

STATE OF INDIANA)
COUNTY OF MARION)

BEFORE THE INDIANA)
SS:)
COMMISSIONER OF INSURANCE)

IN THE MATTER OF:)

Conseco Life Insurance Company)
11825 North Pennsylvania Street)
Carmel, IN 46032)

Examination of Conseco Life Insurance Company

NOTICE OF ENTRY OF ORDER

Enclosed is the Final Order entered by Stephen W. Robertson, Commissioner of the Indiana Department of Insurance, after fully considering and reviewing the Verified Report of Examination of Conseco Life Insurance Company, any relevant examination work papers, and any written submissions or rebuttals. The Verified Report of Examination, as sent to you on December 1, 2014, has been adopted by the Commissioner.

Pursuant to Ind. Code § 27-1-3.1-12(b), within thirty (30) days of receipt of the Final Order, each director of Conseco Life Insurance Company shall file an affidavit with the Indiana Department of Insurance stating that he/she has received a copy of the Verified Report of Examination and the Final Order.

The Final Order is a final administrative decision that may be appealed pursuant to Ind. Code § 4-21.5-5.

January 26, 2015
Date

Cynthia D. Donovan
Cynthia D. Donovan
Chief Financial Examiner

CERTIFIED MAIL NUMBER: 9214 8901 0661 5400 0047 0462 72

STATE OF INDIANA)
) SS: BEFORE THE INDIANA
COUNTY OF MARION) COMMISSIONER OF INSURANCE

IN THE MATTER OF:)

Conseco Life Insurance Company)
11825 North Pennsylvania Street)
Carmel, IN 46032)

Examination of Conseco Life Insurance Company

FINDINGS AND FINAL ORDER

The Indiana Department of Insurance conducted an examination into the affairs of the Conseco Life Insurance Company (hereinafter "Company") for the time period January 1, 2009 through December 31, 2013.

The Verified Report of Examination was filed with the Commissioner of the Department of Insurance (hereinafter "Commissioner") by the Examiner on November 21, 2014.

A copy of the Verified Report of Examination, along with a Notice of Opportunity to Make Written Submission or Rebuttal, was mailed to the Company via Certified Mail on December 1, 2014 and was received by the Company on December 16, 2014.

The Company did not file any objections.

NOW THEREFORE, based on the Verified Report of Examination, I hereby make the following **FINDINGS**:

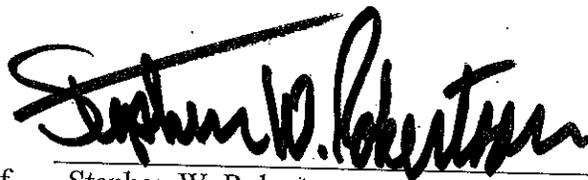
1. That the Verified Report of Examination is a true and accurate report of the financial condition and affairs of the Conseco Life Insurance Company as of December 31, 2013.
2. That the Examiner's Recommendations are reasonable and necessary in order for the Conseco Life Insurance Company to comply with the laws of the State of Indiana.

Based on the FINDINGS, the Commissioner does hereby ORDER:

1. Pursuant to Ind. Code § 27-1-3.1-11(a)(1), the Verified Report of Examination is adopted and shall be filed. Hereafter the Verified Report of Examination, may constitute prima facie evidence of the facts contained therein in any action or proceeding taken by the Indiana Department of Insurance against the Company, its officers, directors, or agents.
2. The Company shall comply with the Examiner's Recommendations enumerated in summary form and throughout the text of the Verified Report of Examination. A written response to these recommendations should be provided to the Department within 30 days of receipt of this order.
3. Compliance with the Examiner's recommendations shall be completed on or before the filing of the subsequent annual statement. In the event it is not feasible to comply with a recommendation before the filing of the subsequent annual statement, the Company shall submit a written explanation as to why it was not feasible with the filing of the annual statement.

Signed and Sealed this 26th day of

January, 2015.



Stephen W. Robertson
Insurance Commissioner
Indiana Department of Insurance

ABOUT AFFIRMATIONS

The following pages for affirmations need to be signed by each Board Member and returned to the Indiana Department of Insurance within thirty (30) days in accordance with I.C. §27-1-3.1-12(b).

