit managers is based, in part, upon adherence by branch and unit managers as well as appointed producers to Maine law and regulations. Upon obtaining knowledge that one of its appointed producers or managers has violated Maine law, Bankers Life shall take immediate disciplinary action against the producer or manager and document the action taken. Bankers Life shall notify the Superintendent of any violation of Maine law by any of its managers or producers and the disciplinary action it imposed on the manager or producer.

43. On or before July 30, 2005, and every 3 months thereafter, Bankers Life shall participate in quarterly meetings with the Superintendent and his staff to ensure that Bankers Life Maine branches, producers, and employees are in compliance with this Agreement; that all consumer complaints are addressed appropriately by Bankers Life; and that all areas of concern identified by the Bureau are addressed. Within 30 days of the date of this Agreement, Bankers Life shall identify the Home Office and regional representatives that will be in attendance at such meetings.

44. As of the date of this Agreement, Bankers Life shall notify in writing its Maine producers and branch and unit managers that they are prohibited from (a) suggesting a reverse mortgage as a means to fund an annuity; (b) suggesting a reverse mortgage as a means to eliminate the need for MaineCare benefits and fund a Medicare Supplement policy; (c) referring any clients to any financial institution or other entity authorized to conduct reverse mortgage transactions for the purpose of obtaining a reverse mortgage; and (d) assisting a client in any way in obtaining a reverse mortgage.

45. Within 14 days of the date of this Agreement, Bankers Life shall draft and adopt a suitability form to be completed in connection with the sale of all universal life insurance policies in Maine and a set of standards that producers must follow when selling universal life insurance. Bankers Life shall ensure that its Home Office reviews and approves the applicable suitability form before issuing a universal life insurance policy. Bankers Life shall file the suitability form with the Superintendent.

46. Within 90 days of the date of this Agreement, the Bureau will provide Bankers Life with a list of all consumer complaints received between January 1, 2002 and April 11, 2005 for which the Bureau has determined some relief is still due the complainant. The list will include the type of relief recommended by the Superintendent. Bankers Life shall have 30 days from the date of receipt of the list to respond to the Superintendent as to whether it accepts the Superintendent's recommendation. If Bankers Life does not accept the Superintendent's recommendation, it will propose an alternative resolution and proposed dates to meet with the Superintendent either in person or via telephone conference to discuss the resolution. The Superintendent will provide a final determination as to the appropriate resolution for each complaint within 30 days of the later of receipt of Bankers Life's response or the date the parties meet to discuss the resolution.

47. Within 45 days of the date of receipt of the Superintendent's final determination, Bankers Life shall effectuate the resolution required by the Superintendent which resolution may include, but not be limited to, rescission of the transaction, facilitation of an appropriate Section 1035 exchange, compensation for the complainant's identifiable harm or such other action required by the Superintendent, as appropriate to meet the needs of the respective complainant. Bankers Life

is not required to take any action requested by a complainant beyond what is determined by the Superintendent to be appropriate under the circumstances. Nothing in this paragraph limits any right the complainant may have to bring a separate action against Bankers Life.

48. From January 1, 2002 through December 31, 2004, Bankers Life sold 2,209 Single Premium Deferred Annuities and 301 Universal Life policies to Maine consumers. Within 30 days of the date of this Agreement Bankers Life shall provide the Bureau with a listing of a random sample of 50 persons age 65 and over to whom it sold single premium deferred annuities and 25 persons age 65 and older to whom it sold universal life insurance policies. Bankers Life shall indicate the methodology used to generate the sample.

49. Within 15 days of the approval of the sample by the Bureau, Bankers Life shall prepare a survey to be sent to each policyholder intended to ascertain the extent to which the policyholder understands the product purchased, the level of satisfaction with the sale, and the extent to which the policyholder was comfortable with their interaction with sales staff of Bankers Life. Bankers Life shall file the survey with the Bureau for approval.

50. Within 15 days of the date the Bureau approves the survey to be used, Bankers Life shall send the survey to each identified policyholder at his or her last known address together with a postage paid return envelope. The survey shall set a deadline of 60 days from the date of mailing for the survey to be returned to Bankers Life.

