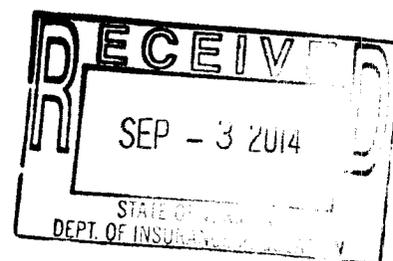


STATE OF VERMONT  
DEPARTMENT OF FINANCIAL REGULATION



In re: :  
: Bankers Life and : Docket No. 14-060-I  
: Casualty Company :  
:

STIPULATION AND CONSENT ORDER

The Vermont Department of Financial Regulation (“Department”) and Bankers Life and Casualty Company (“Bankers Life”) stipulate and agree:

1. Pursuant to the authority granted by Vermont law including, but not limited to, that contained in 8 V.S.A. §§ 11, 12, 13, 4726 and 4804, the Commissioner of the Department is charged with administering and enforcing the insurance laws of the State of Vermont and is authorized to investigate insurers to determine compliance with these laws and regulations.

2. Bankers Life is a foreign insurer, NAIC ID 61263, licensed in the State of Vermont to issue life, accident and health, and annuity policies.

3. As provided for in ¶ 12 of the Stipulation and Consent Order dated July 20, 2012, the Department has conducted the first of three audits to be performed of Bankers Life. This first audit included the review of all annuity and life policies issued from July 20, 2012 through July 20, 2013.

4. During the course of this audit the Department and Bankers Life discovered marketing and advertising materials which the Department alleges failed to comply with 8 V.S.A. § 4724(2). Upon discovery, Bankers Life took immediate action to correct any alleged violations.

5. During the course of this audit the Department discovered instances where Bankers Life used a form which had not been approved by the Department at the time of its use, a process further described in Bulletin 110.

6. The Department and Bankers Life enter into this Stipulation and Consent Order to resolve this matter without further administrative proceedings.

7. Bankers Life neither admits nor denies the Department's allegations but in an effort to resolve this issue agrees to pay the Department as an administrative penalty in the sum of Ten Thousand (\$10,000) Dollars paid by check payable to the Vermont Department of Financial Regulation within thirty (30) days of execution of this Stipulation and Consent Order.

8. Bankers Life shall comply with all applicable Vermont laws, Regulations and Bulletins including but not limited to those pertaining to advertising and the filing and approval of forms.

9. Bankers Life acknowledges and agrees that this Stipulation and Consent Order is entered freely and voluntarily and that, except as set forth herein, no promise was made to induce Bankers Life to enter into it.

10. Bankers Life acknowledges that it is and has been represented by counsel in this matter and, understanding that it is entitled to a hearing before the Commissioner or her designee in the event administrative charges are filed against it, hereby voluntarily waives that right.

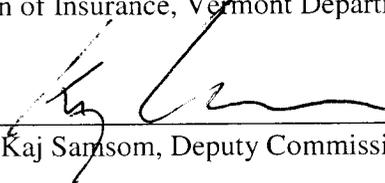
11. Bankers Life further acknowledges that the Commissioner retains jurisdiction over this matter.

12. This Stipulation and Consent Order shall be governed and construed by the laws of the State of Vermont.

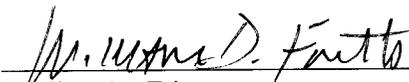
13. Each of the parties signing below represents that she or he has full authority to bind the entity on behalf of which she or he signs.

AGREED AND ACCEPTED:

Division of Insurance, Vermont Department of Financial Regulation

By:  \_\_\_\_\_ Date: 9/3/2014  
Kaj Samsom, Deputy Commissioner of Insurance

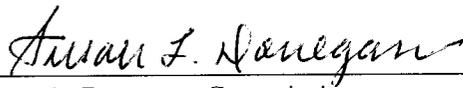
Bankers Life and Casualty Company

By:  \_\_\_\_\_ Date: 8-25-2014  
William D. Fritts  
Senior Vice President, Regulatory and Government Affairs

**ORDER**

1. Bankers Life and Casualty Company shall comply with all agreements, stipulations, and undertakings as recited above.
2. Nothing contained in this Order shall restrain or limit the Department in responding and addressing any consumer complaint about Bankers Life and Casualty Company filed with the Department or shall preclude the Department from pursuing any other violation of law.

Dated at Montpelier, Vermont this 3<sup>rd</sup> day of September, 2014.

 \_\_\_\_\_  
Susan L. Donegan, Commissioner  
Vermont Department of Financial Regulation