



Report on
Market Conduct Examination

of

Americo Financial Life & Annuity Insurance Company
Kansas City, Missouri

by Representatives of the
North Carolina Department of Insurance

as of

July 25, 2025

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Raleigh, North Carolina
July 25, 2025

Honorable Michael Causey
Commissioner of Insurance
Department of Insurance
State of North Carolina
3200 Beechleaf Court
Raleigh, North Carolina 27604

Honorable Cassie Brown
Commissioner of Insurance
State of Texas
1601 Congress Avenue
Austin, Texas 78701

Honorable Commissioners:

In accordance with the provisions of North Carolina General Statutes 58-2-131 through 58-2-134, a compliance examination has been made of the market conduct activities of the following entity:

Americo Financial Life & Annuity Insurance Company
(NAIC #61999)
Kansas City, Missouri
(hereinafter generally referred to as "the Company")
NAIC Exam Tracking System Number: NC-HOWENC-13

This examination was conducted at the North Carolina Department of Insurance (Department) office located at 3200 Beechleaf Court, Raleigh, North Carolina. A report thereon is respectfully submitted.

SCOPE OF EXAMINATION

This compliance examination commenced on February 11, 2025, and covered the period of July 1, 2023, through June 30, 2024. Analyses of certain operations of the Company were concluded during the wrap-up conference which was held June 12, 2025. This action was taken due to previous examination findings contained in the January 6, 2023, Market Conduct Report of the Company. All comments made in this report reflect conditions observed during the period of examination.

This examination was performed in accordance with auditing standards established by the Department and procedures established by the National Association of Insurance Commissioners (NAIC). The scope of this examination was not comprehensive and consisted of an examination of the Company's practices and procedures in policyholder treatment, marketing, and underwriting. The findings and conclusions contained within the report are based on the work performed and are referenced within the appropriate sections of the examination report.

It is the Department's practice to cite companies in violation of a statute or rule when the results of a sample show errors/noncompliance that fall outside certain tolerance levels. The Department applied a 0 percent tolerance level for consumer complaints, producers who were not appointed and/or licensed, and 10 percent for all other areas reviewed. When errors are detected in a sample, but the error rate is below the applicable threshold for citing a violation, the Department issues a reminder to the company.

Previous Examination Findings

A target examination covering the period January 1, 2018, through December 31, 2020, with analyses of certain operations of the Company being conducted through November 15, 2022. A report dated January 6, 2023, was issued. The target examination report identified concerns in the areas of policyholder treatment, and underwriting. Specific previous violations relating to these areas are listed within the appropriate sections of this report.

EXECUTIVE SUMMARY

This market conduct examination revealed concerns with Company procedures and practices in the following areas:

Policyholder Treatment-Department Complaints

- *Failure to respond to the Department within seven calendar days.*
- *Failure to list a Department complaint on the Company complaint register.*

Marketing-Terminated Producers

- *Failure to notify producers within fifteen days of their effective termination date.*
- *Failure to notify the Department of the producer's termination within thirty days of the producer's effective termination date.*

Specific violations are noted in the appropriate sections of this report. All North Carolina General Statutes and rules of the North Carolina Administrative Code cited in this report may be viewed on the North Carolina Department of Insurance Web site <https://www.ncdoi.gov/insurance-industry/market-regulation>.

This examination identified statutory violations which may extend to other jurisdictions. The Companies are directed to take immediate corrective action to demonstrate their ability and intention to conduct business in North Carolina according to its insurance laws and regulations.

All statutory violations may not have been discovered or noted in this report. Failure to identify statutory violations in North Carolina or in other jurisdictions does not constitute acceptance of such violations.

POLICYHOLDER TREATMENT

Department of Insurance Consumer Complaints

The Company's Department of Insurance Consumer Complaint handling practices were reviewed for accuracy, adherence to Company guidelines, and compliance with North Carolina statutes and rules. The previous examination revealed:

One file (2.3% error ratio) indicated the Company did not respond to the complaint within seven calendar days. The Company was deemed to be in violation of the provisions of 11 NCAC 1.0602.

For the current examination, the Company provided 21 files and all were reviewed for accuracy, adherence to Company guidelines, and compliance with North Carolina statutes and rules. One file (4.8% error ratio) was not included in the Company's complaint register listing Department complaints. The Company was deemed to be in violation of the provisions of 11 NCAC 19.0103.

