



# **THE STATE OF FLORIDA**

## **OFFICE OF INSURANCE REGULATION MARKET INVESTIGATIONS**

### **TARGET MARKET CONDUCT EXAMINATION FINAL REPORT**

#### **OF THE**

### **AMERICO FINANCIAL LIFE AND ANNUITY INSURANCE COMPANY**

**Issued On**

**April 5, 2016**

**NAIC COMPANY CODE: 61999**

**NAIC GROUP CODE: 0449**

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## **EXECUTIVE SUMMARY**

A target market conduct examination of the Americo Financial Life and Annuity Insurance Company was performed to determine insurer compliance with Market Conduct Annual Statement (MCAS) reporting of the Company's transactions and affairs. MCAS reporting provides participating MCAS states with a uniform method of collecting key data elements from insurers. MCAS data is provided and maintained under confidentiality agreements. The examination determined the Company made 14 report line errors in the filing of the 2011 MCAS Life Report, 5 report line errors in the filing of the 2011 MCAS Annuity Report, 27 report line errors in the filing of the 2012 MCAS Life Report and 8 report line errors in the filing of the 2012 MCAS Annuity Report. Errors found during the examination process are detailed within this report of examination.

## **PURPOSE AND SCOPE OF EXAMINATION**

The Florida Office of Insurance Regulation (Office), Market Investigations, conducted a target market conduct examination of the Americo Financial Life and Annuity Insurance Company (hereinafter Americo or the Company) pursuant to Section 624.3161, Florida Statutes. The examination was performed by Global Insurance Enterprises, Inc. The examination scope period was January 1, 2011 through December 31, 2012. Field examination work began on April 14, 2014, and ended on April 18, 2014; Off-site analysis concluded April 3, 2015.

Examination procedures included reconciling policy data to the 2011 and 2012 Market Conduct Annual Statement (MCAS) Life and Annuity Reports, reviewing samples of contracts and claims file attributes, the insurer Anti-Fraud Plans and Special Investigations Unit (SIU) descriptions filings, and consumer complaints.

This Report is based upon information obtained during the examination, research conducted by the Office, and additional information provided by the Company. Procedures and conduct of the examination were in accordance with the *Market Regulation Handbook* produced by the National Association of Insurance Commissioners (NAIC).

## **COMPANY BACKGROUND**

Americo Financial Life and Annuity Insurance Company (Americo) was granted a Certificate of Authority to transact business in Florida on April 1, 1952 as a foreign life and health insurer. The Company is authorized to write Life, Group Life and Annuities and, Accident and Health coverages. Americo is a wholly owned subsidiary of United Fidelity Life Insurance Company, an indirect wholly owned subsidiary of Financial Holding Corporation. Americo is licensed in 49 U.S. states, the District of Columbia, the U.S. Virgin Islands, the Cayman Islands, and Puerto Rico.

Sales of Whole Life, Universal Life, and Term Life insurance products in Florida account for 50.4%, 64.3%, 88.7%, and 52.8% of the Company's Florida Direct Written Premiums in years 2011 through 2014, respectively. Sales are produced through a network of independent agents. Florida Direct Written

Life Premiums and Annuity Considerations between years 2011 through the 2014 period were reported as follows:

State of Florida (Per Annual Statement Schedule T)			
Year	Direct Written Life Premiums	Direct Written Annuity Considerations	Life Premiums as Percentage of Total Florida Production
2014	\$ 21,747,693	\$ 19,403,934	52.8%
2013	\$ 20,755,161	\$ 2,641,661	88.7%
2012	\$ 21,627,648	\$ 12,008,635	64.3%
2011	\$ 21,094,688	\$ 20,791,145	50.4%

### **FILE REVIEW**

File reviews consisted of sample testing of select report lines and the reconciliation of the Company data sets to filed MCAS reports. The examiners reviewed information contained in the policy and claims administration system and complaint logs.