If your affirmations list individuals that are no longer on your Board of Directors, you may simply retype the form on plain white paper with the correct names and a line to the right for signature. If the names are misspelled, you may do the same, simply re-type the corrected form with a line to the right for signature.

Should you have any questions or difficulties with these forms or you require additional time past the thirty (30) day requirement, please do not hesitate to contact this department at (317) 232-2390.

A handwritten signature in dark ink, appearing to read "Michael W. ...", is written across the lower portion of the page. The signature is somewhat cursive and spans across several lines of the document's layout.

STATE OF INDIANA
Department of Insurance
REPORT OF EXAMINATION

OF

CONSECO LIFE INSURANCE COMPANY

NAIC Co. CODE 65900

NAIC GROUP CODE 0233

As of

December 31, 2013



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STATE OF INDIANA

IDOI

MICHAEL R. PENCE, Governor

Indiana Department of Insurance

311 W. Washington Street, Suite 300

Indianapolis, Indiana 46204-2787

Telephone: (317) 232-2385

Fax: (317) 232-5251

Stephen W. Robertson, Commissioner

November 21, 2014

Honorable Stephen W. Robertson, Commissioner
Indiana Department of Insurance
311 West Washington Street, Suite 300
Indianapolis, Indiana 46204-2787

Dear Commissioner:

Pursuant to the authority vested in Appointment Number 3790, an examination has been made of the affairs and financial condition of:

Conseco Life Insurance Company
11825 North Pennsylvania Street
Carmel, Indiana 46032

hereinafter referred to as the "Company", or "CLIC", an Indiana domestic stock, life, accident and health insurance company. The examination was conducted at the corporate offices of the Company in Carmel, Indiana.

The Report of Examination, reflecting the status of the Company as of December 31, 2013, is hereby respectfully submitted.

ACCREDITED BY THE
NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

AGENCY SERVICES
(317) 252-2413

COMPANY COMPLIANCE
(317) 233-0697

CONSUMER SERVICES
(317) 232-2395
1-800-622-4461

EXAMINATIONS/FINANCIAL SERVICES
(317) 232-2390

MEDICAL MALPRACTICE
(317) 232-2402

SECURITIES/COMPANY RECORDS
(317) 232-1991

STATE HEALTH INSURANCE PROGRAM
1-800-332-4674

SCOPE OF EXAMINATION

The Company was last examined by representatives of the Indiana Department of Insurance (INDOI) as of the period ending December 31, 2008. The present risk-focused examination was conducted by Noble Consulting Services, Inc., (Noble) and covered the period from January 1, 2009 through December 31, 2013, and included any material transactions and/or events occurring subsequent to the examination date and noted during the course of this examination.

The examination was conducted in accordance with the NAIC *Financial Condition Examiners Handbook* (Handbook). The Handbook requires that we plan and perform the examination to evaluate the financial condition and identify prospective risks of the Company by obtaining information about the Company, including corporate governance, identifying and assessing inherent risks within the Company, and evaluating system controls and procedures used to mitigate those risks. An examination also includes assessing the principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation, management's compliance with Statutory Accounting Principles, and Annual Statement instructions, when applicable to domestic state regulations.

The examination of the Indiana domestic insurance companies of CNO Financial Group, Inc., (CNO) was called by the INDOI in accordance with the Handbook guidelines, through the NAIC's Financial Examination Electronic Tracking System. The INDOI served as the lead state on the examination and the New York Department of Financial Services (NYDFS), Pennsylvania Insurance Department (PID), and Texas Department of Insurance (TDI) served as participants.

Jeff Beckley, FSA, MAAA, of Actuarial Options, LLC., a consulting actuary appointed by the INDOI, conducted a review of the Company's statutory reserves as of December 31, 2013.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process.

