

**REPORT ON EXAMINATION**  
**OF**  
**FINANCIAL AMERICAN LIFE INSURANCE COMPANY**  
**6201 COLLEGE BOULEVARD, SUITE 500**  
**OVERLAND PARK, KANSAS 66211**  
**AS OF**  
**DECEMBER 31, 2015**

**FILED**  
**MAR 31 2017**  
**KEN SELZER**  
**Commissioner of Insurance**

## TABLE OF CONTENTS

<u>SUBJECT</u>	<u>PAGE NUMBER</u>
SALUTATION .....	1
SCOPE OF EXAMINATION .....	1
Independent Audit Reports .....	2
SUMMARY OF SIGNIFICANT FINDINGS.....	3
COMPANY HISTORY.....	3
Capital Stock.....	4
Dividends and Capital Contributions .....	4
MANAGEMENT AND CONTROL.....	5
Directors.....	5
Officers .....	5
INSURANCE HOLDING COMPANY SYSTEM .....	6
Intercompany/Cost Sharing Agreements .....	7
TERRITORY AND PLAN OF OPERATION.....	7
GROWTH OF COMPANY .....	8
REINSURANCE .....	8
FINANCIAL STATEMENTS.....	9
ANALYSIS OF CHANGES IN FINANCIAL STATEMENTS.....	14
COMMENTS ON FINANCIAL STATEMENTS.....	14
Management Letter.....	16
SUBSEQUENT EVENTS.....	16
SUMMARY OF RECOMMENDATIONS .....	16
CONCLUSION .....	18

Miami, Florida  
December 30, 2016

Honorable Ken Selzer  
Commissioner of Insurance  
Kansas Insurance Department  
420 SW 9th Street  
Topeka, Kansas 66612-1678

Dear Commissioner:

In accordance with your authorization and pursuant to K.S.A. 40-222 – *Examination of condition of company*, an examination has been conducted of the financial condition and business affairs of

**FINANCIAL AMERICAN LIFE INSURANCE COMPANY**

**6201 COLLEGE BOULEVARD, SUITE 500**

**OVERLAND PARK, KANSAS 66211**

hereinafter referred to as the “Company” or “FAMLI”. The following report on such examination is respectfully submitted.

**SCOPE OF EXAMINATION**

The examiners have performed a multi-state financial examination of FAMLI, a Kansas domiciled life insurance company. The last examination covered the four-year period from January 1, 2008, through December 31, 2011. This examination covers the four-year period from January 1, 2012, through December 31, 2015.

The examination was conducted in accordance with the rules, regulations and directives of the Kansas Insurance Department (KID) and the observed guidelines and procedures contained in the National Association of Insurance Commissioners (NAIC) *Financial Condition Examiners Handbook* (Handbook). The Handbook requires the examiners plan and perform the examination to evaluate the financial condition, assess

corporate governance, identify current and prospective risks of the Company and evaluate system controls and procedures used to mitigate those risks. An examination also includes identifying and evaluating significant risks that could cause an insurer's surplus to be materially misstated both currently and prospectively.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process. This may include assessing significant estimates made by management and evaluating management's compliance with Statutory Accounting Principles. The examination does not attest to the fair presentation of the financial statements included herein. If, during the course of the examination an adjustment is identified, the impact of such adjustment will be documented separately following the Company's financial statements.

This examination report includes significant findings of fact, as mentioned in K.S.A. 40-222, *Examination of condition of company*, and general information about the insurer and its financial condition. There may be other items identified during the examination that, due to their nature (e.g., subjective conclusions, proprietary information, etc.), are not included within the examination report but separately communicated to other regulators and or the Company.

### **Independent Audit Reports**

Financial statements of the Company were audited by Dixon Hughes Goodman, LLP for the years ending December 31, 2012, through December 31, 2015. In each of the years under examination, the auditors concluded that the financial statements present fairly, in all material respects, the admitted assets, liabilities and policyholders' surplus of the Company as of December 31, 2015 and the results of its operations and

its cash flows for the years then ended in accordance with the accounting practices prescribed or permitted by the KID.

The independent auditor's work papers were reviewed and analyzed by the examiners; whereby significant reliance was placed on select work papers during the course of this examination.