### **MCAS REPORTING**

The examination reviewed the insurer's processes, procedures for collecting, aggregating, and extracting data used in the filing of the 2011 and 2012 MCAS Life, and MCAS Annuity Reports. Each MCAS contains interrogatories, and those interrogatories for 2011 and 2012 are provided in the appendices of this report of examination. Instructions for completing reports are made available to insurers each year through the National Association of Insurance Commissioners (NAIC). All reports are attested to the completeness and accuracy of the submission. Such reports are filed in accordance with the requirements of Section 626.424, Florida Statutes.

### **EXAM PROCEDURES**

The Company was asked to provide the complete data sets utilized in the 2011 and 2012 MCAS Life and Annuity reports and for samples of selected reporting lines. Procedures for evaluating each MCAS report and line examined included reconciliation of NAIC reporting against the company universe of files provided, analysis to determine accuracy of information reported and of the applicable contracts, and verification that data and files are maintained and reported in accordance with the Florida Insurance Code. The Company agrees with the examination findings except where noted. Findings are reported on exception basis.

## **2011 MCAS LIFE REPORT**

MCAS Life reporting for calendar year 2011 consisted of the responses to 29 interrogatories. The examiners selected 17 responses for sampling review and 25 responses for reconciliation review. The review identified 14 errors in the filing of the 2011 MCAS Life Report.

## **REPLACEMENT POLICIES**

The examiners selected for testing a sample of 20 Life with Cash Value [LCV] and 5 Life without Cash Value [LWOCV] files from the Number of Replacement Policies Issued during the Period- Line 9. The examination reviewed Line 9 and the Number of Internal Replacements Issued during the Period- Line 10, the Number of External Replacements Issued during the Period- Line 11, the Number of Policies Replaced where the age of Insured at Replacement was < 65- Line 12, and the Number of Policies Replaced where the age of the Insured at Replacement was age 65 and Over- Line 13.

The examiner's analysis identified an error on Line 9 reporting the Number of Replacement Policies Issued during the Period.

## **COMPANY RESPONSE**

The Company disagreed with the finding, responding: “[An] application dated August 17, 2011, [provided two policies from other insurers] as being replaced by the Americo policy... [T]he policy was issued as a replacement effective August 25, 2011. The owner chose to cancel the policy during the Free Look Period on September 21, 2011. “[A] letter from one of the insurers notifying us this was not a replacement was dated October 21, 2011 (after the policy was processed as Not Taken during the Free Look Period). The 2<sup>nd</sup> company replacement was still applicable; the Replacement indicator was not changed.”

The policy was incorrectly reported as a Replacement Policy. The owner requested cancellation under the policy free-look provision nullifying the transaction.

## **SURRENDERED POLICIES**

The examiners selected for testing a sample of 25 LCV files from the Number of Policies Surrendered during the Period- Line 17. The examination reviewed the Number of Policies Surrendered under 2 Years from Policy Issue- Line 14, the Number of Policies Surrendered between 2 Years and 5 Years from Policy Issue- Line 15, the Number of Policies Surrendered between 6 Years and 10 Years from Policy Issue- Line 16, and Line 17.

The examiners identified an error on Line 16 reporting the Number of Policies Surrendered between 6 Years and 10 Years from Policy Issue.

## **NEW POLICIES**

The examiners selected for testing a sample of 20 LCV and 10 LWOCV files from the Number of New Policies Issued during the Period- Line 20. The examination reviewed the Number of New Policies Issued during the Period where age of Insured at Issue was < 65- Line 18, the Number of New Policies Issued during the Period where age of Insured at Issue was age 65 and Over- Line 19, and Line 20.

The examiner's analysis identified an error on Line 20 reporting the Number of New Policies Issued during the Period. The review identified an error on Line 18 reporting the Number of New Policies Issued during the Period where age of Insured at Issue was < 65, an error on Line 19 reporting the

Number of New Policies Issued during the Period where age of Insured at Issue was age 65 and Over, and an error on Line 20 reporting the Number of New Policies Issued during the Period.