51. Within 10 days of the deadline for submission of survey results by policyholders, Bankers Life shall file a report with the Bureau summarizing the results of the surveys and including copies of each survey response received by Bankers Life. Within 15 days of the date the survey results are received by the Bureau, representatives of the Bureau and of the Bankers Life Home Office shall hold a conference call to review the survey results and determine what additional follow-up is warranted including, but not limited to, further investigation into the situation of a particular consumer or an expansion of the sample of policyholders to be contacted.

52. It is the position of the Bureau of Insurance that the substantial number and nature of consumer complaints received by the Bureau related to Bankers Life and its Maine producers, branch and unit managers, represents an unacceptable level of incompetence with respect to the elderly population to which Bankers Life's products are sold, and a lack of adherence to legal requirements; therefore, neither the South Portland nor Bangor branch can be operated in full compliance with Maine law and this Consent Agreement as those branches are currently operated. As such, it is necessary for Bankers Life to take serious measures to create a new culture dedicated to the development and maintenance of a strong compliance philosophy. To that end, Bankers Life agrees to the actions contained in the following paragraphs.

53. Within 14 days of the effective date of this Agreement, Bankers Life shall relieve the managers of its South Portland and Bangor branch offices of their positions as branch managers. Bankers Life shall fill the vacant branch manager positions as expeditiously as possible, but with the priority of selecting individuals who are experienced enough to ensure that each branch operates in accordance with Maine law and the terms of this Agreement.

54. Bankers Life shall retain an independent contractor satisfactory to the Superintendent to conduct interviews of appointed producers of Bankers Life in Maine. Through these interviews, the independent reviewer shall ascertain whether producers of Bankers Life possess the training and skills necessary to sell the types of products available for sale by Bankers Life in the State of Maine. The findings from these interviews shall be filed both with the Bankers Life Home Office and the Superintendent. If the independent review finds that any producer does not possess the necessary skills and competence to sell Bankers Life products in the State of Maine, the reviewer shall make a recommendation as to whether additional training for the producer would suffice to address the concern or if the appointment of the producer should be terminated.

55. Within 45 days of receipt of the findings Bankers Life shall file a plan of corrective action with the Superintendent setting forth the steps to be taken by Bankers Life to implement the recommendations of the independent reviewer or, if Bankers Life disagrees with a recommendation, setting forth an alternative method for addressing a deficiency noted in the findings. Any plan of corrective action must include specific deadlines for implementation of action steps.

56. Alternating every three months, for a period of two years, Bankers Life field personnel and Bankers Life home office training department will review training systems and procedures for the Maine branch offices. The Regional Director will conduct a review intended to verify branch compliance with suitability, replacement and disclosure requirements both of Bankers Life and of Maine law and Bureau rules. Review by the Bankers Life training department will subject the branch to a complete Branch Training Utilization Review. This review will verify complete adherence to Bankers Life's approved training systems and procedures, including suitability, replacement and disclosure. A complete description of each review to be conducted shall be filed with the Superintendent prior to the review. The home office, Bankers Life field personnel, Regional Director and the Territory Vice President, shall maintain a permanent record of this report. Bankers Life shall file a copy of the report with the Superintendent.

57. None of the independent reviewers, contractors or auditors referenced in this Agreement may be the regular outside auditors hired by Bankers Life, its parent, subsidiaries or affiliates nor can they be internal auditors of Bankers Life, its parent, subsidiaries or affiliates. The selection of any independent reviewers, contractors, or auditors will be subject to review and approval by the Superintendent, which approval will not be unreasonably withheld. The Superintendent reserves the right to be in attendance during the conduct of any review envisioned by this Agreement.

58. Effective the date of this Agreement, the audit department of Bankers Life shall conduct unannounced visits to each of the branch offices located in Maine to test compliance with NAIC suitability standards or other suitability standards adopted by the Bureau and appropriate completion of and action on suitability forms utilized by Bankers Life. Such visits shall occur at least quarterly for the first two (2) years and annually thereafter for a period of no less than five (5) years. Bankers Life shall return to the producer for proper submission any applications that lack appropriate supporting documentation or authorization. Bankers Life shall reverse the commissions or other compensation paid to any manager or producer for the sale of any policy later deemed unsuitable.