HISTORY

CNO is a holding company for a group of insurance companies operating throughout the United States that develop, market, and administer annuity, accident and health, individual life insurance, and other insurance products. CNO and its wholly owned holding company, CDOC, Inc., (CDOC) are located in Carmel, Indiana. The six (6) insurance subsidiaries of CDOC are Bankers Conesco Life Insurance Company of New York (BCLIC), Bankers Life and Casualty Company (BLC), Conesco Life Insurance Company of Texas (CLTX), Colonial Penn Life Insurance Company (CPL), Washington National Insurance Company (WNIC), and the Company.

The Company was incorporated on January 30, 1962, under the laws of the state of Massachusetts as Massachusetts General Life Insurance Company, and was licensed and commenced business on May 3, 1962. As of December 31, 2013, the Company is a wholly owned subsidiary of CDOC following the dividend of the Company from WNIC approved on October 1, 2010.

CAPITAL AND SURPLUS

CDOC owned 100% of the Company's issued and outstanding stock as of the examination date. There were 5,250,000 authorized shares of common stock with a par value of \$1 per share and 4,178,222 shares issued and outstanding throughout the examination period.

DIVIDENDS TO STOCKHOLDERS

There were no dividends declared or paid by the Company to stockholders during the examination period.

TERRITORY AND PLAN OF OPERATION

The Company is licensed in the District of Columbia, Guam, Puerto Rico, U.S. Virgin Islands, and all states except New York. The Company is currently not selling any new business. The Company's in-force business consists mainly of universal and traditional life policies and a block of specified disease business coinsured from WNIC.

GROWTH OF THE COMPANY

The following exhibit summarizes the financial results, (in 000s), of the Company during the examination period:

Year	Admitted Assets	Liabilities	Surplus and Other Funds	Premiums and Annuity Considerations	Net Income
2013	\$ 3,825,491	\$ 3,695,798	\$ 129,692	\$ 237,119	\$ 49,682
2012	3,957,196	3,905,767	51,429	257,157	(34,460)
2011	4,151,630	4,034,213	117,416	277,963	22,127
2010	4,272,809	4,169,158	103,651	294,549	1,757
2009	4,382,162	4,270,663	111,499	316,795	(21,176)

Admitted Assets, Liabilities, and Premiums declined throughout the examination period, primarily due to the run-off of the business.

The Company's net income increased from a loss of approximately \$34 million to a gain of approximately \$50 million in 2013, primarily due to the impacts of the settlement of class action lawsuits related to certain interest sensitive life products and the tax benefit resulting from it. The surplus also increased from approximately \$51 million at December 31, 2012, to approximately \$130 million in 2013 primarily due to the above reason.

The Company's net income decreased from a gain of approximately \$22 million to a loss of approximately \$34 million in 2012, primarily due to the tentative litigation settlement of class action lawsuits related to certain interest sensitive life products and the increase in federal tax expenses. The surplus also decreased from approximately \$117 million to approximately \$51 million in 2012 primarily due to the above reason.

The Company's net income increased from approximately \$1.7 million to approximately \$22 million in 2011, primarily due to the federal income tax benefit resulting from the settlement of litigation as well as a gain in operations in the health business (decrease in benefit ratio and decrease in commission)

The Company's net income increased from a loss of approximately \$21 million to a gain of approximately \$1.7 million in 2010, primarily due to higher general expenses that were accrued in 2009 related to a tentative litigation settlement (Lifetrend) and a decrease in asset adequacy reserves, and increased IMR amortization.

MANAGEMENT AND CONTROL

Directors

The Company is managed by a Board of Directors (Board). The Bylaws state that the Board shall consist of not less than five (5) or more than nine (9) directors. The shareholders, at each annual meeting, elect the members of the Board.

Indiana Code (IC) 27-1-7-11 states that at least one (1) of the directors must be a resident of Indiana. Upon review, it is confirmed that at least one (1) director is a resident of Indiana.

