

**STATE OF NORTH DAKOTA
SECURITIES DEPARTMENT**

In the Matter of Banker's Life and Casualty Company))))	
Respondent.)	CONSENT ORDER

The North Dakota Securities Commissioner has advised the Respondent, Banker's Life and Casualty Company (Banker's Life), that the Commissioner is prepared to commence formal action pursuant to North Dakota Century Code Chapter 10-04 and has determined as follows:

1. Respondent, Banker's Life, is an insurance company headquartered in Chicago, Illinois. Banker's Life is authorized to conduct insurance business in North Dakota.

2. Respondent is not now and has never been registered as an investment adviser with the Securities Department. Respondent is not now and has never been a federal covered adviser, and has never provided the Securities Department with a notice filing wherein it claimed to be a federal covered adviser.

3. From August through December of 2004, Respondent, by and through its insurance agents, recommended that three North Dakota residents sell their securities holdings in order to purchase a fixed annuity, which is an insurance product. This activity took place in North Dakota.

4. Respondent and its agents received or expected to receive compensation solely from the sale or expected sale of fixed annuity insurance products.

5. N.D.C.C. § 10-04-02(10) provides, in relevant part, that an investment adviser is any person who, for compensation, engages in the business of advising others as to the value of securities or the advisability of selling securities. The activities of the Respondent, as set forth above, demonstrate that the Respondent acted as an investment adviser with respect to the subject recommendations.

6. Pursuant to N.D.C.C. § 10-04-10(3), no person may transact business in this state as an investment adviser unless that person is registered or exempt from registration. Respondent is not exempt from the registration requirements described in N.D.C.C. § 10-04-10(3).

7. Pursuant to N.D.C.C. § 10-04-16(1), when it shall appear to the Commissioner that any person has engaged in, or is engaging in, or is about to engage in any act or practice which is declared illegal in this chapter, the Commissioner may issue any order and collect civil penalties against any person found in an administrative action to have violated any provision of the chapter in an amount not to exceed \$10,000 for each

violation. The violations described above are sufficient grounds for the Commissioner to assess civil penalties against the Respondent pursuant to N.D.C.C. § 10-04-16(1).

8. Respondent acknowledges its right to a hearing on this matter and waives this right to a hearing and to present arguments to the Commissioner.

9. Respondent agrees to resolve this matter with the Securities Commissioner by this Consent Order. Respondent has consented to the entry of this Order by executing the Consent to Entry of Order, which is attached hereto and incorporated herein by reference.

10. The following Order is necessary and appropriate in the public interest and for the protection of investors.

NOW, THEREFORE, IT IS ORDERED, THAT:

1. Respondent shall not act as an investment adviser, as that term is defined in N.D.C.C. §10-04-10, in North Dakota, unless Respondent is registered or exempt from registration under N.D.C.C. § 10-04-10(3).

2. Respondent shall pay a civil penalty of \$3,000, made payable to the North Dakota Securities Department, pursuant to NDCC § 10-04-16(1).

3. This Order shall be effective upon signature of the Commissioner.

Signed and Sealed this 17th day of November, 2006.





Karen J. Tyler, Securities Commissioner
North Dakota Securities Department
State Capitol-5th Floor
600 East Boulevard Ave.
Bismarck, ND 58505-0510
(701) 328-2910

STATE OF NORTH DAKOTA
SECURITIES DEPARTMENT

In the Matter of Banker's Life)
and Casualty Company)
Respondent.)

**CONSENT TO ENTRY
OF ORDER**

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Based on mutual concessions and a willingness to resolve all matters discussed in the foregoing Consent Order, the undersigned, on behalf of the Respondent, states that:

1. He or she has read the foregoing Consent Order, and knows and fully understands its contents and effects.
2. The Respondent has been advised of its right to a hearing with regard to this matter, and has specifically waived its right to a hearing.
3. The Respondent has been advised that any willful violation of this order is a Class B Felony pursuant to N.D.C.C. § 10-04-18(1) and is punishable by a \$10,000 fine and 10 years imprisonment, with respect to a natural person, pursuant to N.D.C.C. § 12.1-32-01(3) or by a \$35,000 fine with respect to an organization, pursuant to N.D.C.C. § 12.1-3201.1(2).
4. The foregoing Consent Order, which is attached hereto and incorporated herein by reference, constitutes the entire settlement agreement between the Respondent and the Securities Commissioner, there being no other promises or agreements, either expressed or implied.
5. The Respondent neither admits nor denies the allegations of the foregoing Consent Order, and is specifically precluded from denying those allegations in any forum, public or otherwise, except that this paragraph does not preclude the Respondent from performing testimonial obligations in any litigation or other legal proceedings, nor does it preclude the Respondent from taking legal or factual positions in connection with litigation or other legal proceedings in which the Commissioner is not a party. In the context of any such litigation or legal proceedings, this paragraph shall not preclude statements by counsel which reflect such testimony or legal or factual positions.
6. The Respondent consents to entry of the foregoing Consent Order by the Securities Commissioner, and does so willingly for the purpose of resolving the issues described in the foregoing Consent Order.

Dated this 16th day of November, 2006.

Bankers Life and Casualty Company
222 Merchandise Mart Plaza
Chicago, IL 60654-2001

Jim Valdez

By: Jim Valdez

Its: V.P. + Associate General Counsel

Subscribed and Sworn before me this 16 day of November, 2006.

Linda F. Young

(Notary Seal)

Notary Public
State: IL Country: Cook
My Commission Expires: 03/02/08

