

## EXECUTIVE SUMMARY

The Kansas Insurance Department (KID) performed a targeted market conduct examination of Americo. KID contracted with Lewis & Ellis, Inc., Actuaries & Consultants (L&E), to review the Peak Performer Equity Indexed Annuity program offered by Americo.

The scope of the review was to verify policy value calculations, compliance with the valuation statutes in the state of Kansas and determine if proper procedures and controls are in place to administer the Peak Performer in Kansas. L&E verified specific policy value calculations including account value, cash surrender value, guaranteed minimum value and minimum death benefits.

To accomplish this, L&E selected a sample (as of 3/31/2005) of Peak Performer policies issued in Kansas. L&E also conducted a series of meetings with members of the Americo staff to verify that the company had the proper procedures and controls in place to administer the Peak Performer program.

From its review, L&E concluded:

1. Correct index values are being used in determining the policy values.
2. Errors in reported account values did exist for all policies where complaints had previously been filed, but such errors had been corrected and current account values for all such policies are now correctly stated.
3. The terminated policies reviewed, received the correct termination value.
4. Errors in account values previously reported were due primarily to incorrect index values used in the account value calculation. These errors have been corrected and all policies checked now use the correct index values.

In summary, L&E did not identify any continuing errors for the examined block of policies. All previous errors that had been noted in prior complaints have been corrected and current procedures produce correct values.