

OHIO DEPARTMENT OF INSURANCE

A

TARGETED

MARKET CONDUCT EXAMINATION

OF

THE OHIO NATIONAL LIFE INSURANCE COMPANY

NAIC #67172





Bob Taft, Governor

Ann Womer Benjamin, Director

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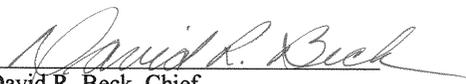
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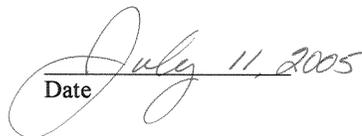
Commissioners and Directors:

In accordance with the powers vested under Title 39 of the Ohio Revised Code, a multi-state market conduct examination has been conducted on the ordinary life insurance business of The Ohio National Life Insurance Company at the Company's home office located at One Financial Way, Cincinnati, Ohio.

The Company is an Ohio domestic life insurance company. Therefore, Ohio was the lead state for the purpose of this examination. Ohio Examiners, in conjunction with your states and the NAIC Race-Based Premium Working Group, conducted the on-site examination on behalf of all states.

The report is submitted as follows:


David R. Beck, Chief
Market Conduct Division


Date



Accredited by the National Association of Insurance Commissioners (NAIC)
Consumer Hotline: 1-800-686-1526 Fraud Hotline: 1-800-686-1527 OSHIP Hotline: 1-800-686-1578

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BACKGROUND

In August 2000 all Ohio domestic life insurance companies and fraternal benefit societies received a survey and questionnaire from the Ohio Department of Insurance (“the Department”). They were asked to report on any past practices where policy rates or premiums were, in whole or in part, based on the race of the applicant.

The Ohio National Life Insurance Company (“the Company”) responded to the Department’s survey in October 2000 and submitted supplemental information requested by the Department in February 2001. In this survey response, the Company acknowledged that it had previously marketed or issued life insurance policies using race-based underwriting and pricing. The Company also reported that at no time had it written or assumed any industrial life policies.

In preparing its October 2000 response to the August 2000 survey, the Company reviewed its underwriting and rating practices. Using data available as of “approximately September 20, 2000”, the Company found 26 "rated"¹ policies issued through 1966 insuring African-Americans for which no apparent justification, such as health, occupation, or avocation could be found. In its response, the Company also detailed its methodology and the remedial actions that it initiated after it determined that there was a possibility that the underwriting or rating of these policies may have been based upon race.

In April 2001 using data available as of “approximately February 6, 2001,” the Company expanded its review to include "rated" policies issued through 1972. In the course of this review, the Company found that it issued one additional "rated" policy to an African-American applicant for which the file was not adequately documented to determine the reason for the rating. The Company used the same methodology in this review that it used in preparing its October 2000 response to the Superintendent.

The Company's response is reviewed further in the Underwriting and Rating section of this report.

¹ Life insurance policies issued with surcharges applied to the standard policy premium.

COMPANY HISTORY

The Company was incorporated September 9, 1909, and commenced business on October 10, 1910. The Company converted from a mutual life to a stock company on July 29, 1998.

Between January 1, 1911, and April 1, 1943, the Company acquired six other insurers either directly or by full or partial reinsurance. The table below lists the companies and the dates of acquisition.

Company Name	Date Reinsured	Other Companies
Ohio Mutual Life Insurance Co.	January 1, 1911	
Toledo Travelers Life Insurance Co.	January 1, 1930	
Bankers Reserve Life Co. of Omaha Nebraska	January 1, 1933	
Columbia Life Insurance Co.	January 1, 1939	Columbia reinsured Inter-State Life January 1, 1904 and Young Men's Mutual Life Assn. January 1, 1939.
American Citizens Life Insurance Co.	January 1, 1942	
Great Lakes Life Insurance Co.	April 1, 1943	Great Lakes operated under the name of Pure Protection Association from January 1, 1901 to January 1, 1938.