The following is a listing of persons serving as directors for the Company and their principal occupations as of December 31, 2013:

<u>Name and Address</u>	<u>Principal Occupation</u>
Thomas D. Barta Carmel, Indiana	Senior Vice President, Finance and Business Development CNO Services, LLC
Timothy S. Bischof Indianapolis, Indiana	Senior Vice President, Corporate Actuarial, and Enterprise Risk Management CNO Services, LLC
John R. Kline Indianapolis, Indiana	Senior Vice President and Chief Accounting Officer CNO Services, LLC
Christopher J. Nickele Arlington Heights, Illinois	President, Other CNO Business, and Executive Vice President, Product Management CNO Services, LLC
Barbara S. Stewart Carmel, Indiana	President, WNIC CNO Services, LLC

Officers

The Bylaws state that the officers of the Company, who shall be chosen by the Board, shall be a President, one (1) or more Vice Presidents, a Treasurer, and a Secretary. The Board may also elect a Chairman of the Board, an Executive Vice President, and such committees as it may deem advisable. The Chairman of the Board, the President, and one (1) Vice President shall be chosen from among the directors. The same person may hold any two (2) or more offices, except for the offices of President and Secretary may not be held by the same person.

The following is a list of officers and their respective titles as of December 31, 2013:

<u>Name</u>	<u>Office</u>
Christopher J. Nickele	President
Erik M. Holding	Treasurer
Karl W. Kindig	Secretary
Mark E. Billingsley	Actuary
Bruce K. Baude	Executive Vice President

Eric R. Johnson
Matthew J. Zimpfer
Thomas D. Barta
John R. Kline

Executive Vice President
Executive Vice President
Senior Vice President
Senior Vice President

Corporate Governance

Corporate governance was evaluated through a review of the Company's corporate governance guidelines, Executive Officer and Board member interviews, Board general meeting minutes, CNO committee minutes, and other examination documentation.

CONFLICT OF INTEREST

Directors and officers are required to review and sign Conflict of Interest statements annually. It was determined that all directors and officers listed in the Management and Control section of this Report of Examination have reviewed and signed their statements as of December 31, 2013.

OATH OF OFFICE

IC 27-1-7-10(i) stipulates that every director, when elected, shall take and subscribe to an oath stating that he or she will faithfully, honestly, and diligently administer the affairs of the Company and will not knowingly violate any of the laws applicable to such Company. It was determined that all directors listed in the Management and Control section of this Report of Examination have subscribed to an oath as of December 31, 2013.

CORPORATE RECORDS

Articles of Incorporation

There were no amendments made to the Articles of Incorporation during the examination period.

Bylaws

There were no amendments made to the Bylaws during the examination period.

Minutes

The Board and shareholders meeting minutes were reviewed for the period under examination through the fieldwork date. Significant actions taken during each meeting were noted.

IC 27-1-7-7(b) states an annual meeting of Shareholders, Members, or Policyholders shall be held within five (5) months after the close of each fiscal year of the Company and at such time within that period as the Bylaws may provide. The Bylaws states the annual meeting of Shareholders shall be held within five (5) months after the close of the fiscal year of the Company. For each year under review, the annual meeting of Shareholders was held within five (5) months following the close of each fiscal year, except for 2009 and 2010, when the annual meetings were held in December and November, respectively.

See the Other Significant Issues section of this Report of Examination.

The Company's Bylaws do not require any specific committees to be in place. The Company's Investment Committee meeting minutes were reviewed for the examination period, and through the fieldwork date. The CNO committee meeting minutes for the examination period and through the fieldwork date, were reviewed for the following committees: Audit and Enterprise Risk Management Committee, Executive Committee, Governance and Nominating Committee, and Human Resources and Compensation Committee.

AFFILIATED COMPANIES

Organizational Structure

The following abbreviated organizational chart shows the Company's upstream holding companies and insurance entity affiliates as of December 31, 2013:

	<u>NAIC Co. Code</u>	<u>Domiciliary State/Country</u>
CNO Financial Group, Inc.		DE
CDOC, Inc.		DE
Conseco Life Insurance Company	65900	IN
Conseco Life Insurance Company of Texas	11804	TX
Bankers Conseco Life Insurance Company	68560	NY
Bankers Life and Casualty Company	61263	IL
Colonial Penn Life Insurance Company	62065	PA
Washington National Insurance Company	70319	IN

Affiliated Agreements

The following affiliated agreements and transactions were disclosed as part of the Form B- Holding Company Registration Statement and were filed with the INDOI, as required, in accordance with IC 27-1-23-4.