### **SUMMARY OF SIGNIFICANT FINDINGS**

The examination identified changes made to the premium and claim related line items, presented in the 2015 financial statements, which reduced surplus and resulted in a minimum surplus deficiency under K.S.A. 40-402, *Paid-up capital stock, surplus, deposits of securities*. The examination also determined that regular self-audits of the premium and claims transactions were not conducted, as required by the State of Kansas Annotated Regulation 40-50-110, *Consumer Credit Insurance; supervision of credit insurance operations*.

Additionally, in May 2016 a class action lawsuit was certified alleging the improper denial of a credit life benefit payment and the improper refund of premium under the same certificate. The class action lawsuit seeks damages in excess of \$5,000,000.

### **COMPANY HISTORY**

The Company was originally licensed as Florists' Life Insurance Company (Florists) under the provisions of the Illinois Insurance Code on July 14, 1964. It was incorporated on June 1, 1964, as a stock life insurance company. It was a wholly owned subsidiary of Florists' Mutual Insurance Company, an Illinois property and casualty insurance company.

Effective September 1, 1998, all of the life and annuity business of Florists was sold to Fidelity Security Life Insurance Company, a Missouri domiciled insurance

company. Effective January 1, 1999, Financial American Life Insurance Company, a wholly owned subsidiary of Founders Insurance Company, purchased all of the issued and outstanding stock of Florists. Immediately following the purchase, Financial American Life Insurance Company was merged into Florists. The purchase was approved by the Illinois Director of Insurance on January 29, 1999.

Effective September 5, 2003, Cardif Holdings, Inc. purchased all the outstanding stock of the Company. Effective March 29, 2004, the Company re-domesticated from Illinois to Kansas. On February 1, 2007, the Company's name changed to Cardif Life Insurance Company. On May 20, 2010, the Company's parent signed a Stock Purchase Agreement to sell its insurance subsidiaries which includes the Company to Interstate National Corporation. The agreement was subsequently assigned to an affiliate company, Financial American Holdings Corporation. The closing of the ownership change was January 31, 2011. Effective August 30, 2010, the Company changed its name to Financial American Life Insurance Company.

### **Capital Stock**

As of December 31, 2015, Financial American Holdings Corporation owned all of the 2,530,000 common stock shares issued and outstanding by the Company with a \$1.00 par value per share and a total paid-up capital stock value of \$2,530,000.

### **Dividends and Capital Contributions**

The Company paid dividends of \$6,000,000 in 2015 and \$12,000,000 in 2013 that were approved for payment by the KID and the Texas Department of Insurance to its parent company, Financial American Holdings Corporation. No capital contributions were received by the Company during the examination period.

## MANAGEMENT AND CONTROL

### Directors

The Company's bylaws, as amended and restated on August 20, 2010, consist of nine articles that provide the framework for the operation, management and control of this domestic stock life insurance company in the State of Kansas.

The Company is controlled by its stockholder and managed by a board of directors (board) consisting of not less than three nor more than eight directors.

The exhibit below contains a listing of directors and their principal occupations as of December 31, 2015. All directors serve a one year term of office until death, resignation or replacement.

<b>Name</b>	<b>Position and Employer</b>	<b>Term</b>
Eugene E. Beckner	Senior Vice President Golden Gate Opportunities Entities	2016
Manuel J. Millor	Chief Executive Officer and President Financial American Life Insurance Company	2016
Michael D. Ginsburg	Senior Vice President of Finance and Treasurer Financial American Life Insurance Company	2016
Christopher Alfaras	Chief Information Officer and Vice President Financial American Life Insurance Company	2016
Arlene Gonzalez	Secretary Financial American Life Insurance Company	2016
Carol R. Jones	Vice President Financial American Life Insurance Company	2016

### Officers

The board shall elect a Chief Executive Officer, a President, Vice President(s), a Secretary, and a Treasurer. The board may also elect from their number one or more chairman. Additional officers may be appointed or elected as directed by the board. Each officer shall be elected for a one year term of office and shall hold office until a successor is duly elected and qualified.

The officers listed below were serving in the designated capacity as of December 31, 2015.

Name	Company Position
Manuel J. Millor	Chief Executive Officer and President
Michael D. Ginsberg	Senior Vice President of Finance and Treasurer
Arlene Gonzalez	Secretary
Christopher Alfaras	Chief Information Officer and Vice President
Carol R. Jones	Vice President

**Insurance Company Holding System**

K.S.A. 40-3301, et seq. - *Insurance Holding Companies*, requires a domestic insurer that is part of an insurance holding company system to file appropriate registration statements with the Commissioner of Insurance. The Company has submitted Form "B" and "C" registration statements to the KID for each of the years under examination. A review of the registration statements indicated that the Company is properly reporting items and events as required by statute.