Three files (14.3% error ratio) showed failure to respond to the Department within seven calendar days. The Company was deemed to be in violation of 11 NCAC 1.0602.

Non-Department of Insurance Consumer Complaints

The Company's Non-Department of Insurance Consumer Complaint practices were reviewed to determine adherence to Company guidelines and compliance with applicable North Carolina statutes and rules. The previous examination revealed:

Eleven files (22.0% error ratio) referenced complaints of policies that were canceled, and premiums were not promptly refunded. The Company was found to be in violation of the provisions in NCGS 58-57-50(a).

For the current examination, the Company provided a listing of 74 files of which 50 files were randomly selected for review. The Company was deemed to be in compliance with the provisions of NCGS 58-57-50(a) as there were no errors regarding refund of premiums due to policy cancellations.

MARKETING

Termination of Producers

The Company's producer licensing practices were reviewed to determine accuracy, adherence to company guidelines, and compliance with applicable North Carolina statutes and rules. The previous examination report directed the Company to monitor the activities of all producers and properly issue termination notices to the producer and the Commissioner if the producer was being terminated for cause. The Company provided a listing of 1,616 producer terminations. Fifty files were randomly selected for review, none of which represented producers terminated for cause. The Company was deemed to be in violation of NCGS 58-33-56(d) as termination letters were not sent to 12 terminated producers (24.0% error ratio) within 15 days of their effective date of termination.

The Company was deemed to be in violation of NCGS 58-33-56(b) as seven producers (14.0% error ratio) were terminated and the Company failed to notify the Commissioner of the producer's termination within 30 days of their effective date of termination.

UNDERWRITING

Individual Non-Variable Annuity Replacements

The Company's underwriting practices were reviewed to determine adherence to Company guidelines and compliance with applicable North Carolina statutes and rules. The previous examination revealed:

Seven files (14.0% error ratio) contained evidence that the replacement letter notifying any other existing insurers that may be affected by the proposed replacement, was not sent within five business days of receipt of an application. The Company was deemed to be in violation of the provisions of 11 NCAC 12.0612(a)(2).

For the current examination, the Company provided a listing of 49 files of which all 49 files were reviewed. The Company was deemed to be in compliance with the provisions of 11 NCAC 12.0612(a)(2), as there were no errors regarding a replacement letter sent to any other existing insurer more than five business days of receipt of an application.

COMMENTS, RECOMMENDATIONS, AND DIRECTIVES

The Company must complete and implement corrective actions as a result of this examination. The Company is directed to respond to Department complaints received from the Department within seven calendar days and ensure that all Department complaints are logged on the Company's Department complaint register. The Company must ensure that all producers who are terminated receive notification of termination within 15 days of their effective termination date. The Company must also ensure that the Department receives notification of a producer's termination within 30 days of the producer's effective termination date.

Upon acceptance of the Report the Company shall provide the Department with a statement of corrective actions to address the violations identified during the examination. The

Department will conduct a future investigation, if warranted, to determine if the Company successfully implemented their statement of corrective actions.

CONCLUSION

A compliance examination has been conducted on the market conduct affairs of Americo Financial Life & Annuity Insurance Company for the period July 1, 2023, through June 30, 2024.

This examination was conducted in accordance with the North Carolina Department of Insurance and the NAIC Market Regulation Handbook procedures, including analyses of Company operations in the areas of policyholder treatment, marketing, and underwriting.

In addition to the undersigned, Valerie Grimes, HIA, MCM, North Carolina Market Conduct Examiner, participated in this examination and in the preparation of this report.

Respectfully submitted,

A handwritten signature in black ink, reading "David A. Howell". The signature is fluid and cursive, with the first name "David" and last name "Howell" clearly legible.

David A. Howell, LUTCF, MCM
Examiner-In-Charge
Market Regulation Division
State of North Carolina

I have reviewed this examination report, and it meets the provisions for such reports prescribed by this Division and the North Carolina Department of Insurance.

A handwritten signature in black ink, reading "Teresa Knowles". The signature is fluid and cursive, with the first name "Teresa" and last name "Knowles" clearly legible.

Teresa Knowles, MCM, ACS
Deputy Commissioner
Market Regulation Division
State of North Carolina