Investment Advisory Agreement

Effective August 2, 1996, the Company entered into an agreement with 40/86 Advisors, Inc., (40/86 Advisors) to provide management of the Company's investments and investment accounting services. The agreement states that 40/86 Advisors will direct, purchase, retain, and dispose of the invested assets for a quarterly fee of 0.05% of total market value of said assets. 40/86 Advisors also provides all investment accounting services, for a quarterly fee equal to the lesser of 0.0125% of the total market value of the Company's invested assets or all direct and directly allocable expenses for the investment accounting services, plus a charge for overhead. During 2013, the Company incurred \$7,694,350 for services provided pursuant to this agreement.

Loan Servicing and Origination Agreement

Effective August 2, 1996, and amended January 1, 2006, the Company entered into an agreement with 40/86 Mortgage Capital, Inc., (40/86 Mortgage Capital) to provide origination, underwriting, and servicing for the Company's mortgage loans according to guidelines established by the Company. Pursuant to the agreement, the Company pays 40/86 Mortgage Capital a monthly servicing fee equal to the beginning unpaid principle balance of each loan as of the payment date multiplied by .002/12. During 2013, the Company incurred \$544,433 for services provided pursuant to this agreement.

Insurance Services Agreement

Indiana Department of Insurance
NAIC Accredited

Effective January 1, 1997, the Company entered into an agreement with CNO Services, LLC., (CNO Services). Within this agreement, CNO Services agrees to provide accounting, treasury, tax, and auditing, investment accounting, underwriting, claims, marketing, advertising and sales, data processing, and functional support. During 2013, the Company incurred \$59,105,471 for services provided pursuant to this agreement.

Consolidated Federal Income Tax Agreement

Effective January 1, 2003, the Company joined the CNO and Subsidiaries Amended and Restated Consolidation Income Tax Agreement dated February 4, 1989 as amended and restated, and files a life-nonlife consolidated federal income tax return with CNO and its subsidiaries. Effective January 1, 2004, after receiving non-disapproval from the INDOI on March 11, 2004, the agreement was amended to include various provisions at the request of the TDI. This agreement states that the calculation of the Members' Tax Liability shall be determined on a separate company basis as if it had filed a state or federal income tax return separately, although it is a consolidated return. Tax sharing receipts and disbursements under this agreement are received or paid to CLTX. During 2013, the Company received \$8,136,566 and \$7,564 in federal and state income taxes, respectively, from CLTX pursuant to this agreement.

FIDELITY BOND AND OTHER INSURANCE

The Company protects itself against loss from any fraudulent or dishonest acts by any employees through a fidelity bond issued by National Union Fire Insurance Company of Pittsburgh, PA. The bond covers CNO, and all its subsidiaries and financially controlled entities for loss resulting from dishonest or fraudulent acts committed by any employee acting alone or in collusion with others, forgery and alteration, securities alteration or theft, and computer systems fraud and has a single loss coverage limit of \$10,000,000, with a \$500,000 deductible. The fidelity bond exceeds the prescribed minimum coverage specified by the NAIC.

The Company had additional types of coverage in-force at December 31, 2013, including but not limited to automotive liability, business income, commercial automobile, employer's liability, foreign employee benefits, general liability, property, workers' compensation, and international liabilities including auto liability, business income, general liability, property, and workers' compensation.

PENSION, STOCK OWNERSHIP, AND INSURANCE PLANS

Defined Benefit Plan

The Company provides certain health care and life insurance benefits under a postretirement plan for certain former employees. The unfunded plan is closed to new participants. The liability was \$23,443 at December 31, 2013 and was included in general expenses due and accrued. The Company recorded expenses of \$5,255 on the plan in 2013.

Defined Contribution Plans

The Company provides payments under a deferred compensation plan to two (2) former employees. The plan is closed and is in payout status. The liability was \$152,531 at December 31, 2013 and was included in general expenses due and accrued. The Company recorded expenses of \$12,754 on the plan in 2013.