The organizational chart below illustrates the identities and intercompany relationships among insurance and non-insurance companies and the controlling entities thereof, as of December 31, 2015. Ownership is noted in parentheses and the Kansas domiciled insurer is bolded.

- Outside Investors (12.37%)
- Golden Gate Opportunities Entities (87.63%)
  - Financial American Holdings Corporation (100%)
    - Financial American Property and Casualty Company
    - Financial American Insurance Services, Inc.
    - Financial American Life Insurance Company**



### **Intercompany/Cost Sharing Agreements**

On April 9, 2009, the Company entered into an agreement with Cardif Services, Inc. Under this agreement, the services provided to the Company are accounting, actuarial, corporate valuation, audit, back office, communication, executive strategic, operations management, product management, and sales and marketing development. For these services the Company pays the cost of services plus five percent in consideration of unallocated overhead costs.

Effective February 14, 2011, the agreement was amended to change the name of Cardif Services, Inc. to Financial American Insurance Services, Inc. and the name of the Company from Cardif Life Insurance Company to Financial American Life Insurance Company.

Effective May 1, 2014, the agreement was amended to provide services and renew for each five year period instead of annually.

### **TERRITORY AND PLAN OF OPERATION**

As of December 31, 2015, the Company was authorized to transact business in the District of Columbia and every state in the United States except for Maine, New Hampshire, New Jersey, New York, Vermont, West Virginia and Wyoming. The NAIC Schedule T Exceptions Report was reviewed for each of the states where the Company is licensed. No exceptions were noted.

As of December 31, 2015, the Company's premium consisted of unearned premium refunds from the discontinued writing of its credit life and credit accident and health business in 2013. The Company is currently running off its credit life and credit accident and health business and the last certificate issued expires in 2023.

## GROWTH OF COMPANY

The exhibit below shows the RBC and the Company's financial growth (in thousands) for the period of December 31, 2011, through December 31, 2015. The financial growth amounts were obtained from annual statements filed by the Company.

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>[REDACTED]</b>					
<i>(in thousands)</i>					
Admitted Assets	50,878	48,772	28,189	21,856	10,041
Liabilities	34,216	33,478	21,268	12,032	6,375
Capital and Surplus	16,662	15,294	6,921	9,824	3,666
Net Income	(1,574)	(1,577)	1,703	2,308	338
Net Premiums Written	5,553	6,147	2,668	(3,563)	(1,681)

## REINSURANCE

The Company does not assume any business through reinsurance; however, the Company cedes credit business under the Cardif Assurance Vie ("CAV"), the General Re Life Corporation ("Gen Re"), and the Merida Reinsurance Ltd. ("Merida") reinsurance agreements, as well as various quota share agreements with producer owned reinsurance companies ("PORCs").

Effective December 1, 2003, the Company entered into a quota share reinsurance agreement with CAV. The Company cedes credit business to CAV under a 70% quota share basis for business issued on or after November 1, 2004. The reinsurance agreement was terminated for new business issued after January 31, 2011 and was replaced by a reinsurance treaty with Gen Re.

Effective January 31, 2011, the Company cedes 70% of all credit business not ceded under the Merida or the PORCs reinsurance treaties to Gen Re. This treaty is

subject to a maximum per risk exposure of \$150,000 for credit life business and a \$1,000 maximum monthly benefit exposure for credit accident and health business.

Effective 2006, the Company cedes 100% the first \$25,000 on credit life and the first \$750 of monthly benefit on the credit accident and health for all credit business not ceded under the CAV, Gen Re, or PORCs reinsurance treaties to Merida. The Company retains 100% of the credit life business ceded in excess of the first \$25,000 up to \$100,000 in coverage, the excess over \$100,000 is 100% ceded to Merida. The Company retains 100% of the credit accident and health business in excess of the first \$750 of monthly benefit.

The Company cedes credit business under various quota share agreements that are not ceded under the CAV, Gen Re, or Merida reinsurance treaties to the PORCs on an earned or written basis. The PORCs are foreign insurance companies established offshore of the United States and trust balances and other allowed reinsurance credits are used to allow the Company to accept reserve credit for the amount of reserves ceded.