#### **POLICIES IN-FORCE AT THE END OF THE PERIOD**

The examination reviewed the Number of Policies In-Force at the End of the Period- Line 21. The examiner's review identified an error on Line 21 reporting the Number of Policies In-Force at the End of the Period.

#### **FACE AMOUNT OF INSURANCE IN-FORCE AT END OF THE PERIOD**

The examination reviewed the Face Amount of Insurance In-Force at the End of the Period- Line 24. The examiner's review an error on Line 24 reporting the Face Amount of Insurance at the End of the Period.

#### **DEATH CLAIMS WITH PAYMENT**

The examiners reviewed the Number of Death Claims Closed with Payment, during the Period, and within 60 Days from the Date of Due Proof of Loss- Line 26 and the Number of Death Claims Denied, Resisted, or Compromised during the Period- Line 28.

The examiner's review identified an error on Line 26 reporting the Number of Death Claims Closed with Payment, during the Period, and within 60 Days from the Date of Due Proof of Loss and an error on Line 28 reporting the Number of Death Claims Denied, Resisted, or Compromised during the Period.

#### **DEATH CLAIMS RECEIVED**

The examiners selected for testing a sample of 25 LCV and 14 LWOCV files from the Number of Death Claims Received during the Period- Line 29. The examiner's analysis identified an error on Line 29 reporting the Number of Death Claims Received during the Period.

#### **RECOMMENDATION**

It is recommended the Company adopt policies and procedures that improve reporting accuracy.

### **2011 MCAS ANNUITY REPORT**

MCAS Annuity reporting for calendar year 2011 consisted of the responses to 26 interrogatories. The examiners selected 15 responses for sampling review and 25 responses for reconciliation review. The review identified 5 errors in the filing of the 2011 MCAS Annuity Report.

### **NEW DEFERRED CONTRACTS**

The examiners selected for testing a sample of 10 Fixed New Deferred Annuity files from the Number of New Deferred Contracts Issued during the Period- Line 19. The examination reviewed the Number of New Deferred Contracts Issued during the Period where the age of Annuitant was < 65- Line 16, the Number of New Deferred Contracts Issued during the Period where the age of Annuitant was 65 to 80 Line 17, the Number of New Deferred Contracts Issued during the Period where the age of Annuitant was > 80- Line 18, and Line 19.

The examiner's review identified an error on Line 17 reporting the Number of New Deferred Contracts Issued during the Period where the age of Annuitant was 65 to 80 and an error on Line 19 reporting the Total Number of New Deferred Contracts Issued by the Company during the Period.

### **CONTRACTS SURRENDERED**

The examiners selected for testing a sample of 10 Fixed Annuity files from the Number of Contracts Surrendered during the Period- Line 23. The examination reviewed the Number of Contracts Surrendered under 2 Years from Policy Issue- Line 20, the Number of Contracts Surrendered between 2 Years and 5 Years from Policy Issue- Line 21, the Number of Contracts Surrendered between 6 Years and 10 Years from Policy Issue- Line 22, and Line 23.

The examiner's review identified an error on Line 20 reporting the Number of Contracts Surrendered Less than 2 Years from Policy Issue, an error on Line 21 reporting the Number of Contracts Surrendered between 20 Years and 5 Years from Policy Issue and, an error on Line 22 reporting the Number of Contracts Surrendered between 6 Years and 10 Years from Policy Issue.

### **RECOMMENDATION**

It is recommended the Company adopt policies and procedures that improve reporting accuracy.

## **2012 MCAS LIFE REPORT**

MCAS Life reporting for calendar year 2012 consisted of the responses to 31 interrogatories. The examiners selected 17 responses for sampling review and 25 responses for reconciliation review. The review identified 27 errors in the filing of the 2012 MCAS Life Report.