59. Within 15 days of the date of this Agreement, Bankers Life shall establish a complaint system whereby field personnel can notify the home office of suitability, replacement, and disclosure infractions with complete confidentiality. Bankers Life shall document all complaints brought to the attention of Bankers Life, its branch offices, managers, or producers by recording the date of the complaint and describing the investigation conducted and the resolution achieved. Such records shall be made available to the Superintendent upon request. Bankers Life shall investigate within 10 days of notice, whether written or oral, all allegations of any infraction and all consumer complaints. This paragraph is limited to complaints brought directly to the attention of Bankers Life or its branch, unit or regional managers. This paragraph does not relate to complaints brought to the attention of Bankers Life by the Bureau of Insurance.

60. Bankers Life shall suspend the sale of all deferred annuity products in the State of Maine until such time as Bankers Life replaces the current managers of the South Portland and Bangor branches as set forth in paragraph 53 above.

61. Immediately upon execution of this Agreement Bankers Life shall notify each of its Maine branches in writing that all documents containing the signature of a Maine consumer must be retained in their original paper form for a minimum of three (3) years from the date of signature.

62. Bankers Life understands and acknowledges that this Agreement will constitute a public record within the meaning of 1 MRSA § 402, and will be available for public inspection and copying as provided for by 1 MRSA § 408, and will be reported to the NAIC "RIRS" database.

63. In consideration of Bankers Life's execution of and compliance with the terms of this Consent Agreement, the Superintendent of Insurance and Office of the Attorney General agree to forgo pursuing further disciplinary measures or other civil or administrative sanction for the violations that were the subject of the complaints described in Exhibit A to this Consent Agreement and the Bureau of Insurance Petitions specifically noted in paragraph 10 above, other than those disciplinary measures agreed to herein. However, should Bankers Life violate this Consent Agreement, it may be subject to any available legal remedy for the violation, including without limitation the imposition of additional civil penalties and the suspension or revocation of all licenses issued to Bankers Life under the Maine Insurance Code.

64. Nothing in this Agreement shall affect the rights, interests, duties, or obligations of any person who is not a party to this Agreement.

65. This Consent Agreement is not subject to review or appeal. It is enforceable by an action in the Superior Court.

66. Nothing herein shall be construed so as to prohibit the Superintendent or Attorney General from seeking an order to enforce this Consent Agreement.

67. Nothing herein shall be construed so as to prohibit the Superintendent or Attorney General from instituting further enforcement action against Bankers Life, administratively or in any court of competent jurisdiction, in the event that the Company does not comply with any term or condition set forth herein.

68. Except as provided in Paragraphs 12 and 63 herein, nothing herein shall be construed so as to affect in any way the authority of the Superintendent or Attorney General to institute further legal action, administratively or in any court of competent jurisdiction, against Bankers Life, in the event the Superintendent or Attorney General receives evidence that further legal action is necessary for the protection of Maine consumers.

68. This Consent Agreement may be modified only by the written consent of all of the undersigned parties.

69. By its signature hereto, Bankers Life acknowledges that it has consulted with counsel prior to executing this Consent Agreement and that, by its signature, it voluntarily agrees to be bound without exception by all of the terms and conditions set forth herein.

Executed by:

Bankers Life and Casualty Company

Dated: _____, 2005

By:

(printed name)

Its: _____

State of Illinois, _____, ss
Subscribed and Sworn to before me
this _____ day of _____, 2005.

Notary Public

(printed name)

THE MAINE SUPERINTENDENT OF INSURANCE

Dated: _____, 2005

Alessandro A. Iuppa, Superintendent

FOR THE OFFICE OF THE ATTORNEY GENERAL

Dated: _____, 2005

Assistant Attorney General

(printed name)

EXHIBIT A

Bankers Life & Casualty Complaints from 1/1/2002 to 4/11/2005

Complaint Number	Line of Business	Issue(s) Raised by Complaint
2003 13606	Life and Annuity - Individual Annuity	Marketing and Sales
2004 15065	Health - Individual	Policyholder Service
2004 14673	Life and Annuity - Individual Life	Marketing and Sales
2005 15840	Life and Annuity - Individual Annuity	Misrepresentation/Deceit
2004 14380	Life and Annuity - Individual Annuity	Misrepresentation/Deceit
2002 11821	Life and Annuity - Individual Life	Marketing and Sales
2004 14321	Health - Group (Size Unknown)	Denial Claim or Loss
2003 12396	Life and Annuity - Individual Annuity	Misrepresentation/Deceit
2003 12444	Health - Individual	Marketing and Sales
2004 15178	Health - Individual	Underwriting
2004 14454	Health - Individual	Denial Claim or Loss
2003 13968	Health - Group (Size Unknown)	Misrepresentation/Deceit
2003 13226	Life and Annuity - Individual	Annuity Misrepresentation/Deceit
2003 13054	Life and Annuity - Individual	Annuity Misrepresentation/Deceit
2002 5E+05		
2002 12010	Life and Annuity - Individual	Life Denial Claim or Loss
2002 10184	Health - Individual	Claim Handling