All reinsurance agreements reviewed during the course of the examination contained insolvency and cancellation clauses as required by paragraph (c) of K.S.A. 40-221a—*Reinsurance of risks of and by Kansas companies*. All reinsurance agreements reviewed provided for the transfer of risk.

### **FINANCIAL STATEMENTS**

The following financial statements are based on the statutory financial statements filed by the Company with the Kansas Insurance Department and present the financial condition of the Company for the period ending December 31, 2015. The accompanying comments on financial statements reflect any examination adjustments

to the amounts reported in the annual statement and should be considered an integral part of the financial statements.

**FINANCIAL AMERICAN LIFE INSURANCE COMPANY**  
**ANALYSIS OF ASSETS**  
**AS OF DECEMBER 31, 2015**

	Assets	Assets Nonadmitted	Net Admitted Assets
Bonds	\$ 7,913,030		\$ 7,913,030
Cash and short-term investments	1,057,977		1,057,977
Investment income due & accrued	78,640		78,640
Uncollected premiums and agents' balances in the course of collection	153,818	\$ 4,947	148,871
Amounts recoverable from reinsurers	452,810		452,810
Other amounts receivable under reinsurance agreements (See Comments)	23,204		23,204
Current federal and foreign income tax recoverable	63,655		63,655
Net deferred tax asset	75,823		75,823
Aggregate write-ins for other than invested assets	38,047	38,047	-
<b>Totals</b>	<b>\$ 9,857,004</b>	<b>\$ 42,994</b>	<b>\$ 9,814,010</b>

**FINANCIAL AMERICAN LIFE INSURANCE COMPANY**  
**LIABILITIES, SURPLUS AND OTHER FUNDS**  
**AS OF DECEMBER 31, 2015**

Aggregate reserve for life contracts	\$ 2,139,130
Aggregate reserve for accident and health contracts (See Comments)	2,578,000
Contract claims: life (See Comments)	213,601
Contract claims: accident and health (See Comments)	528,063
Other amounts payable on reinsurance	41,594
Interest Maintenance Reserve	766,737
Commissions to agents due or accrued	27,235
General expenses due or accrued	393,693
Taxes, licenses and fees due or accrued	20,785
Remittances and line items not allocated	68,681
Asset Valuation Reserve	19,664
Reinsurance in unauthorized and certified companies	95,038
Payable to parent, subsidiaries and affiliates	111,311
<b>Total liabilities</b>	<b>7,003,532</b>
Common capital stock	2,530,000
Gross Paid in and contributed surplus	34,570,000
Unassigned funds (See Comments)	(34,289,522)
<b>Surplus as regards policyholders</b>	<b>2,810,478</b>
<b>Totals</b>	<b>\$ 9,814,010</b>

**FINANCIAL AMERICAN LIFE INSURANCE COMPANY**  
**STATEMENT OF INCOME**  
**CAPITAL AND SURPLUS ACCOUNT**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

Premiums and annuity considerations for life and accident and health contracts	\$ (1,681,381)
Net investment income	216,821
Amortization of Interest Maintenance Reserve	290,489
Commissions and expense allowances on reinsurance ceded	41,578
Aggregate write-ins for miscellaneous income	14
Totals	<u>(1,132,479)</u>
Death benefits <b>(See Comments)</b>	909,686
Disability benefits and benefits under accident and health contracts <b>(See Comments)</b>	663,025
Increase in aggregate reserves for life and accident and health contracts <b>(See Comments)</b>	<u>(4,275,556)</u>
Totals	<u>(2,702,845)</u>
Commissions on premiums, annuity considerations, and deposit type funds	(695,321)
General insurance expenses <b>(See Comments)</b>	2,701,238
Increase in loading on deferred and uncollected premiums	81,731
Totals	<u>(615,197)</u>
Net gain from operations before dividends to policyholders and federal income taxes	<u>(517,282)</u>
Net gain from operations after dividends to policyholders and federal income taxes	(517,282)
Federal income taxes incurred	<u>(928)</u>
Net income after dividends to policyholders and before federal income taxes	(516,354)
Net realized capital gains (losses)	(1,289)
Net income	<u>\$ (517,643)</u>