### **REPLACEMENT POLICIES**

The examiners selected for testing a sample of 20 Life with Cash Value [LCV] and 5 Life without Cash Value [LWOCV] files from the Number of Replacement Policies Issued during the Period- Line 9. The examination reviewed Line 9 and the Number of Internal Replacements Issued during the Period- Line 10, the Number of External Replacements Issued during the Period- Line 11, the Number of Policies Replaced where age of Insured at Replacement was < 65- Line 12 and, the Number of Policies Replaced where age of Insured at Replacement was age 65 and Over- Line 13.

The examiner's review identified an error on Line 9 reporting the Number of Replacement Policies Issued during the Period, an error on Line 10 reporting the Number of Internal Replacements Issued during the Period and, an error on Line 12 reporting the Number of Policies Replaced where age of Insured at Replacement was < 65.

### **POLICIES SURRENDERED**

The examiners selected for testing a sample of 26 LCV files from the Number of Policies Surrendered during the Period- Line 17. The examination reviewed the Number of Policies Surrendered under 2 Years from Policy Issue- Line 14; the Number of Policies Surrendered between 2 Years and 5 Years from Policy Issue- Line 15; the Number of Policies Surrendered between 6 Years and 10 Years from Policy Issue- Line 16; and, Line 17.

The examiner's review identified an error on Line 16 reporting the Number of Policies Surrendered between 6 Years and 10 Years from Policy Issue and an error on Line 17 reporting the Number of Policies Surrendered during the Period.

### **NEW POLICIES AND FREE LOOKS**

The examiners selected for testing a sample of 20 LCV and 20 LWOCV files from the Number of New Policies Issued during the Period- Line 20. The examination reviewed the Number of New Policies Issued during the Period where age of Insured at Issue was < 65- Line 18; the Number of New Policies Issued during the Period where age of Insured at Issue was age 65 and Over- Line 19; Line 20 and, the Number of Free Looks during the Period- Line 22.

The examiners review identified an error on Line 18 reporting the Number of New Policies Issued During the Period where age of Insured at Issue was < 65; an error on Line 19 reporting the Number of New Policies Issued during the Period where age of Insured at Issue was age 65 and Over; an error on Line 20 reporting the Number of New Policies Issued during the Period; and, an error on Line 22 reporting the Number of Free Looks during the Period.

### **POLICIES IN-FORCE AT THE END OF PERIOD**

The examination reviewed the Number of Policies In-Force at the End of the Period- Line 23. The examiner's review identified an error on Line 23 reporting the Number of Policies In-Force at the End of the Period.

### **DOLLAR AMOUNT OF DIRECT WRITTEN PREMIUM**

The examination reviewed the Dollar Amount of Direct Written Premium during the Period- Line 24. The examiner's review identified an error on Line 24 reporting the Dollar Amount of Direct Written Premium during the Period.

### **FACE AMOUNT OF INSURANCE**

The examination reviewed the Face Amount of Insurance Issued during the Period- Line 25 and the Face Amount of Insurance In-Force at the End of the Period- Line 26. The examiner's review identified an error on Line 25 reporting the Face Amount of Insurance Issued during the Period and an error on Line 26 reporting the Face Amount of Insurance In-Force at the End of the Period.

### **COMPLAINTS FROM CONSUMERS**

The examiners selected for testing a sample of 14 LCV and 5 LWOCV files from the Number of Complaints Received Directly from Consumers- Line 27. The examiners identified an error on Line 27 reporting the Number of Complaints Received Directly from Consumers.

### **DEATH CLAIMS**

The examiners selected for testing a sample of 25 LCV and 10 LWOCV files from the Number of Death Claims Received during the Period- Line 31. The examination reviewed the Number of Death Claims Closed with Payment, during the Period, and within 60 Days from the Date of Due Proof of Loss- Line 28; and, the Number of Death Claims Denied, Resisted, or Compromised during the period- Line 30.