In 1993 Ohio National Life Insurance Company, Inc., acquired life and annuity writings of Pennsylvania National Life Insurance. The Pennsylvania National writings were included in the Company's review and response to the Superintendent's survey.

Ohio National Life Assurance Company, another member of the current holding company system, administers these acquired Pennsylvania National policies.

COMPANY OPERATIONS

The Company is domiciled in Ohio, and its home office is located in Cincinnati. The Company is wholly owned by Ohio National Financial Services, Inc. It operates in 47 states and Puerto Rico. In its 2000 Annual Financial Statement, as of December 31, 2000, the Company reported the following for its ordinary life products:

State	Policies In-force	% Of National	Total Face Amount	Total Premium
OH	21,177	23%	\$644,278,942	\$15,139,540
PA	8,504	9%	\$229,809,217	\$3,421,142
IL	8,068	9%	\$277,219,192	\$5,649,864
NE	7,443	8%	\$173,912,704	\$2,468,277
MI	6,888	7%	\$214,885,366	\$3,329,180
National	92,478	100%	\$3,750,472,710	\$71,047,622

Additionally, the 2000 Annual Financial Statement reported no industrial life business.

SCOPE OF EXAMINATION

The examination included a review of the Company's past practices of underwriting and rating applications for life insurance based, in part, on the race of the applicant. The on-site portion of the examination commenced on September 17, 2001, at the Company's home office in Cincinnati, Ohio and concluded on November 8, 2001. Additional on-site reviews were conducted on October 3 and 4, 2002, and March 4, 2003. The examination was restricted to Company activities for individual ordinary life insurance business issued during the period from January 1, 1911, through December 31, 1972.

Ohio conducted the examination with the passive participation of the states of Pennsylvania, Illinois, Nebraska, and Michigan. The examination focused on ordinary life policies issued during the examination period to residents of the participating states. The participating states were the five states with the largest number of in-force ordinary life insurance policies as of year-end 2000. Ohio Examiners, in conjunction with the participating states and the National Association of Insurance Commissioners (NAIC) Race-Based Premium Working Group, conducted the examination on behalf of all states.

After thorough review of the Company's response to the Department's August 2000 survey, the Examiners chose to focus on two groups of policies,

1. Standard policies issued on or before December 31, 1975, and;
2. Nonstandard (rated) policies issued between January 1, 1954 and December 31, 1972.

In its survey response, the Company stated that prior to 1954, its rate books instructed agents to solicit Caucasians only. The Examiners reviewed policies issued before 1954 to confirm the accuracy of the Company's statement that no African-American applicants were written before 1954. Rate books prior to 1954 were found containing the underwriting restriction referenced by the Company.

Starting in 1954 agents were instructed to submit only preliminary applications on a trial basis regarding any prospect not of the Caucasian race. As late as September 1967 the Company provided application forms that identified the applicant's race. This data on race, however, was never captured on the Company's administrative system. As discussed later in this report, the Examiners reviewed standard policies issued from 1954 through 1967 to determine whether there was an apparent concentration of African-American applicants in any product.

Following its review of "rated" policies issued from 1954 through 1972, the Company found 27 nonstandard policies issued to African-American applicants that appeared to be surcharged in whole or in part on the applicant's race. In general these nonstandard policies were issued with a "two table" surcharge (for example, Table B rather than standard).

The examination was conducted in two phases. The first phase was an on-site review of the Company's historical records of marketing materials, rate books, underwriting manuals, applications, and policy forms. The purpose of this phase was to determine the types of ordinary life products offered, note differences between the various products, and identify the underwriting standards which were applied to each kind of ordinary life product.

The second phase of the on-site exam included a review of samples of ordinary life products. These samples were reviewed to identify whether the Company engaged in any apparent pattern or practice of offering ordinary life products to applicants based in any way upon race. The Company's marketing and rating practices were tested during this phase of the examination for apparent discrimination.

The specific tests conducted during this phase of the exam are described in the body of the report.

