
IN THE MATTER OF:

BANKERS LIFE AND CASUALTY COMPANY

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**ORDER MODIFYING
CONSENT ORDER**

No. CO-2020-8018-S

PRELIMINARY STATEMENT

WHEREAS, the Banking Commissioner (the “Commissioner”) is charged with the administration of Chapter 672a of the Connecticut General Statutes, the Connecticut Uniform Securities Act (the “Act”) and Sections 36b-31-2 *et seq.* of the Regulations of Connecticut State Agencies (the “Regulations”) promulgated under the Act;

WHEREAS, on June 29, 2012, in conjunction with a multi-state settlement, the Commissioner entered a Consent Order (the “Consent Order”) (No. CO-12-8018-S), the terms of which are incorporated by reference herein, with respect to Bankers Life and Casualty Company and with respect to Bankers Life and Casualty Company’s wholly-owned subsidiary, BLC Financial Services, Inc. (CRD No. 126638). BLC Financial Services, Inc., an Illinois broker-dealer, voluntarily dissolved on December 27, 2012;

WHEREAS, paragraph 10. of Section IV of the Consent Order required that Bankers Life and Casualty Company comply with certain restrictions on the activities of its insurance producers so as to ensure that those activities would not trigger registration requirements under state securities laws;

WHEREAS, since the entry of the Consent Order, the National Association of Insurance Commissioners has recommended that insurance industry personnel adhere to enhanced standards to ascertain customer suitability, particularly where annuities are involved;

WHEREAS, as presently constituted, paragraph 10. of Section IV of the Consent Order could be construed to unduly impair the ability of insurance industry personnel to fully assess whether insurance products are suitable for their customers;

WHEREAS, Bankers Life and Casualty Company has petitioned Connecticut and other jurisdictions seeking clarification with respect to the activity restriction provision described above;

WHEREAS, Section 36b-31(a) of the Act provides, in part, that: “The Commissioner may from time to time make, amend and rescind such ... orders as are necessary to carry out the provisions of Sections 36b-2 to 36b-33, inclusive [of the Act]”;

WHEREAS, Section 36b-31(b) of the Act states, in part, that: “No ... order may be made, amended or rescinded unless the commissioner finds that the action is necessary or appropriate in the public interest or for the protection of investors and consistent with the purposes fairly intended by the policy and provisions of ... [the Act]”;

WHEREAS, the Commissioner finds that the issuance of this Order is appropriate in the public interest and consistent with the purposes fairly intended by the policy and provisions of the Act;

ORDER

THE COMMISSIONER HEREBY ORDERS THAT:

1. Paragraph 10. of Section IV of the Consent Order is hereby amended to read as follows:
 - a. An insurance producer who is not licensed to give advice concerning securities products (an “Insurance Producer”) may gather all financial information necessary to complete a Bankers Factfinder or similar document or tool required to determine insurance product suitability and may provide the consumer with a business card of, and pre-addressed stamped envelope to, a person properly licensed/registered to provide advice concerning securities products. The Insurance Producer may obtain a copy of the consumer’s statement(s) for securities products as part of the insurance factfinding process to the extent that the information is used to give the Insurance Producer reasonable grounds to believe recommendations for insurance-only products are suitable for the consumer. The Insurance Producer may have general discussions concerning diversification of assets, financial objectives, and general market risk differences between insurance and securities products. However, Insurance Producers may not make recommendations or provide advice concerning the consumer’s specific securities products, compare the consumer’s specific securities or investment performance with other financial products (including annuities or life insurance) or recommend that specific securities be liquidated or used to fund an annuity or life insurance product. Upon the consumer’s request, the Insurance Producer may arrange for the consumer to meet with a person properly registered to provide advice concerning securities products. The Insurance Producer shall explain that the Insurance Producer is not registered to discuss securities products and shall not use any terms or titles that tend to indicate to the consumer that the Insurance Producer is licensed to provide investment advice or sell securities. The Insurance Producer may attend a meeting attended also by securities licensed individuals so long as the meeting is scheduled, at least in part, to discuss insurance products and so long as the Insurance Producer does not engage in any prohibited activities for insurance-only licensed individuals.
 - b. While gathering information for the Bankers’ Factfinder or similar document or tool, an Insurance Producer shall not inquire into a consumer’s satisfaction with the consumer’s current investments in securities or with the consumer’s current broker-dealer, investment adviser, registered representative, or investment adviser representative or make comparisons between securities and non-securities products. As used in this subparagraph, “securities” refers both to specific securities products and to securities in general.

- c. No commissions or other compensation derived from a securities transaction shall be paid to or split with an Insurance Producer.
2. A copy of this Order shall be mailed forthwith to respondent Bankers Life and Casualty Company;
3. The Consent Order shall remain in full force and effect in all other respects; and
4. This Order shall become final when issued.

So ordered at Hartford, Connecticut
this 29th day of April 2020.

_____/s/_____
Jorge L. Perez
Banking Commissioner

CONSENT TO ENTRY OF AMENDED CONSENT ORDER

I, William D. Fritts, Jr., state on behalf of Bankers Life and Casualty Company and its affiliates, that I have read the foregoing Amended Consent Order; that I know and fully understand its contents; that I am authorized to execute this Amended Consent Order on behalf of Bankers Life and Casualty Company and its affiliates; that Bankers Life and Casualty Company and its affiliates, agree freely and without threat or coercion of any kind to comply with the amended terms and conditions stated herein; and that Bankers Life and Casualty Company and its affiliates voluntarily consent to the entry of this Amended Consent Order, expressly waiving any right to a hearing on the matters described herein.

Bankers Life and Casualty Company

By _____/s/_____
William D. Fritts, Jr.
Senior Vice President
Regulatory and Government Affairs

State of: Maine

County of: Cumberland

On this the 29th day of April 2020, before me, the undersigned officer, personally appeared William D. Fritts, Jr., who acknowledged himself to be the Senior Vice President, Regulatory and Government Affairs of Bankers Life and Casualty Company, and that he, as such Senior Vice President, Regulatory and Government Affairs, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of Bankers Life and Casualty Company by himself as Senior Vice President, Regulatory and Government Affairs.

In witness whereof I hereunto set my hand.

_____/s/_____
Attorney at law
Date Commission Expires: