



**FILED**

MAY 20 2021

INSURANCE REGULATION  
Docketed by:    *JD*   

OFFICE OF INSURANCE REGULATION

DAVID ALTMAIER  
COMMISSIONER

IN THE MATTER OF:

CASE NO.: 268151-20-CO

SOUTHLAND NATIONAL INSURANCE CORPORATION

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CONSENT ORDER AMENDING CONSENT ORDER NO. 195071-16-CO

THIS CAUSE came on for consideration upon discussions between SOUTHLAND NATIONAL INSURANCE CORPORATION (“SOUTHLAND”), BANKERS LIFE INSURANCE COMPANY (“BANKERS”), and the FLORIDA OFFICE OF INSURANCE REGULATION (“OFFICE”) to amend Consent Order No. 195071-16-CO (“Consent Order”) attached hereto as Exhibit A. Following a complete review of the entire record, and upon consideration thereof, and being otherwise fully advised in the premises, the OFFICE hereby finds as follows:

1. The OFFICE has jurisdiction over the subject matter and the parties herein.
2. On January 23, 2017, the OFFICE docketed the Consent Order, which approved the voluntary surrender of SOUTHLAND’s Certificate of Authority to operate as a foreign life and health insurance company in the state of Florida.
3. SOUTHLAND and BANKERS are insurance companies domiciled in the state of North Carolina and are the subjects of judicial rehabilitation proceedings. Mike Causey, Insurance Commissioner for the North Carolina Department of Insurance, has been appointed the statutory receiver for both companies with all of the authority, power, and immunity granted to him by the laws of North Carolina.

4. The Consent Order included material portions of SOUTHLAND's Plan of Surrender, as revised on December 13, 2016. Paragraph 9 of the Consent Order provides, in relevant part, as follows:

- i. SOUTHLAND will enter into a one hundred percent (100%) co-insurance indemnity reinsurance agreement ("Indemnity Reinsurance Agreement") with BANKERS covering all of SOUTHLAND's "Florida Policies," as that term is defined in the Indemnity Reinsurance Agreement.;
- ii. Bankers will establish a trust, pursuant to the terms of the Indemnity Reinsurance Agreement and "Trust Agreement," and SOUTHLAND shall deposit within said trust assets equal to one hundred two percent (102%) of the "Reserve Policy Liabilities" as that term is defined in the Indemnity Reinsurance Agreement.

5. Paragraph 11 of the Consent Order provides, in relevant part, as follows:

- vi. SOUTHLAND and BANKERS agree that the Indemnity Reinsurance Agreement, Trust Agreement, and Assignment and Assumption Agreement, discussed in Paragraph 10 above, shall remain in full force and effect and that any modifications to said agreements shall require the OFFICE's prior written approval.

6. The Trust Agreement and Indemnity Reinsurance Agreement described in the Consent Order both established Regions Bank as the Trustee. Regions Bank has requested to resign as Trustee.

7. SOUTHLAND, BANKERS, and the OFFICE have agreed that to relieve Regions Bank of its obligations as trustee the trust assets will be transferred from Regions Bank to the Florida Department of Financial Services Bureau of Collateral Management where they will be held in trust for the benefit of Florida policyholders. BANKERS will submit any requests for distributions from the trust assets to the OFFICE and, if the distribution is approved, the OFFICE will send the appropriate approval to the Florida Department of Financial Services Bureau of Collateral Management.

8. To effectuate this change, the OFFICE approves Amendment No. 1 to the Trust Agreement and Amendment No. 1 to the Indemnity Reinsurance Agreement as submitted by SOUTHLAND and BANKERS and attached as Exhibits B and C, respectively. Further, Paragraph 9 of the Consent Order is amended, in relevant part, as follows:

ii. Bankers will maintain an additional deposit with the Florida Department of Financial Services Bureau of Collateral Management equal to 102% of the “Reserve Policy Liabilities” as that term is defined in the Indemnity Reinsurance Agreement” for the protection of Florida policyholders.

