



# **THE STATE OF FLORIDA**

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

**TARGET MARKET CONDUCT FINAL EXAMINATION REPORT**

**OF**

**AMERICO FINANCIAL LIFE AND ANNUITY INSURANCE COMPANY**

**AS OF**

**JANUARY 24, 2008**

**NAIC COMPANY CODE: 61999**

**NAIC GROUP CODE: 0449**

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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 Americo Financial Life and Annuity 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 7, 2008 and ended on January 24, 2008.

The purpose of this examination was to verify the Company's compliance with Section 626.9541(1)(dd), Florida Statutes and Rule 690-125.003, Florida Administrative Code. The examination included the following procedures:

- Review of the Company's procedures regarding declining, limiting, or canceling policies based solely on the applicant's or insured's past or future lawful foreign travel plans.
- Review of all applications denied or issued in a manner different than applied for during the exam period to verify the Company is complying with Section 626.9541(1)(dd), Florida Statutes and Rule 690-125.003, 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

Americo Financial Life and Annuity 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	\$16,272,236
2007*	\$14,214,642

\*As of September 30, 2007

## **FOREIGN TRAVEL PROCEDURES REVIEW**

### **Company Procedures Review**

The Company's application forms continue to include foreign travel related questions. The Company stated that their underwriters have been trained to ignore the question in response to the applicable Florida Statutes and Administrative Code.

### **Policy Review**

There were 14,287 life insurance applications received during the examination period, of which 2,280 applications were denied or issued in a manner other than applied for during the scope of the examination.

All 2,280 applications denied or issued in a manner other than applied for were reviewed to determine that the Company was in compliance with 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 solely on the applicant's past or future lawful foreign 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 2,280 application files. No errors were found. The following represents general findings, however, specific details are found in each section of the report.

### **Application Files Reviewed**

- Applications – 2,280 files

### **Findings**

- Application Review – No errors were identified.

## **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.