**CAPITAL AND SURPLUS ACCOUNT**

Surplus as regards policyholders, December 31, 2014	\$ 9,824,569
Net income	(517,643)
Change in net deferred income tax	(1,323,835)
Change in nonadmitted assets	606,098
Change in liability for reinsurance in unauthorized companies	179,490
Change in asset valuation reserve	41,739
Dividends to stockholders	(6,000,000)
Aggregate write-ins for gains and losses in surplus	56
Change in surplus as regards policyholders for the year	<u>(7,014,095)</u>
Surplus as regards policyholders, December 31, 2015	<u>\$ 2,810,474</u>

**FINANCIAL AMERICAN LIFE INSURANCE COMPANY**  
**CAPITAL AND SURPLUS ACCOUNT**  
**RECONCILIATION OF CAPITAL AND SURPLUS SINCE LAST EXAMINATION**

Surplus as regards policyholders, December 31, 2011			<u>\$ 16,661,826</u>
Net income	2012	(1,576,569)	
	2013	1,703,422	
	2014	2,307,892	
	2015	<u>(517,643)</u>	1,917,103
Change in net unrealized capital gains or (losses)	2012	<u>(182)</u>	(182)
Change in net deferred income tax	2012	-	
	2013	909,617	
	2014	490,041	
	2015	<u>(1,323,835)</u>	75,823
Change in nonadmitted assets	2012	49,321	
	2013	(70,369)	
	2014	(395,479)	
	2015	<u>606,098</u>	189,571
Change in liability for reinsurance in unauthorized companies and certified companies	2012	(63,490)	
	2013	995,501	
	2014	467,643	
	2015	<u>179,490</u>	1,579,144
Change in asset valuation reserve	2012	8,187	
	2013	89,134	
	2014	33,460	
	2015	<u>41,739</u>	172,520
Dividends to stockholders	2013	(12,000,000)	
	2015	<u>(6,000,000)</u>	(18,000,000)
Aggregate write-ins for gains and losses in surplus	2012	214,617	
	2015	<u>56</u>	<u>214,673</u>
Surplus as regards policyholders, December 31, 2015			<u>\$ 2,810,478</u>

## ANALYSIS OF CHANGES IN FINANCIAL STATEMENTS

Adjustments were made to surplus as a result of this examination. The capital and surplus of the Company, as of December 31, 2015, was \$2,810,478, which was \$855,689 less than the amount, reported by the Company in its 2015 filed Annual Statement of \$3,666,167. This reduction of surplus from \$1,136,167 to \$280,478 did not result in any regulatory action level under the RBC result; however, the minimum surplus requirement of \$600,000 as not met under K.S.A. 40-402, *Paid-up capital stock, surplus, deposits of securities*. The Company was required to correct this deficiency immediately and has plans to increase surplus above the required minimum.

### **Analysis of Changes to Surplus**

Surplus at December 31, 2015 per Annual Statement	\$3,666,167	
<b><u>Statement Line Item</u></b>	<b><u>Increase</u></b>	<b><u>Decrease</u></b>
Other amounts receivable under reinsurance agreements		\$227,461
Aggregate reserves for accident and health contracts		441,843
Contract claims: life		115,589
Contract claims: accident and health		70,796
Net increase (or decrease)		<u>(855,689)</u>
Surplus at December 31, 2015 after adjustment		<u>\$2,810,478</u>

## COMMENTS ON FINANCIAL STATEMENTS

### **Other Amounts Receivable under Reinsurance Agreements:**

The Company's asset line item "Other Amounts Receivable under Reinsurance Agreements" was reduced by (\$227,461) from \$250,665 to \$23,204 because the account includes contingent loss adjustment expenses that are not allowed to be recognized in the financial statements as ceded loss adjustments expenses recoverable under paragraph 15 of SSAP No. 5R – Liabilities, Contingencies and Impairments of Assets because the reinsurance agreement requires the reinsurer to provide written



notification to participate in the contested claims, which was not received by the Company as of December 31, 2015 or subsequently.

The Company is required to recognize the amount of the ceded loss adjustment expenses when received from the reinsurer under a contingency basis for future financial statement filings as required under paragraph 15 of SSAP No. 5R.

**Aggregate Reserve for Accident and Health Contracts:**

The Company's liability line item "Aggregate Reserve for Accident and Health Contracts" was increased by (\$441,843) from (\$2,136,157) to (\$2,578,000) as a result of the Company not using a required morbidity table but an unearned premium calculation.