The examiners review identified an error on Line 28 reporting the Number of Death Claims Closed with Payment, during the Period, and within 60 Days from the Date of Due Proof of Loss; an error in the LCV Line 30 reporting the Number of Death Claims Denied, Resisted, or Compromised during the Period; and, an error on Line 31 reporting the Number of Death Claims Received during the Period.

### **RECOMMENDATION**

It is recommended the Company adopt policies and procedures that improve reporting accuracy.

## **2012 MCAS ANNUITY REPORT**

MCAS Annuity reporting for calendar year 2012 consisted of the responses to 28 interrogatories. For the scope period examined the Company offered Individual Fixed Annuities. The examiners selected 17 responses for sampling review and 21 responses for reconciliation review. The review identified 8 errors in the filing of the 2012 MCAS Annuity Report.

### **Replacement Contracts**

The examiners selected for testing a sample of 5 files from the Number of Replacement Contracts Issued during the Period- Line 9. The examiners reviewed the Number of Internal Replacement Contracts Issued during the Period- Line 10, the Number of External Replacement Contracts Issued during the Period- Line 11, the Number of Contracts Replaced where age of Annuitant at Replacement was < 65- Line 12, the Number of Contracts Replaced where age of Annuitant at Replacement was 65 to 80- Line 13, the Number of Contracts Replaced where the age of Annuitant at Replacement was > 80- Line 14 and Line 9.

The examiner's review identified an error on Line 9 reporting the Number of Replacement Contracts Issued during the Period; an error on Line 11 reporting the Number of External Replacement Contracts Issued during the Period; and, an error on Line 14 reporting the Number of Contracts Replaced where age of Annuitant at Replacement was > 80.

### **NEW DEFERRED CONTRACTS**

The examiners selected for testing a sample of 10 files from the Total Number of New Deferred Contracts Issued by the Company during the Period- Line 19. The examination reviewed the Number of New Deferred Contracts Issued during the Period where age of Annuitant was 65 to 80- Line 17, the Number of New Deferred Contracts Issued during the Period where age of Annuitant was > 80- Line 18 and, Line 19.

The examiners review identified an error on Line 17 reporting the Number of New Deferred Contracts Issued during the Period where age of Annuitant was 65 to 80; an error on Line 18 reporting the Number of New Deferred Contracts Issued during the Period where age of Annuitant was > 80; and, an error on Line 19 reporting the Number of New Deferred Contracts Issued during the Period.

The examiners selected for testing a sample of 5 files from the Total Number of Contracts Surrendered during the Period- Line 23. The examiners reviewed the Number of Contracts Surrendered between 6 Years and 10 Years of Issuance- Line 22 and, Line 23.

The examiner's review identified an error on Line 22 reporting the Number of Contracts Surrendered between 6 Years and 10 Years of Issuance and an error on Line 23 reporting the Number of Contracts Surrendered during the Period.

### **RECOMMENDATION**

It is recommended the Company adopt policies and procedures that improve reporting accuracy.

### **COMPLAINT REGISTERS**

The examiners reconciled the 2010 through 2012 Florida Department of Financial Services, Division of Consumer Services (FLDFS) complaint logs to the Company's registers of complaints received directly from consumers. The examiners determined the Company registers of complaints received directly from consumers agreed with FLDFS complaint logs.

### **ANTI-FRAUD PLAN**

The Company files an Anti-Fraud Plan with the Florida Department of Financial Services, Division of Insurance Fraud (Division). Special Investigation Unit (SIU) description filings are made to the Division electronically. The Company Anti-Fraud Plan and SIU description filings for the examination period through the on-site date were reviewed. The examiners determined the Company records appear to comply with Section 626.9891(3), Florida Statutes and Rule 69D-2, Florida Administrative Code.

**EXAMINATION FINAL REPORT SUBMISSION**

The Office hereby issues this Final Report based upon information from the examiner's draft report, additional research conducted by the Office, and additional information provided by the Company.