This examination was generally conducted in accordance with the standards and procedures established by the NAIC and the Department. Accordingly, the examination included the following areas of the Company's operations:

- A. Company Operations
- B. Company History
- C. Underwriting and Rating

METHODOLOGY

The examination was conducted through a review of policy files. A review was also conducted of the Company's Board and Executive Financial Committee Meeting minutes, marketing guides, rate books, and underwriting manuals. This information was supplemented, as necessary, with interviews with Company managers and written inquiries to the Company requesting clarification and/or additional information.

The Examiners reviewed all available nonstandard policies issued from 1954 through 1972 regardless of the state of issue. Terminated nonstandard policies issued during this period were included, but the review was limited by the Company's record retention policy. Since 1973, the Company's retention policy provided for the retention of death claim policy files for 10 years and all other terminated policy files for 7 years before destruction. The Examiners' review of standard policies was restricted to those policies issued to residents of the participating states.

A series of tests were designed and applied to these policy files to determine whether the Company engaged in unfair underwriting and/or rating practices. These tests are described and the results noted in this report.

In any instance where errors were noted, the Examiners submitted a request for information to the Company describing the apparent error. The Company response to the Examiners noted whether the Company:

- Concurred with the findings;
- Had additional information for the Examiners to consider, and/or;
- Proposed remedial action to correct the apparent deficiency.

The Department requested, and the Company supplied, reports of the policy data, in file formats specified by the Examiners, to be used on IBM compatible personal computers.

Except as otherwise noted, all tests were conducted on a randomly selected sample. These samples were selected using a standard business database application that provides a true random sample since it supplies a random starting point from which to select the sample.

UNDERWRITING AND RATING

Minutes of Board of Director and Executive Committee Meetings

The Examiners requested, and the Company supplied, the minutes of the Board of Directors meetings and Executive Committee meetings held between January 1, 1946 and December 31, 1975.

These documents were reviewed by the Examiners to determine whether there was any record of any discussion in any of these meetings of race based marketing, underwriting or rating.

A complete review of the minutes recorded during this period showed no record of any discussion of any of these business practices.

Nonstandard Policies Issued between 1954 and 1972

As part of its response to the Superintendent's August 2000 survey of domestic life companies, the Company reviewed its underwriting and rating practices. This review covered the period from 1954 through 1966. In the course of preparing its response, the Company determined that it issued 26 "rated" policies to African-American applicants with no apparent justification, such as health, occupation, or avocation.

In April 2001 the Company expanded its review to include "rated" policies issued through 1972. Following this review, the Company determined that it had issued one additional "rated" policy to an African-American applicant with no apparent justification, such as health, occupation, or avocation. The Company also found that it had issued rated policies to five other

African-American applicants during this period. In each instance, the surcharges were correctly applied based upon the applicant's health condition as recorded on the application and/or on the medical report.

The methodology used by the Company included:

- Review of archived Company rate books and underwriting manuals to determine what instructions, if any, were given in the past to agents and/or field underwriters regarding applications on the lives of African-American applicants. The manuals reviewed by the Company spanned the years 1953 through 1976.
- Review of archived Company forms to determine what reference to an applicant's race, if any, appeared on applications and other forms. The archived forms reviewed covered the period from 1928 through 1976. Applications in use before 1928 were reviewed as they were found in active or terminated policy files.
- Review of archived minutes of Board of Directors and of Executive Committee meetings. The minutes reviewed covered the period from 1910 through 1970.
- Review of the entire population of "rated" (surcharged) ordinary life policies:
 1. Issued between January 1, 1954, and December 31, 1966, and in-force as of "approximately September 20, 2000," or;
 2. Issued between January 1, 1967, and December 31, 1972, and in-force as of "approximately February 6, 2001."The Company identified a total of 734 such policies. (This number includes those policies reviewed in April 2001 subsequent to the Company's October 2000 survey response to the Superintendent.)
- Exclusion of "non-rated" (standard) ordinary life policies from review with the reasoning that regardless of race, a standard policyowner paid the same premium as other applicants purchasing the same policy.