Consolidated/Holding Company Plans

The Company's employees are eligible to participate in CNO's 401(k) savings plan. In addition, certain executive officers of the Company are included in CNO's deferred compensation plan. The Company has no legal obligation for benefits under these plans. CNO allocates a portion of these costs to the Company based on salary ratios. The Company's allocated expenses under these plans during 2013 totaled \$433,635.

STATUTORY DEPOSITS

The Company reported the following statutory deposits, (in 000s), at December 31, 2013:

State	Book Value	Fair Value
For All Policyholders:		
Arkansas	\$ 110	\$ 114
Florida	1,214	1,339
Georgia	85	91
Indiana	2,438	2,396
Massachusetts	113	108
Mississippi	2,316	2,419
Missouri	612	701
New Hampshire	4,906	4,949
New Mexico	126	136
North Carolina	424	442
Tennessee	201	208
Virginia	512	536
Guam	50	50
Puerto Rico	1,288	1,196
U.S. Virgin Islands	502	512
All Other Special Deposits:		
Indiana	7,797	8,231
Total Deposits	<u>\$ 22,695</u>	<u>\$ 23,428</u>

REINSURANCE

Ceded Reinsurance

The Company no longer actively writes new business. For business sold prior to September 1, 2001, the Company maintained a maximum net retention of \$500,000 per life for domestic business. International retention limits are \$100,000 for universal life products and \$400,000 for term life products. For life business sold since September 1, 2001, CLIC's retention limit is \$750,000 per insured life. In the aggregate, CLIC cedes approximately 21% of its life insurance business by face amount, about 5% of life insurance and annuity reserves, and about 29% of life insurance and annuity premiums.

The Company cedes a significant portion of its risks associated with interest-sensitive products, including universal life and annuity products to a variety of domestic and foreign reinsurers. These ceded reinsurance arrangements are mainly effected through yearly renewable term and co-insurance agreements. The majority of the ceded reinsurance program consists of quota share agreements in which the Company cedes a stated percentage of its risk to the assuming reinsurer.

In 2007, the Company sold most of its older in-force, fixed annuity business through a co-insurance agreement with Jackson National Life Insurance Company. As a result of this transaction, all future policy activity relating to this block of business will be ceded to Jackson National Life Insurance Company. As of December 31, 2013, this transaction accounted for ceded policy reserves totaling \$57.3 million.

Assumed Reinsurance

The Company has not entered into any new assumed agreements or added new business to any existing agreements since December 31, 2008. Life and annuity contracts in-force as of the date of the last examination generated premiums of \$4.4 million and policy reserves of \$49.1 million in 2013.

The Company also assumes a large block of specified disease insurance coverage on a modified co-insurance basis from its affiliate, WNIC. As of December 31, 2013, this block of business accounted for \$876.4 million in modified co-insurance contract reserves. Effective April 1, 2014, this agreement was terminated via a commutation transaction prior to the sale of CLIC on July 1, 2014.

ACCOUNTS AND RECORDS

The Company's accounting procedures, practices, account records, and supporting data were reviewed and tested to the extent deemed necessary. The trial balances prepared from the Company's general ledger for the years ended December 31, 2012 and 2013, were agreed to the respective Annual Statements. The Annual Statements for the years ended December 31, 2009 through December 31, 2013, were agreed to each year's independent audit report without material exception. The Company's accounting procedures, practices, and account records were deemed satisfactory.

CONSECO LIFE INSURANCE COMPANY

Assets

As of December 31, 2013

(in 000s)

	<u>Per Examination*</u>
Bonds	\$ 3,288,223
Stocks:	
Preferred stocks	12,779
Common stocks	24,108
Mortgage loans on real estate:	
First liens	188,038
Cash, cash equivalents, and short-term investments	37,922
Contract loans	170,461
Derivatives	6,272
Other invested assets	3,582
Subtotals, cash and invested assets	<u>3,731,384</u>
Investment income due and accrued	44,336
Premiums and considerations:	
Uncollected premiums and agents' balances in course of collection	543
Deferred premiums and agents' balances and installments booked but deferred and not yet due	10,536
Reinsurance:	
Amounts recoverable from reinsurers	4,093
Other amounts receivable under reinsurance contracts	4,385
Current federal and foreign income tax recoverable and interest thereon	11,793
Net deferred tax asset	16,753
Guaranty funds receivable or on deposit	1,266
Receivables from parent, subsidiaries and affiliates	255
Health care and other amounts receivable	148
Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts	<u>3,825,491</u>
Totals	<u>\$ 3,825,491</u>

* There were no adjustments to the as-filed financial statements, therefore the Annual Statement amounts agree to the examination amounts.