**APPENDIX - A**

Line	<b>INTERROGATORIES 2011 MCAS LIFE REPORT</b>
01	Life Cash Value - Does the Company have Data to Report for this Product Type?
02	Individual Life Non-Cash Value - Does the Company have Data to Report for this Product Type?
03/04	Is there a Reason that the Reported Individual Life Cash Value Information may Identify the Company as an Outlier or be Substantially Different from Previously Reported Data (such as Assuming Blocks of Business; Shifting Market Strategies; Underwriting Changes, Etc)? If Yes, Explain:
05/06	Is there a Reason that the Reported Individual Life Non-Cash Value Information may Identify the Company as an Outlier or be Substantially Different from Previously Reported Data (such as Assuming Blocks of Business; Shifting Market Strategies; Underwriting Changes, Etc)? If Yes, Explain:
07	Additional State Specific Individual Life Cash Value Comments (optional):
08	Additional State Specific Individual Life Non-Cash Value Comments (optional):
09	Number of Replacement Policies Issued during the Period.
10	Number of Internal Replacements Issued during the Period.
11	Number of External Replacements Issued during the Period.
12	Number of Policies Replaced where age of Insured at Replacement was < 65.
13	Number of Policies Replaced where age of Insured at Replacement was age 65 and Over.
14	Number of Policies Surrendered under 2 Years from Policy Issue.
15	Number of Policies Surrendered between 2 Years and 5 Years from Policy Issue.
16	Number of Policies Surrendered between 6 Years and 10 Years from Policy Issue.
17	Number of Policies Surrendered during the Period.
18	Number of New Policies Issued during the Period where age of Insured at Issue was < 65.
19	Number of New Policies Issued during the Period where age of Insured at Issue was age 65 and Over.
20	Number of New Policies Issued during the Period.
21	Number of Policies In Force at the End of the Period.
22	Dollar Amount of Direct Written Premium during the Period.
23	Face Amount of Insurance Issued during the Period.
24	Face Amount of Insurance In Force at the End of the Period.
25	Number of Complaints Received Directly from Consumers.
26	Number of Death Claims Closed with Payment, during the Period, within 60 Days from the Date of Due Proof of Loss (Include Only Claims where the Final Decision was Payment in Full.)
27	Number of Death Claims Closed with Payment, during the Period, Beyond 60 days from the Date of Due Proof of Loss (Include Only Claims where the Final Decision was Payment in Full.)
28	Number of Death Claims Denied, Resisted or Compromised during the Period.
29	Number of Death Claims Received during the Period.

Line	INTERROGATORIES 2011 ANNUITY REPORT
01	Individual Fixed Annuities - Does the Company have Data to Report for this Product Type?
02	Individual Variable Annuities – Does the Company have Data to Report for this Product Type?
03/04	Is there a Reason that the Reported Individual Fixed Annuities Information may Identify the Company as an Outlier or be Substantially Different from Previously Reported Data (such as Assuming Blocks of Business; Shifting Market Strategies; Underwriting Changes, Etc.)? If Yes, Explain:
05/06	Is there a Reason that the Reported Individual Variable Annuities Information may Identify the Company as an Outlier or be Substantially Different from Previously Reported Data (such as Assuming Blocks of Business; Shifting Market Strategies; Underwriting Changes, Etc.)? If Yes, Explain:
07	Additional State Specific Individual Fixed Annuities Comments (optional):
08	Additional State Specific Individual Variable Annuities Comments (optional):
09	Number of Replacement Contracts Issued during the Period.
10	Number of Internal Replacement Contracts Issued during the Period.
11	Number of External Replacement Contracts Issued during the Period.
12	Number of Contracts Replaced where age of Annuitant at Replacement was < 65.
13	Number of Contracts Replaced where age of Annuitant at Replacement was 65 to 80.
14	Number of Contracts Replaced where age of Annuitant at Replacement was > 80.
15	Number of New Immediate Contracts Issued during the Period.
16	Number of New Deferred Contracts Issued during the Period where age of Annuitant was < 65.
17	Number of New Deferred Contracts Issued during the Period where age of Annuitant was 65 to 80.
18	Number of New Deferred Contracts Issued during the Period where age of Annuitant was > 80.
19	Number of New Deferred Contracts Issued during the Period.
20	Number of Contracts Surrendered under 2 Years from Policy Issue.
21	Number of Contracts Surrendered between 2 Years and 5 Years from Policy Issue.
22	Number of Contracts Surrendered between 6 Years and 10 Years from Policy Issue.
23	Number of Contracts Surrendered during the Period.
24	Number of Contracts In Force at the End of the Period.
25	Dollar Amount of Annuity Considerations during the Period.
26	Number of Complaints Received Directly from Consumers.