In its October 16, 2000, survey response to the Superintendent, the Company reported:

- Rate books in use before 1954 instructed agents to solicit Caucasian applicants only.
- Prior to 1967, application forms asked for the identity of the race of the insured.

- Application forms in use from 1967 to the present time have not included a question as to race. (This was modified, as indicated below in the discussion of the Company's April 2001 review, whereby forms from September 1967 and earlier continued to be in use until 1970.)
- Other than rate books in use prior to 1954, no underwriting guidelines, manual, memoranda or other corporate records setting forth underwriting guidelines relating to race were found. (See Examiner findings below, wherein six rate books were found containing a requirement to submit a preliminary application for any prospect not of the Caucasian race.)
- 483 "rated" policies that were issued prior to 1967 continued in force at the time of the Company's response.
- 17 of these 483 active "rated" policies contained information on the application indicating the race as non-Caucasian. The rating could not be attributed to medical, occupational or other appropriate underwriting factors. All were issued during the period from 1956 through 1963.
- The aggregate extra premium charged for these 17 policies was, on average, \$717 for the life of each policy, an \$18 per-year approximate average.

On February 13, 2001, the Company provided additional information at the request of the Department:

- As of "approximately September 20, 2000," there were 24,368 policies in force that were issued in the years 1954 through 1966. The 483 "rated" policies were included in that total.
- In addition to the 17 policies identified in the October 16, 2000, survey response, 9 terminated "rated" policies were identified that had been issued to non-Caucasians.
- Each of these 9 terminated "rated" policies had ratings similar in nature to the ratings described above for the in-force policies. These policies were found in terminated files still available and not yet destroyed. The Company found 175 such files.

In April 2001 the Company initiated a further review of its "rated" policies. These findings were not reported to the Department until January 2003. This subsequent review covered all rated policies issued from 1967 through 1972. Although application forms after September 1967 no longer contained an indication of race, forms dated September 1967 and prior continued to be submitted as late as 1970. The Company reported:

- 251 "rated" policies issued from 1967 through 1972 continued in force at the time of the Company's April 2001 review. Each "rated" policy was reviewed to determine whether the policy rating in any way was based on the applicant's race.
- 1 of these 251 active "rated" policies, was apparently rated, in part, on the applicant's race.
- 134 terminated policies identified as "rated" policies issued from 1967 through 1972 were located in the Company's stored records.
- None of these 134 terminated "rated" policies were apparently rated, in part, on the applicant's race.

A summary of the distribution of these 27 rated policies by state of issue appears below:

Active Policies

State	Policies In Force	Total Face Amount
Ohio	2	\$7,000
Illinois	10	\$25,450
Pennsylvania	5	\$12,550
Maryland	1	\$2,500
Total	18	\$47,500

Terminated Policies

State	Policies Identified	Total Face Amount
Ohio	1	\$2,000
Illinois	2	\$4,000
Pennsylvania	5	\$12,550
District of Columbia	1	\$2,500
Total	9	\$21,050

Total All Identified Policies

State	Policies Identified	Total Face Amount
Ohio	3	\$9,000
Illinois	12	\$29,450
Pennsylvania	10	\$25,100
Maryland	1	\$2,500
District of Columbia	1	\$2,500
Total	27	\$68,550

Upon the conclusion of its final review, the Company initiated a remedial action plan to "make whole" the 27 identified policyowners. These remedies included:

- Calculation of the increased death benefit, and/or additional cash value due each policyowner for premiums paid over the life of the policy due to the substandard rating based upon race.
- Reduction in premiums and increase in the death benefits and cash values for all active policies.
- Additional death benefits paid on the policies terminated by the policyowner's death.
- Additional cash value payments on terminated policies surrendered by the policyowner.
- Offers of cash payment or reinstatement to owners of policies that lapsed.

