



May 31, 2013

VIA EMAIL

Pam O'Connell, Division Chief
Market Conduct Division
Field Rating & Underwriting Bureau
California Department of Insurance
300 Capitol Mall, Suite 1600
Sacramento, CA 95814

RE: Final and Adopted Market Conduct Examination Reports
Bankers Life and Casualty Company (NAIC #61263)

Dear Ms. O'Connell:

Bankers Life and Casualty Company (the "Company") is in receipt of your May 3, 2013 correspondence containing the official adopted Rating and Underwriting Report of Examination as of August 30, 2010 (Format 12938). Thank you for the opportunity to respond.

The Company fully incorporates by reference its previous response dated February 8, 2013 and the Summary of Insurer Response contained in the Preliminary Report. The only addition is that, since the previous response, the Company and Department have resolved the issue of the Fact Finder form.

Life Insurance

1. The Department found the Company had improperly rescinded 13U policies because information gathered by agents on the Fact Finder did not correspond to information provided on applications. In addition, the Department found that the Company does not require agents to provide a copy of the Fact Finder form to the Company with the application. CIC Sections 790.02, 790.03(f)(1), 780.03(h)(5), 785(a) & 10508. As the Department notes, the Company paid six claims on rescinded policies in the amount of \$55,800.16, including interest from the date the claims were submitted. As also noted by the Department, and pursuant to the agreement reached between the Company and the Department, the Company issued a Field Compliance Alert to the field on February 20, 2013 advising that the Fact Finder form would be revised. The Company followed up with delivery of the revised Fact Finder forms (without medical questions) to the field on March 18, 2013, ahead of the targeted date of April 1, 2013.

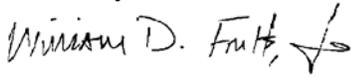
We would like to thank the Department for its professional and courteous handling of this exam. If you have any questions or concerns, please contact Nick Mann by telephone at 317-817-6778 or by email at nick.mann@CNOinc.com.

Response to Official Adopted Report

Format 12938

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Sincerely,

A handwritten signature in cursive script that reads "William D. Fritts, Jr." followed by a stylized flourish.

William D. Fritts, Jr.

Senior Vice President, Regulatory and Government Affairs