9. All other terms and conditions of the Consent Order remain unchanged and in full force and effect.

10. SOUTHLAND and BANKERS agree to transfer the trust assets from Regions Bank to the Florida Department of Financial Services Bureau of Collateral Management within 30 days after execution of this Consent Order.

11. Any prior orders, consent orders, or corrective action plans that SOUTHLAND or BANKERS has entered into with the OFFICE prior to the execution of this Consent Order shall apply and remain in full force and effect for SOUTHLAND and BANKERS, except where provisions of such orders, consent orders, or corrective action plans have expired; have been superseded by subsequent orders, consent orders, or corrective action plans; or are inconsistent with this Consent Order.

12. SOUTHLAND and BANKERS affirms that all representations made herein are true and that all requirements set forth herein are material to the issuance of this Consent Order.

13. SOUTHLAND and BANKERS expressly waive a hearing in this matter, the making of findings of fact and conclusions of law by the OFFICE, and all further and other

proceedings herein to which they may be entitled by law or rules of the OFFICE. SOUTHLAND, and BANKERS also hereby knowingly and voluntarily waive all rights to challenge or to contest this Consent Order in any forum available to them, now or in the future, including the right to any administrative proceeding, state or federal court action, or any appeal.

14. Each party to this action shall bear its own costs and fees.

15. The parties agree that this Consent Order shall be deemed to be executed when the OFFICE has signed and docketed a copy of this Consent Order bearing the signatures of the authorized representatives of SOUTHLAND and BANKERS, notwithstanding the fact that the copy may have been transmitted to the OFFICE electronically. Further, SOUTHLAND and BANKERS agree that the signatures of their authorized representatives as affixed to this Consent Order shall be under the seal of Notary Public.

WHEREFORE, the agreement between SOUTHLAND NATIONAL INSURANCE CORPORATION, BANKERS LIFE INSURANCE COMPANY, and the FLORIDA OFFICE OF INSURANCE REGULATION, the terms and conditions of which are set forth above, is approved.

All terms and conditions contained herein are hereby ORDERED,

DONE and ORDERED this 20 day of May, 2021.



*David Altmaier*

David Altmaier, Commissioner  
Office of Insurance Regulation

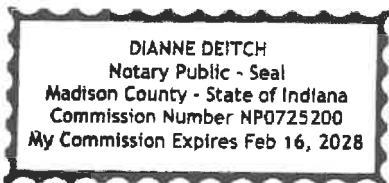
By execution hereof, SOUTHLAND NATIONAL INSURANCE CORPORATION consents to entry of this Consent Order, agrees without reservation to all the above terms and conditions, and shall be bound by all provisions herein. The undersigned represents that they have the authority to bind SOUTHLAND NATIONAL INSURANCE CORPORATION to the terms and conditions of this Consent Order.

SOUTHLAND NATIONAL INSURANCE CORPORATION

By: [Signature]  
Print Name: John T. Murphy  
Title: Special Deputy Rehabilitator  
Date: May 18, 2021

STATE OF Indiana  
COUNTY OF Marion

The foregoing instrument was acknowledged before me by means of  physical presence or  online notarization, this 18 day of May 2021, by John Murphy (name of person) as Special Deputy Rehabilitator for Southland National Insurance Corporation (type of authority; e.g., officer, trustee, attorney in fact) (company name)



[Signature]  
(Signature of the Notary)  
Dianne Deitch  
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known X OR Produced Identification \_\_\_\_\_

Type of Identification Produced \_\_\_\_\_

My Commission Expires: February 16, 2028

By execution hereof, BANKERS LIFE INSURANCE COMPANY consents to entry of this Consent Order, agrees without reservation to all the above terms and conditions, and shall be bound by all provisions herein. The undersigned represents that they have the authority to bind BANKERS LIFE INSURANCE COMPANY to the terms and conditions of this Consent Order.

