

**STATE OF CALIFORNIA
DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION**

In the matter of

**BANKERS LIFE AND CASUALTY COMPANY
and BLC FINANCIAL SERVICES, INC.,**

Respondents

)
)
) **AMENDED**
) **CONSENT ORDER TO**
) **DESIST AND REFRAIN**
)

AMENDED CONSENT ORDER

Whereas, following a multi-jurisdictional investigation of Bankers Life and Casualty Company (Bankers Life) and BLC Financial Services, Inc. (BLCFS) (collectively, Bankers) related to certain unlicensed broker-dealer and investment adviser activities, the parties entered a Consent Order dated July 12, 2012 (2012 Consent Order); and

Whereas, Bankers Life represented that since the 2012 Consent Order was executed, through its training, audits, and system change, the cultural shift intended by the 2012 Consent Order has been achieved; and

Whereas, CNO Financial Group, the parent company of Bankers Life established its own broker dealer, Bankers Life Securities, that is licensed in all fifty (50) states.

NOW THEREFORE, Paragraph 10, Section III, of the 2012 Consent Order is amended (Amended Consent Order), as follows:

10. Bankers Life shall comply with the following practices:

- a. An insurance producer who is not licensed to give advice concerning securities products (Insurance Producer) may: **(i)** gather all financial information necessary to complete a Bankers Factfinder or similar document or tool required to determine insurance product suitability and 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; **(ii)** obtain a copy of the consumer's statement(s) for securities products as part of the insurance factfinding process and to the extent that the information is used to give the Insurance Producer reasonable grounds to believe the recommendation is suitable for the consumer; **(iii)** have general discussions concerning diversification of assets, financial objectives, and general market risk differences between insurance and securities products; **(iv)** 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, provided, however, 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 Producers is licensed to provide investment advice or sell securities; and (v) attend any meeting (including meetings attended 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 individuals. Notwithstanding the foregoing, it would be a violation of the California Corporate Securities Law of 1968 (Corp. Code § 25000 et seq.) for an Insurance Producer to make recommendations 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 specific securities be liquidated or used to fund an annuity or life insurance product.

- 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. As used in this subparagraph, "securities" refers both to specific securities products and to securities in general.
- c. Bankers shall train its California licensed Insurance Producers in accordance with this Amended Consent Order within thirty (30) days of the execution of this Amended Consent Order and, prospectively, within thirty (30) days of licensure for newly licensed California producers.
- d. No commissions or other compensation derived from a securities transaction shall be paid to or split with an Insurance Producer.

The Consent Order shall remain in full force and effect in all other respects.

IT IS HEREBY ORDERED on this 3rd day of August, 2023.

MARY ANN SMITH
Deputy Commissioner
Enforcement Division
Department of Financial Protection and Innovation

CONSENT TO ENTRY OF AMENDED CONSENT ORDER

Banker Life states that no promise of any kind or nature whatsoever that is not reflected in this Amended Consent Order was made to it to induce it to enter into this Amended Consent Order and that it has entered into this Amended Consent Order voluntarily.

Bankers expressly acknowledges that other than the revision of Paragraph 10, Section III, the 2012 Consent Order shall remain in full force and effect.

Christopher B. Rigsbee (name) represents that he or she has been authorized to enter into this Amended Consent Order on behalf of Bankers Life and Casualty Company.

Bankers Life and Casualty Company

By: Christopher B. Rigsbee

Title: Vice President and Deputy General Counsel

Date: August 1, 2023