**APPENDIX - B**

Line	<b>Interrogatories 2012 Life Report</b>
1	Individual Life Cash Value - Does the Company have Data to Report for this Product Type?
2	Individual Life Non-Cash Value – Does the Company have Data to Report for this Product Type?
03/04	Is there a Reason that the Reported Individual Life Cash Value Information may Identify the Company as an Outlier or Be Substantially Different from Previously Reported Data (such as Assuming Blocks of Business; Shifting Market Strategies; Underwriting Changes, Etc.)? If Yes, Explain:
05/06	Is There a Reason that the Reported Individual Life Non-Cash Value Information May Identify the Company as an Outlier or Be Substantially Different from Previously Reported Data (Such as Assuming Blocks of Business; Shifting Market Strategies; Underwriting Changes, Etc.)? If Yes, Explain:
7	Additional State Specific Individual Life Cash Value Comments (optional):
8	Additional State Specific Individual Life Non-Cash Value Comments (optional):
9	Number of Replacement Policies Issued during the Period.
10	Number of Internal Replacements Issued during the Period.
11	Number of External Replacements Issued during the Period.
12	Number of Policies Replaced where age of Insured at Replacement was < 65.
13	Number of Policies Replaced where age of Insured at Replacement was < 65.
14	Number of Policies Replaced where age of Insured at Replacement under 2 Years from Policy Issue.
15	Number of Policies Replaced where age of Insured at Replacement between 2 Years and 5 Years from Policy Issue.
16	Number of Policies Replaced where age of Insured at Replacement between 6 Years and 10 Years from Policy Issue.
17	Number of Policies Surrendered during the Period.
18	Number of New Policies Issued during the Period where age of Insured at Issue was < 65.
19	Number of New Policies Issued during the Period where age of Insured at Issue was age 65 and Over.
20	Number of New Policies Issued during the Period.
21	Number of Policies Applied for during the Period.
22	Number of Free Looks [Policies Returned] during the Period.
23	Number of Policies In Force at the End of the Period.
24	Dollar Amount of Direct Written Premium during the Period.
25	Face Amount of Insurance Issued during the Period.
26	Face Amount of Insurance In-Force at the End of the Period.
27	Number of Complaints Received Directly from Consumers.

<b>INTERROGATORIES 2012 LIFE REPORT (CONT)</b>	
28	Number of Death Claims Closed with Payment, during the Period, within 60 Days from the Date of Due Proof of Loss (Include Only Claims where the Final Decision was Payment in Full.)
29	Number of Death Claims Closed with Payment, during the Period, beyond 60 Days from the Date of Due Proof of Loss (Include Only Claims where the Final Decision was Payment in Full.)
30	Number of Death Claims Denied, Resisted or Compromised during the Period.
31	Number of Death Claims Received during the Period.