BANKERS LIFE INSURANCE COMPANY

By: [Signature]

Print Name: John T. Murphy

Title: Special Deputy Rehabilitator

Date: May 18, 2021

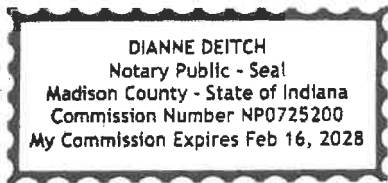
STATE OF Indiana

COUNTY OF Marion

The foregoing instrument was acknowledged before me by means of  physical presence

or  online notarization, this 18 day of May 2021, by John Murphy

as Special Deputy Rehabilitator for Bankers Life Insurance Company  
(type of authority; e.g., officer, trustee, attorney in fact) (company name)



[Signature]  
(Signature of the Notary)

Dianne Deitch  
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known X OR Produced Identification \_\_\_\_\_

Type of Identification Produced \_\_\_\_\_

My Commission Expires: February 16, 2028

COPIES FURNISHED TO:

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**FILED**

**JAN 23 2017**

**OFFICE OF  
INSURANCE REGULATION**

Doctored by: SAV

Exhibit A



**OFFICE OF INSURANCE REGULATION**

**DAVID ALTMAIER**  
COMMISSIONER

IN THE MATTER OF:

Case No.: 195071-16-CO

SOUTHLAND NATIONAL INSURANCE CORPORATION

CONSENT ORDER

THIS CAUSE came on for consideration upon the request by SOUTHLAND NATIONAL INSURANCE CORPORATION (hereinafter referred to as "SOUTHLAND") to the OFFICE OF INSURANCE REGULATION (hereinafter referred to as the "OFFICE") to voluntarily surrender its Certificate of Authority to operate as a foreign life and health insurance company in the state of Florida. The OFFICE has considered said request and, being otherwise advised in the premises, finds as follows:

1. The OFFICE has jurisdiction over the parties and subject matter herein.
2. SOUTHLAND is a life and health insurance company domiciled in the state of North Carolina, authorized to transact insurance in the state of Florida as a foreign insurer under Chapter 624, Florida Statutes, and subject to regulation as a foreign insurer by the OFFICE, pursuant to the Florida Insurance Code.
3. BANKERS LIFE INSURANCE COMPANY (hereinafter referred to as "BANKERS") is a life and health insurance company domiciled in the state of North Carolina,



authorized to transact insurance in the state of Florida as a foreign insurer under Chapter 624, Florida Statutes, and subject to regulation by the OFFICE as a foreign insurer, pursuant to the Florida Insurance Code.

4. On April 1, 2016, the OFFICE issued an Initial Order of Suspension to SOUTHLAND, finding that SOUTHLAND is financially impaired and in violation of Section 624.408, Florida Statutes.

5. On April 20, 2016, SOUTHLAND timely filed a Request for Formal Administrative Proceedings (hereinafter referred to as "Petition") concerning the Initial Order of Suspension. The OFFICE referred the Petition to the Division of Administrative Hearings (hereinafter referred to as "DOAH") on May 5, 2016, and a final hearing in the matter was scheduled for August 17-18, 2016, in case number 16-2489 (hereinafter referred to as "Administrative Litigation").

6. On May 20, 2016, SOUTHLAND submitted a plan to withdraw from the state of Florida as contemplated by Section 624.402 (5), Florida Statutes and requested to voluntarily surrender its Florida Certificate of Authority (hereinafter referred to as "Plan of Surrender) pursuant to Section 624.416, Florida Statutes. On December 13, 2016, SOUTHLAND revised its Plan of Surrender.

7. Based on the Plan of Surrender as originally submitted, on July 29, 2016, SOUTHLAND and the OFFICE filed with DOAH a joint motion requesting that DOAH relinquish jurisdiction of the Administrative Litigation to the OFFICE to resolve the matter without a final hearing. An Order was entered on August 2, 2016, closing the file and relinquishing jurisdiction of the Administrative Litigation to the OFFICE.