2002 10443	Life and Annuity - Individual Life	Policyholder Service
2003 13934	Life and Annuity - Individual Life	Marketing and Sales
2003 13891	Health - Group (Size Unknown)	Marketing and Sales
2003 13355	Health - Individual	Coverage
2002 5E+05		
2003 12270	Life and Annuity - Individual Life	Marketing and Sales
2003 13303	Health - Individual	Marketing and Sales
2003 13565	Life and Annuity - Individual Life	Marketing and Sales
2005 16003	Life and Annuity - Ind. Annuity	Misrepresentation/Deceit
2004 15535	Life and Annuity - Individual Annuity	Marketing and Sales
2002 10148	Life and Annuity - Individual Annuity	Marketing and Sales
2002 11865	Health - Group (Size Unknown)	Premium
2005 15987	Life and Annuity - Ind. Annuity	Misrepresentation/Deceit
2004 14446	Health - Individual	Marketing and Sales
2003 13473	Health - Group (Size Unknown)	Coverage
2002 11807	Life and Annuity - Individual Life	Claim Handling
2002 11765	Health - Individual	Marketing and Sales
2003 13564	Life and Annuity - Individual Life	Marketing and Sales
2004 14160	Life and Annuity - Individual Annuity	Marketing and Sales
2002 11521	Health - Individual	Policyholder Service
2003 12546	Health - Individual	Marketing and Sales
2002 12216	Life and Annuity - Individual Annuity	Misrepresentation/Deceit
2005 16024	Life and Annuity - Ind. Annuity	Misrepresentation/Deceit

2003 13143	Life and Annuity - Individual Annuity	Misrepresentation/Deceit
2002 11384	Life and Annuity - Individual Life	Claim Handling
2004 14318	Health - Group (Size Unknown)	Denial Claim or Loss
2005 15881	Health - Individual	Marketing and Sales
2005 15883	Life and Annuity - Individual Annuity	Misrepresentation/Deceit
2002 11286	Health - Other	Policyholder Service
2002 11556	Health - Individual	Underwriting
2002 11361	Health - Other	Premium
2002 12007	Life and Annuity - Individual Life	Denial Claim or Loss
2004 15606	Life and Annuity - Individual Annuity	Marketing and Sales
2004 15122	Life and Annuity - Individual Annuity	Marketing and Sales
2002 12203	Health - Individual	Claim Handling
2003 12730	Life and Annuity - Individual Lines DI	Claim Handling
2002 51670		
2003 13830	Life and Annuity - Individual Annuity	Misrepresentation/Deceit
2003 13116	Health - Individual	Policyholder Service
2002 10525	Health - Individual	Claim Handling
2004 15539	Life and Annuity - Individual Annuity	Marketing and Sales
2004 14588	Health - Group (Size Unknown)	Marketing and Sales
2002 10695	Life and Annuity - Individual Life	Marketing and Sales
2003 12662	Life and Annuity - Individual Annuity	Marketing and Sales
2004 15558	Life and Annuity - Individual Life	Marketing and Sales
2002 11034	Life and Annuity - Individual Life	Marketing and Sales
2002 11206	Life and Annuity -	Marketing and Sales

	Individual Annuity	
2004 15049	Life and Annuity - Individual Annuity	Marketing and Sales
2002 12207	Health - Individual	Marketing and Sales
2002 11798	Health - Other	Marketing and Sales
2002 11509	Health - Other	Marketing and Sales
2002 10214	Life and Annuity - Long Term Care	Policyholder Service
2002 10186	Life and Annuity - Individual Annuity	Marketing and Sales
2004 14524	Health - Group (Size Unknown)	Marketing and Sales
2002 10550	Health - Individual	Policyholder Service
2003 13042	Health - Individual	Claim Handling