CONSECO LIFE INSURANCE COMPANY
Liabilities, Surplus and Other Funds
As of December 31, 2013
(in 000s)

	<u>Per Examination*</u>
Aggregate reserve for life contracts	\$ 2,710,231
Aggregate reserve for accident and health contracts	162,186
Liability for deposit-type contracts	585,335
Contract claims:	
Life	
Accident and health	56,907
Policyholders' dividends	15,217
Provision for policyholders' dividends and coupons payable in following calendar year – estimated amounts:	2
Dividends apportioned for payment	655
Premiums and annuity considerations for life and accident and health contracts received in advance; including accident and health premiums	1,380
Contract liabilities not included elsewhere:	
Other amounts payable on reinsurance including assumed and ceded	8,686
Interest maintenance reserve	89,492
Commissions to agents due or accrued-life and annuity contracts accident and health and deposit-type contract funds	276
General expenses due or accrued	10,321
Taxes, licenses and fees due or accrued, excluding federal income taxes	1,240
Unearned investment income	2,315
Amounts held for agents' account, including agent's credit balances	146
Remittances and items not allocated	6,224
Borrowed money and interest thereon	471
Miscellaneous liabilities:	
Asset valuation reserve	32,938
Payable to parent, subsidiaries and affiliates	773
Aggregate write-ins for liabilities	11,002
Total Liabilities excluding Separate Accounts business	3,695,798
Total Liabilities	3,695,798
Common capital stock	4,178
Gross paid in and contributed surplus	503,370
Unassigned funds (surplus)	(377,856)
Surplus	125,514
Total surplus and other funds	129,692
Total liabilities, surplus and other funds	\$ 3,825,491

* There were no adjustments to the as-filed financial statements, therefore the Annual Statement amounts agree to the examination amounts.

CONSECO LIFE INSURANCE COMPANY
 Summary of Operations
 For the Year Ended December 31, 2013
 (in 000s)

	Per Examination*
Premiums and annuity considerations for life and accident and health contracts	\$ 237,119
Considerations for supplementary contracts with life contingencies	510
Net investment income	231,043
Amortization of interest maintenance reserve	4,200
Commissions and expense allowances on reinsurance ceded	1,053
Reserve adjustments on reinsurance ceded	(872)
Miscellaneous Income:	
Charges and fees for deposit-type contracts	9
Total	<u>473,061</u>
Death benefits	261,417
Matured endowments (excluding guaranteed annual pure endowments)	853
Annuity benefits	5,916
Disability benefits and benefits under accident and health contracts	160,943
Coupons, guaranteed annual pure endowments and similar benefits	2
Surrender benefits and withdrawals for life contracts	126,068
Interest and adjustments on contract or deposit-type contract funds	22,417
Payments on supplementary contracts with life contingencies	823
Increase in aggregate reserves for life and accident and health contracts	(170,309)
Totals	<u>408,129</u>
Commissions on premiums, annuity considerations, and deposit-type contract funds	9,148
Commissions and expense allowances on reinsurance assumed	15,832
General insurance expenses	63,834
Insurance taxes, licenses, and fees, excluding federal income taxes	7,461
Increase in loading on deferred and uncollected premiums	190
Aggregate write-ins for deductions	(59,321)
Totals	<u>445,273</u>
Net gain from operations before dividends to policyholders and federal income taxes	27,788
Dividends to policyholders	602
Net gain from operations after dividends to policyholders and before federal income taxes	<u>27,186</u>
Federal and foreign income taxes incurred (excluding tax on capital gains)	(12,310)
Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains or (losses)	39,496
Net realized capital gains (losses)	10,186
Net income	<u>\$ 49,682</u>

* There were no adjustments to the as-filed financial statements, therefore the Annual Statement amounts agree to the examination amounts.