8. In the Plan of Surrender as originally submitted, SOUTHLAND represented that its only in-force policies in the state of Florida are approximately nine hundred twenty-six (926) life insurance policies, some of which have riders (“policies”).

9. Further, in connection with the Plan of Surrender as revised, SOUTHLAND and BANKERS represent that within thirty-one (31) days after execution of this Consent Order, the following shall occur:

i. SOUTHLAND will enter into a one hundred percent (100%) co- insurance indemnity reinsurance agreement (“Indemnity Reinsurance Agreement”) with BANKERS covering all of SOUTHLAND’s “Florida Policies,” as that term is defined in the Indemnity Reinsurance Agreement;

ii. Pursuant to the Indemnity Reinsurance Agreement, BANKERS will administer all of SOUTHLAND’s in-force business in Florida;

iii. BANKERS will establish a trust, pursuant to the terms of the Indemnity Reinsurance Agreement and the “Trust Agreement,” and SOUTHLAND shall deposit within said trust assets equal to one hundred two percent (102%) of the “Reserve Policy Liabilities,” as that term is defined in the Indemnity Reinsurance Agreement; and

iv. SOUTHLAND and BANKERS will execute an “Assignment and Assumption Agreement” whereby BANKERS is assigned the liability of SOUTHLAND under the terms of the reinsurance agreement between SOUTHLAND and Southern Financial Life Insurance Company.

10. In conjunction with its Plan of Surrender as originally submitted and then revised, SOUTHLAND provided the OFFICE with copies of the Indemnity Reinsurance Agreement,

Trust Agreement, and Assignment and Assumption Agreement, which SOUTHLAND and BANKERS acknowledge are material to the issuance of this Consent Order.

11. The OFFICE hereby approves SOUTHLAND's Plan of Surrender, as revised, and SOUTHLAND's request to voluntarily surrender its Certificate of Authority subject to the following conditions:

a. Thirty-one (31) days after the execution of this Consent Order, SOUTHLAND's Certificate of Authority as a life and health insurer in Florida shall be surrendered and stand terminated without further action by the OFFICE;

b. SOUTHLAND shall surrender its Certificate of Authority to the OFFICE within five (5) days after the termination of its Certificate of Authority;

c. SOUTHLAND and BANKERS shall continue to renew and service all of SOUTHLAND's in-force policies after SOUTHLAND's withdrawal from the state of Florida until all policies have been terminated either by the insured or by operation of the policy language, subject to Florida law. SOUTHLAND shall otherwise not transact insurance in the state of Florida;

d. Within five (5) business days after all such deposits have been made pursuant to Paragraph 9.iii. above, SOUTHLAND or BANKERS shall provide evidence to the OFFICE's Life and Health Financial Oversight business unit documenting the total assets deposited pursuant to the Trust Agreement referenced in Paragraph 9.iii. above.

e. SOUTHLAND and BANKERS shall honor their liability for losses and unearned premiums on the "Florida Policies," as that term is defined in the Indemnity Reinsurance Agreement, as long as they continue to exist;

f. SOUTHLAND shall timely comply with the requirements in Section 624.430(8), Florida Statutes; and

g. Until SOUTHLAND has certified that all of its claims, liabilities, and obligations that have arisen in the state of Florida have been paid or settled, the following conditions shall apply:

i. SOUTHLAND shall timely file with the OFFICE the financial reports required by Section 624.424, Florida Statutes;

ii. With each required quarterly and annual financial statement filing submitted on the filing dates specified in Section 624.424, Florida Statutes, SOUTHLAND shall submit to the OFFICE a separate document signed and dated by two executive officers of SOUTHLAND that reports (1) the balance of the funds held in the trust account supporting reserves for the Reserve Policy Liabilities and (2) the amount of reserves, as determined by an actuary, for the Reserve Policy Liabilities existing on SOUTHLAND's balance sheet at the end of the reporting period which the quarterly or annual filing covers. The annual filing covering the year-end period shall contain an actuarial certification attesting to the Florida specific reserve amount reported at year-end;