<b>INTERROGATORIES 2012 ANNUITY REPORT</b>	
01	Individual Fixed Annuities - Does the Company have Data to Report for this Product Type?
02	Individual Variable Annuities – Does the Company have Data to Report for this Product Type?
03/04	Is there a Reason that the Reported Individual Fixed Annuities Information may Identify the Company as an Outlier or be Substantially Different from Previously Reported Data (such as Assuming Blocks of Business; Shifting Market Strategies; Underwriting Changes, Etc.)? If Yes, Explain:
05/06	Is there a Reason that the Reported Individual Variable Annuities Information may Identify the Company as an Outlier or be Substantially Different from Previously Reported Data (such as Assuming Blocks of Business; Shifting Market Strategies; Underwriting Changes, Etc.)? If Yes, Explain:
07	Additional State Specific Individual Fixed Annuities Comments (optional):
08	Additional State Specific Individual Variable Annuities Comments (optional):
09	Number of Replacement Contracts Issued during the Period.
10	Number of Internal Replacement Contracts Issued during the Period.
11	Number of External Replacement Contracts Issued during the Period.
12	Number of Contracts Replaced where age of Annuitant at Replacement is < 65.
13	Number of Contracts Replaced where age of Annuitant at Replacement is 65 to 80.
14	Number of Contracts Replaced where age of Annuitant at Replacement is > 80.
15	Number of New Immediate Contracts Issued during the Period.
16	Number of New Deferred Contracts Issued during the Period where age of Annuitant is < 65.
17	Number of New Deferred Contracts Issued during the Period where age of Annuitant is 65 to 80.
18	Number of New Deferred Contracts Issued during the Period where age of Annuitant is > 80.
19	Number of New Deferred Contracts Issued during the Period.
20	Number of Contracts Surrendered under 2 Years from Policy Issue.
21	Number of Contracts Surrendered between 2 Years and 5 Years from Policy Issue.
22	Number of Contracts Surrendered between 6 Years and 10 Years from Policy Issue.
23	Number of Contracts Surrendered during the Period.

Line	<b>INTERROGATORIES 2012 ANNUITY REPORT (CONT)</b>
24	Number of Contracts Applied for during the Period.
25	Number of Free Looks [Contracts Returned] during the Period.
26	Number of Contracts in Force at the End of the Period.
27	Dollar Amount of Annuity Considerations during the Period.
28	Number of Complaints Received Directly from Consumers.

APR 11 2016

Bureau of Market Investigations

# FORM 118

## FINANCIAL SERVICES COMMISSION OFFICE OF INSURANCE REGULATION MARKET INVESTIGATIONS

I hereby certify that I am the officer in charge of the Florida business of:

**Americo Financial Life and Annuity Insurance Company**

I have read the report of the **Target Market Conduct** examination as of

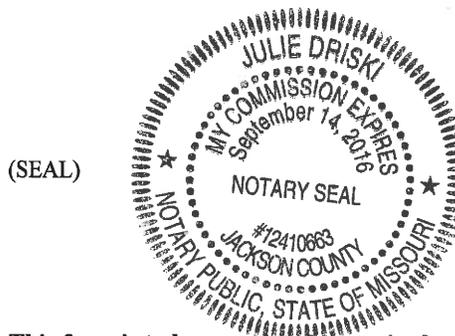
**April 5, 2016**

filed with the Office of Insurance Regulation. Any recommendations contained in the report will be considered within a reasonable time.

This form is hereby executed in compliance with Section 624.319(5), Florida Statutes.

Name	<u>Philip K Polkinghorn</u>	Title	<u>President</u>
Signature	<u></u>	Date	<u>4-6-2016</u>

Sworn to and subscribed before me this 6<sup>th</sup>  
day of April, 2016



NOTARY PUBLIC   
Signature

My commission expires 9-14-16

This form is to be completed, notarized and returned to: Keith Nault, Market Investigations, 200 East Gaines St., Larson Building, Tallahassee, Florida 32399-4210, within 30 days from receipt. If Form 118 is not returned to the Office within 30 days of the date of signature on the return receipt card, this matter will be forwarded to our Legal Division for appropriate legal action.