The Company is required to comply with the requirements in paragraph 12 of SSAP No. 59 and K.S.A. 40-409, *Valuation of Policies* for the financial statements filed in the future.

**Contract Claims: Life:**

The Company's liability line item "Contract Claims: Life" was increased by (\$115,589) net of reinsurance from (\$98,012) to (\$213,601) as a result of the under payment of net decreasing credit life claims of (\$71,328) and for the subsequently paid life benefits of (\$44,261) that exceed the accrued liability established as of December 31, 2015.

The Company has agreed to paid the under paid claim benefits from the net decreasing credit life certificates owed to the beneficiaries in 2016 and is required to monitor the contracts claim life accrual to ensure the proper amount of the liability is reflect in future reporting periods of the financial statements.

### **Contract Claims: Accident and Health:**

The Company's liability line item "Contract Claims: Accident and Health" was increased by (\$70,796) net of reinsurance from (\$457,267) to (\$528,063) as a result of subsequently paid life benefits that exceed the accrued liability established as of December 31, 2015.

The Company is required to monitor the credit accident and health claims accrual to ensure the proper amount of the liability is reflected in future reporting periods of the financial statements.

### **Management Letter**

There were several immaterial findings resulting from the examination that did not warrant inclusion in this report. However, these concerns were noted in a management letter that was issued to the Company's board of directors for review, resolution and response back to the KID.

### **SUBSEQUENT EVENTS**

In May 2016, FAMLI was informed that the O'Donnell lawsuit that alleges the improper denial of an Ohio credit life claim was certified as a class action lawsuit with an amended complaint filed on May 18, 2015, which alleges the improper refund of premiums. The Ohio class action lawsuit seeks damages in excess of \$5,000,000.

The Company disputes the O'Donnell claim allegations and is presently vigorously defending such allegations and the class action lawsuit.

### **SUMMARY OF RECOMMENDATIONS**

The Company is required under K.A.R 40-5-110, *Consumer Credit Insurance; supervision of credit insurance operations* to conduct a reasonable annual review of the procedures of each creditor with respect to credit insurance to insure compliance with

the insurance laws of the State of Kansas and regulations promulgated by the KID Commissioner. The reviews are conducted to ensure proper charges are being made by the creditor, proper refunds are being made, and claims are being filed and properly handled. The Company disclosed that no reviews have been conducted for any state during the examination period.

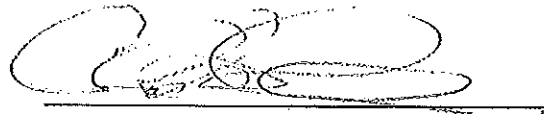
The KID and all other State regulators are allowed under the various statutes and regulations to perform reviews of the premium and claim transactions when required reviews are not conducted.

It is recommended that the Company perform compliance reviews on a regular basis to prevent or reduce the risk of significant financial loss in the future.

**CONCLUSION**

The assistance and cooperation by the officers of the Company during the course of this examination is hereby acknowledged and appreciated. In addition to the undersigned, Mr. Richard Todd, CPA, a financial examiner and Mr. Shane Mead, CISA, CRISC, an information technology examiner representing the KID, participated in this examination.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'C. Buchanan', written over a horizontal line.

Christopher W. Buchanan, CPA, CFE  
Senior Insurance Examiner  
Examiner-in-Charge

**EXHIBIT S**  
**EXAMINER'S AFFIDAVIT AS TO STANDARDS AND**  
**PROCEDURES USED IN AN EXAMINATION**

State of   Kansas  ,

County of   Shawnee  ,

  Christopher W. Buchanan  , being duly sworn, states as follows:

1. I have authority to represent the Kansas Insurance Department in the examination of the Financial American Life Insurance Company.
2. The Kansas Insurance Department is accredited under the National Association of Insurance Commissioners Financial Regulation Standards and Accreditation.
3. I have reviewed the examination work papers and examination report, and the examination of the Financial American Life Insurance Company was performed in a manner consistent with the standards and procedures required by National Association of Insurance Commissioners.

The affiant says nothing further.

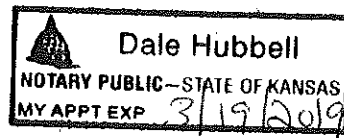


Examiner's Signature

Subscribed and sworn before me by Christopher W. Buchanan on this 29th day of March, 2017.

(SEAL)

Dale Hubbell  
Notary Public



My commission expires 3/19/2019 [date].