iii. SOUTHLAND shall continue to maintain a deposit with the Florida Bureau of Collateral Management of securities eligible under Section 625.52, Florida Statutes, with a market value no less than one hundred twenty-five thousand U.S. Dollars (\$125,000), pursuant to Section 624.411, Florida Statutes;

iv. Upon advance notice from the OFFICE, SOUTHLAND shall make immediately available for examination by the OFFICE all records on risks located in the state of Florida;

v. SOUTHLAND and its successors shall notify the OFFICE of any changes to the name or address of the individual designated by SOUTHLAND as the person to whom process served against it shall be forwarded;

vi. SOUTHLAND and BANKERS agree that the Indemnity Reinsurance Agreement, Trust Agreement, and Assignment and Assumption Agreement, discussed in Paragraph 10 above, shall remain in full force and effect and that any modifications to said agreements shall require the OFFICE's prior written approval; and

vii. SOUTHLAND will continue to have an annual audit performed by an independent certified public accountant and will file an audited financial report with the OFFICE on or before June 1 for the preceding year ending December 31.

12. SOUTHLAND agrees that it and its successors shall honor all valid past, current, and future claims, liabilities, and obligations of SOUTHLAND that have arisen or may arise in the state of Florida. SOUTHLAND also agrees that it and its successors shall honor all of SOUTHLAND's obligations to residual markets, if any, in the state of Florida.

13. SOUTHLAND specifically agrees that the OFFICE shall retain continuing jurisdiction over SOUTHLAND and its successors to enforce this Consent Order and the provisions of the Florida Insurance Code applicable to the satisfaction of valid past, current, and future claims, liabilities, and other obligations of SOUTHLAND that have arisen or may arise in the state of Florida.

14. SOUTHLAND and BANKERS affirm that all information, explanations, representations, and documents provided to the OFFICE in connection with this matter, including all attachments and supplements thereto, are true and correct and material to the

issuance of this Consent Order. SOUTHLAND and BANKERS further affirm that all requirements set forth herein are material to the issuance of this Consent Order.

15. SOUTHLAND agrees that if at any time it seeks licensure as a life and health insurer in the state of Florida, it shall reapply for such license in accordance with Sections 624.404 and 624.413, Florida Statutes.

16. BANKERS agrees to maintain compliance with Part II of Chapter 625, Florida Statutes, as applied to foreign insurers. Further, BANKERS acknowledges that pursuant to section 625.340, Florida Statutes, BANKERS' investment portfolio shall be as permitted by the laws of North Carolina if of a quality substantially as high as that required under Chapter 625, Florida Statutes, for similar funds of like Florida domestic insurers.

17. BANKERS agrees that it will limit its investments in subsidiaries and related corporations, as those terms are defined in Section 625.325, Florida Statutes, to the lesser of ten percent (10%) of BANKERS' admitted assets or fifty percent (50%) of BANKERS' surplus as to policyholders required to be maintained by BANKERS under the Florida Insurance Code.

18. BANKERS agrees that its failure to adhere to one or more of the terms and conditions contained herein may result, without further proceedings, in the OFFICE suspending, revoking, or taking other administrative action as it deems appropriate upon its Certificate of Authority in this state, in accordance with Sections 120.569(n) and 120.60(6), Florida Statutes.

19. Upon execution of this Consent Order, SOUTHLAND's Petition and the Initial Order of Suspension shall hereby be dismissed as moot.

20. SOUTHLAND and BANKERS expressly waive their rights to any hearing in this matter, the making of findings of fact and conclusions of law by the OFFICE, and all further and other proceedings herein to which they may be entitled by law or rules of the OFFICE.

SOUTHLAND and BANKERS hereby knowingly and voluntarily waive all rights to challenge or to contest this Consent Order in any forum now or in the future available to them, including the right to any administrative proceeding, state or federal court action, or any appeal.

