



# **THE STATE OF FLORIDA**

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

**TARGET MARKET CONDUCT FINAL EXAMINATION REPORT**

**OF**

**BALTIMORE LIFE INSURANCE COMPANY**

**AS OF**

**JANUARY 3, 2008**

**NAIC COMPANY CODE: 61212**

**NAIC GROUP CODE: 0849**

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## **PURPOSE AND SCOPE OF EXAMINATION**

Under authorization of the Financial Services Commission, Office of Insurance Regulation (Office), Market Investigations, pursuant to Section 624.3161, Florida Statutes, a target market conduct examination of the Baltimore Life Insurance Company (Company) was performed by Examination Resources, LLC., the contract examiner for the Office. The scope of this examination was July 1, 2006 through September 30, 2007. The examination began January 2, 2008 and ended on January 3, 2008.

The purpose of this examination was to verify the Company's compliance with the Freedom to Travel Act; Section 626.9541(1)(dd), Florida Statutes and Rule 69O-125.003, Florida Administrative Code. The examination included the following procedures:

- Review of the Company's procedures regarding declining, limiting, or canceling policies based on the applicant's or insured's past or future lawful travel plans outside the United States.
- Review a sample of applications, based on NAIC guidelines, denied or issued in a manner different than applied for during the exam period to verify the Company is complying with the Freedom to Travel Act; Section 626.9541(1)(dd), Florida Statutes and Rule 69O-125.003, Florida Administrative Code.

This Final Report is based upon information from the examiner's draft report, additional 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.

## **COMPANY OPERATIONS**

Baltimore Life Insurance Company is a foreign insurer licensed to conduct business in the State of Florida. The Company provides life insurance coverage in the State of Florida.

Total Direct Premiums Written in Florida for life insurance was as follows:

Year	Total Written Life Premium In Florida (Per Schedule T of the Financial Statement)
2006	\$2,190,642
2007*	\$1,183,945

\*As of September 31, 2007

## **FOREIGN TRAVEL PROCEDURES REVIEW**

### **Company Procedures Review**

Prior to the Freedom to Travel Act and thereafter, the applications used by the Company's producers did not contain foreign travel questions. No other forms regarding travel are required by the Underwriting Department to be completed by the applicant.

## Policy Review

There were 245 life applications received during the examination period, of which forty-one (41) applications were issued in a manner different than applied for, denied, refused by applicant, or canceled.

All forty-one (41) applications issued in a manner different than applied for, denied, refused by applicant, or canceled were reviewed to determine that the Company was in compliance with the Freedom to Travel Act; Section 626.9541(1)(dd), Florida Statutes and Rule 69O-125.003, Florida Administrative Code.

The examiner determined that none of the applications reviewed were declined, refused to continue, or limited based on the applicant's past or future lawful travel plans.

## **REPORT SUMMARIZATION**

A review was made of the Company's travel policy with respect to the application process for life insurance, in addition to forty-one (41) application files. No errors were found. The following represents general findings, specific details are found in each section of the report.

### **Application Files Reviewed**

- Applications – forty-one (41) files

### **Findings**

- Application Review – No errors were found.

## **EXAMINATION FINAL REPORT**

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