CONSECO LIFE INSURANCE COMPANY
Capital and Surplus Account Reconciliation
(in 000s)

	2013	2012	2011	2010	2009
Capital and surplus, December 31 prior year	\$ 51,429	\$ 117,416	\$ 103,651	\$ 111,499	\$ 162,350
Net income	49,682	(34,460)	22,127	1,757	(21,176)
Change in net unrealized capital gains	(1,475)	(158)	3,836	1,806	(2,421)
Change in net deferred income tax	(23,369)	23,299	(20,663)	1,943	(33,583)
Change in nonadmitted assets	42,323	(36,303)	32,491	(10,749)	21,526
Change in liability for reinsurance in unauthorized and certified companies	4	(2)	51	79	(68)
Change in asset valuation reserve	11,097	(11,697)	(17,498)	(11,429)	(433)
Cumulative effect of changes in accounting principle	-	-	-	-	(169)
Surplus adjustment	-	-	-	-	(389)
Change in surplus as a result of reinsurance	-	-	-	-	(389)
Aggregate write-ins for gains and losses in surplus	-	(6,667)	(6,579)	8,746	(14,139)
Net change in capital and surplus for the year	<u>78,263</u>	<u>(65,987)</u>	<u>13,765</u>	<u>(7,847)</u>	<u>(50,851)</u>
Capital and surplus, December 31, current year	<u>\$ 129,692</u>	<u>\$ 51,429</u>	<u>\$ 117,416</u>	<u>\$ 103,651</u>	<u>\$ 111,499</u>

COMMENTS ON THE FINANCIAL STATEMENTS

There were no recommended adjustments to the financial statements as of December 31, 2013, based on the results of this examination.

OTHER SIGNIFICANT ISSUES

IC 27-1-7-7(b) states an annual meeting of Shareholders, Members, or Policyholders shall be held within five (5) months after the close of each fiscal year of the Company and at such time within that period as the Bylaws may provide. For each year under review, the annual meeting of Shareholders was held within five (5) months following the close of each fiscal year, except for 2009 and 2010, when the annual meetings were held in December and November, respectively. It is recommended that the annual meeting of Shareholder be held within five (5) months after the close of each fiscal year.

SUBSEQUENT EVENTS

Effective July 1, 2014, CNO completed the sale of the Company to Wilton Reassurance Company after approval from the applicable state departments of insurance.

AFFIDAVIT

This is to certify that the undersigned is a duly qualified Examiner-in-Charge appointed by the Indiana Department of Insurance and that she, in coordination with staff assistance from Noble Consulting Services, Inc., and actuarial assistance from Actuarial Options, LLC., hereinafter collectively referred to as the "Examiners", performed an examination of Conseco Life Insurance Company, as of December 31, 2013.

The Indiana Department of Insurance is accredited under the National Association of Insurance Commissioners Financial Regulation Accreditation Standards.

This examination was performed in accordance with those procedures required by the NAIC Financial Condition Examiners Handbook and other procedures tailored for this examination. Such procedures performed on this examination do not constitute an audit made in accordance with generally accepted auditing standards and no audit opinion is expressed on the financial statements contained in this report.

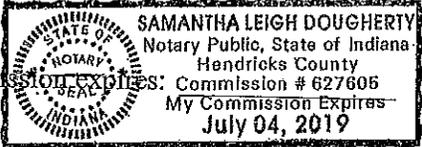
The attached report of examination is a true and complete report of condition of Conseco Life Insurance Company as of December 31, 2013, as determined by the undersigned.

Nadine Treon
Nadine Treon, CFE
Noble Consulting Services, Inc.

State of: Indiana
County of: Marion

On this 26th day of November, 2014, before me personally appeared, Nadine Treon, to sign this document.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal in said County and State, the day and year last above written.

My commission expires:  SAMANTHA LEIGH DOUGHERTY
Notary Public, State of Indiana
Hendricks County
Commission # 627606
My Commission Expires
July 04, 2019

[Signature]
Notary Public