21. Each party to this action shall bear its own costs and attorneys' fees.


22. The parties agree that this Consent Order shall be deemed to be executed when the OFFICE has signed a copy of this Consent Order bearing the signature of SOUTHLAND or its authorized representative and BANKERS or its authorized representative, notwithstanding the fact that the copy was transmitted to the OFFICE electronically. Further, SOUTHLAND and BANKERS agree that their signatures or the signatures of their representatives as affixed to this Consent Order shall be under the seal of a Notary Public.

WHEREFORE, subject to the terms and conditions set forth above, this agreement between SOUTHLAND NATIONAL INSURANCE CORPORATION, BANKERS LIFE INSURANCE COMPANY, and the OFFICE OF INSURANCE REGULATION is hereby APPROVED.

FURTHER, all terms and conditions contained herein are hereby ORDERED.

DONE and ORDERED this 23 day of January, 2017.



  
David Altmaier, Commissioner  
Office of Insurance Regulation

By execution hereof, SOUTHLAND NATIONAL INSURANCE CORPORATION consents to entry of this Consent Order, agrees without reservation to all of the above terms and conditions, and shall be bound by all provisions herein. The undersigned represents that he or she has the authority to bind SOUTHLAND NATIONAL INSURANCE CORPORATION to the terms and conditions of this Consent Order.

SOUTHLAND NATIONAL INSURANCE CORPORATION

By: [Signature]

[Corporate Seal]

Print Name: Low E. Hensley

Title: CEO

Date: 1/19/17

STATE OF NC

COUNTY OF Durham

The foregoing instrument was acknowledged before me this 19 day of Jan, 2017

by Low Hensley as Officer  
(name of person) (type of authority, e.g. officer, trustee, attorney in fact)

for Southland National Insurance Corp.  
(company name)

[Signature]  
(Signature of the Notary)

SHANNON D GAMBER  
NOTARY PUBLIC  
WAKE COUNTY, NC  
My Commission Expires 12/29/19

Shannon D Gamber  
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known  OR Produced Identification \_\_\_\_\_

Type of Identification Produced \_\_\_\_\_

My Commission Expires 12/29/19



By execution hereof, BANKERS LIFE INSURANCE COMPANY consents to entry of this Consent Order, agrees without reservation to all of the above terms and conditions, and shall be bound by all provisions herein. The undersigned represents that he or she has the authority to bind BANKERS LIFE INSURANCE COMPANY to the terms and conditions of this Consent Order.

BANKERS LIFE INSURANCE COMPANY

By: [Signature]

[Corporate Seal]

Print Name: Brian Stewart

Title: CEO

Date: 1/19/17

STATE OF NC

COUNTY OF Durham

The foregoing instrument was acknowledged before me this 19 day of Jan., 2017

by Brian Stewart as Officer  
(name of person) (type of authority, e.g. officer, trustee, attorney in fact)

for Southstar Bankers Life Insurance Co.  
(company name)

SHANNON D GAMBER  
NOTARY PUBLIC  
WAKE COUNTY, NC  
My Commission Expires 12/29/19

[Signature]  
(Signature of the Notary)

Shannon D Gamber  
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known  OR Produced Identification \_\_\_\_\_

Type of Identification Produced \_\_\_\_\_

My Commission Expires 12/29/19

COPIES FURNISHED TO:

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Exhibit B

AMENDMENT NO. 1 TO TRUST AGREEMENT

This Amendment No. 1 ("Amendment") to the Trust Agreement ("Agreement") dated February 1, 2017, by and between Bankers Life Insurance Company (in Rehabilitation) ("Grantor") and Southland National Insurance Company (in Rehabilitation) ("Beneficiary"), and Regions Bank (in its fiduciary capacity as trustee "Regions") (the Grantor, Beneficiary and Regions collectively the "Parties") effective this 10th day of May, 2021 ("Amendment Effective Date").

WHEREAS, both the Grantor and the Beneficiary are insurance companies domiciled in the State of North Carolina, are the subject of judicial rehabilitation proceedings and the Hon. Mike Causey, Insurance Commissioner for the North Carolina Department of Insurance, has been appointed the statutory rehabilitator (the "Rehabilitator") for both companies with all of the authority, power, and immunity granted to him by the laws of the State of North Carolina; and

WHEREAS, Regions has notified the Grantor and Beneficiary of its intent to resign as Trustee and having evaluated available options, the Parties now desire to terminate the Trust Account established pursuant to Article XIV of the Indemnity Reinsurance Agreement by and between Grantor and Beneficiary, and discharge the Trustee; and

WHEREAS, pursuant to Paragraph 12 of the Agreement, Grantor and Beneficiary desire to amend the Agreement to include provisions relating to terminating the Trust Account, and Trustee agrees to accept the amendment on direction by the Rehabilitator for both companies, as provided in paragraph 11 of the Agreement; and

WHEREAS, immediately upon termination of the Trust Account, the Grantor and Beneficiary desire that Regions shall transfer an amount equal to the lesser of an amount determined by the Grantor and Beneficiary to be equal to one hundred two percent (102%) of the Reserve Policy Liabilities or the remaining assets in the Trust Account, to the Florida Department of Financial Services Bureau of Collateral Management ("DFS"), and such assets and investments shall be maintained by DFS to be used exclusively and only as set forth in this Reinsurance Agreement and any amendment thereto, and Trustee shall transfer any and all remaining assets and investments in the Trust Account to Grantor.

NOW, THEREFORE, in consideration of the mutual understandings and undertakings set forth herein, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby amend the Agreement as follows:

1. Paragraph 8(b) of the Agreement is deleted in its entirety and replaced with the following:

(b) Upon termination of this Trust Agreement, the Grantor and Beneficiary hereby direct the Trustee to transfer the lesser of \$1,474,598, which the Parties have determined to be assets equal to one hundred two percent (102%) of the Policy Liabilities or the remaining assets in the Trust Account, to the Florida Department of Financial Services Bureau of Collateral Management ("DFS"), and such assets shall be maintained by DFS to be used exclusively and only as set forth in the Reinsurance Agreement and any amendment thereto. Grantor and Beneficiary further direct that any and all assets and investments remaining in the Trust Account after the above-specified transfer to DFS shall be distributed by the Trustee to Grantor. Upon completion of such transfer(s) of Trust Account Assets, the Trustee shall be discharged from any and all future duties, responsibilities and/or obligations under this Agreement, as amended, and the Trustee shall retain all rights afforded to a former Trustee under this Agreement, as amended, including all protections, hold harmless agreements, rights of reimbursement and indemnities provided therein.

2. The following provision shall be added to Paragraph 8 Termination:

(c) Notwithstanding the foregoing, by agreement of the Grantor and Beneficiary, the Trust may be terminated by the joint direction of Grantor and Beneficiary, and the Trustee may accept and comply with the direction of the Rehabilitator in this regard.

3. All other terms and conditions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have caused this Amendment No. 1 to Trust Agreement to be executed as of the date first written above.

**BENEFICIARY**

SOUTHLAND NATIONAL INSURANCE,  
CORPORATION IN REHABILITATION

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**GRANTOR**

BANKERS LIFE INSURANCE COMPANY,  
IN REHABILITATION

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**TRUSTEE**

REGIONS BANK

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Exhibit C

AMENDMENT NO. 1 TO INDEMNITY REINSURANCE AGREEMENT (Co-Insurance Basis)

This Amendment No. 1 ("Amendment") to the Indemnity Reinsurance Agreement ("Agreement") dated February 1, 2017, is made by and between Southland National Insurance Company (in Rehabilitation) ("Ceding Company") and Bankers Life Insurance Company (in Rehabilitation) ("Reinsurer"), effective this 10th day of May, 2021 ("Amendment Effective Date").

WHEREAS, both the Ceding Company and the Reinsurer are insurance companies domiciled in the State of North Carolina, are the subject of judicial rehabilitation proceedings and the Hon. Mike Causey, Insurance Commissioner for the North Carolina Department of Insurance, has been appointed the statutory rehabilitator for both companies with all of the authority, power, and immunity granted to him by the laws of the State of North Carolina; and

WHEREAS, prior to the rehabilitation proceedings, the Ceding Company and Reinsurer entered into the Agreement whereby the Ceding Company ceded certain Florida Policies to the Reinsurer, and, in order to secure the recovery of payments under the Agreement, the Ceding Company transferred to the Reinsurer the Reserve Policy Liabilities as defined in Article XIV, which were deposited into the Trust Account established pursuant to Article XIV of the Agreement ("Trust Account"); and

WHEREAS, Regions Bank ("Regions"), in its fiduciary capacity as trustee of the Trust Account ("Trustee") has notified the Parties of its intent to resign as Trustee; and

WHEREAS, having evaluated available options, the Parties now desire to terminate the Trust Account, direct its payover and discharge the Trustee. Immediately upon termination of the Trust Account and discharge of Regions, Regions shall transfer all assets and investments in the Trust Account to the Florida Department of Financial Services Bureau of Collateral Management ("DFS"), and such assets and investments shall be maintained by DFS to be used exclusively and only as set forth in the Agreement and this Amendment; and

WHEREAS, except as specifically set forth herein, the execution of this Amendment shall not preclude the Ceding Company or the Reinsurer from exercising any right, power or privilege under the Agreement or constitute a waiver thereof; and

WHEREAS, pursuant to Article XVI of the Agreement, the Parties hereto desire to amend the Agreement as set forth below.

NOW, THEREFORE, in consideration of the mutual understandings and undertakings set forth herein, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby amend the Agreement as follows:

1. **Article VII** of the Agreement is deleted in its entirety.
2. **Article XIV**, Section 14.6 of the Agreement is deleted in its entirety and replaced with the following:

14.6 The Parties may, by mutual consent, terminate the Trust Account, direct the Trustee as to its payover and discharge the Trustee. Upon termination of the Trust Account, the Parties shall direct the Trustee to transfer the lesser of \$1,474,598, which the Parties have determined to be assets and investments equal to one hundred two percent (102%) of the Policy Liabilities, or all of the Trust Account assets to the Florida Department of Financial Services Bureau of Collateral Management ("DFS") and such assets and investments shall be maintained by DFS to be used exclusively and only as set forth in the Agreement and this Amendment. The Parties shall direct the Trustee to transfer any and all remaining assets and investments to Reinsurer.

3. **Article XV, NOTICES** of the Agreement is deleted in its entirety and replaced with the following:

Any notice required under this Agreement by one party to the other shall be in writing (including facsimile and email transmission) and shall be given:

If to the Ceding Company:

Southland National Insurance Corporation, in Rehabilitation  
PO Box 168  
New Palestine, IN 46163  
Attention: Mike Dinius, [mdinius@noblecon.net](mailto:mdinius@noblecon.net)

If to the Reinsurer:

Bankers Life Insurance Company, in Rehabilitation  
PO Box 110604  
Durham, NC 27709-0962  
Attention: Mike Dinius, [mdinius@noblecon.net](mailto:mdinius@noblecon.net)

or such other address, facsimile number or email as such party may hereafter specify for the purpose by notice to the other Parties hereto. All such notices, requests and other communications shall be deemed received on the date of receipt by the recipient thereof if received prior to 5:00 p.m. on a Business Day in the place of receipt. Otherwise, any such notice, request or communication shall be deemed to have been received on the next succeeding Business Day in the place of receipt.

All other terms and conditions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have caused this Amendment No. 1 to Indemnity Reinsurance Agreement to be executed as of the date first written above.

**REINSURER**  
BANKERS LIFE INSURANCE COMPANY,  
IN REHABILITATION

**CEDING COMPANY**  
SOUTHLAND NATIONAL INSURANCE CORPORATION,  
IN REHABILITATION

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_