As part of the on-site examination, the Examiners:

- Verified the Company's review of policies issued between 1954 and 1972 to confirm the Company's findings.
- Reviewed each of the 734 active "rated" policies issued between 1954 and 1972.
- Determined that 18 of the 734 active rated policyholders were surcharged, based on the applicant's race.
- Reviewed each of the 309 terminated "rated" policies which the Company identified as issued between 1954 and 1972 and was able to locate in its files.
- 7 terminated policies issued between 1967 and 1972 were not available for review and the Company confirmed they were not yet scheduled for destruction according to its records retention program.
- Determined that 9 of the 309 terminated policyholders were surcharged, in whole or in part, based on the applicant's race.
- Confirmed the Company's findings that 27 policies were rated, in whole or in part, on the applicant's race.
- Determined that the average excess premium differential for these 27 policyholders was 22%.
- Found 6 rate books (dated 4/15/56, 1/1/58, 11/1/58, 1/1/60, 9/1/62, and 1/1/63) that contained an underwriting requirement to submit a preliminary application for any prospect not of the Caucasian race.

Following the on-site examination:

- The Superintendent hired actuaries to review the accuracy of the Company's calculations when making remediation to its insureds and/or the insured's beneficiaries.
- Revised remediation amounts were calculated by the outside actuaries for 12 of the 27 policyholders that were previously remediated.
- Of those 12, the actuaries found errors in each of the Company's remediation calculations. Eleven of those 12 were nominal amounts. Review by the Company's actuaries concurred with the Department's findings.
- Upon conclusion of the actuaries review, the Company made the additional remediations to the insureds and/or the insured's beneficiaries.

Policies Issued Before 1954

The Company reported that it found no record of accepting applications on the lives of African-American applicants before 1954. To confirm that no group of applicants had been overlooked in the Company's review of these policies, the Examiners:

1. Randomly selected 100 policies from those policies issued before January 1, 1954.
2. Reviewed each application in the policy file to identify the race of the applicant.
3. Noted the race of each applicant.

Findings

Population	Sample	White	African-American	No Record
17,273	100	98	0	2

Based on the data collected, it appeared that the Company did not accept African-American applicants before 1954.

Examiners' Comments

Two policies were not available for review. It appears that they were destroyed in accordance with the Company's standard records retention plans in effect at the time the policies terminated.

Standard Policies Issued Between 1954 and 1976

Standard: The Company's underwriting practices are not to be unfairly discriminatory.

Test: Did the Company's underwriting or rating practices during the period between January 1, 1954 and December 31, 1975 show any apparent concentration of African-American applicants/policyowners in any particular plan code(s) or any other apparent unfair discrimination?

Methodology: The Company reported that it found policies issued during the period from 1954 through 1970 where the application identified an applicant's race. The Company revised its forms after September 1967 to eliminate the question of an applicant's race. However, agents continued to use the outdated forms as late as 1970.

To determine whether there was any "steering" of African-American applicants to certain products, the Examiners:

1. Identified the population of all policies, active or terminated, with inceptions between January 1, 1954 and December 31, 1975. This resulted in a population of 33,993 policies.
2. Sampled each plan code separately. This sampling methodology resulted in a request for 1,347 policy files. The Company produced 1,238 files for review. 109 files were unavailable.
3. Captured the race of the applicant from whatever documents were available in the policy file.
4. Noted when this information was not shown.
5. Noted when data was not available because the record had not been retained.

Findings

Only 6 African-American applicants were found in the 1,238 active and terminated policy files. 866 were identified as white, and the remaining 366 files did not contain any race indications.

No conclusion could be drawn concerning the practice of "steering" applicants to one product type or another, based on the small number of nonwhite applicants.

Examiners' Comments

The Company was unable to produce all of the policies requested. The Company was able to show that most of the policy records had been destroyed in compliance with the document retention plan in effect at the time of the policy termination. Since 1973, the Company's records retention plan provided for retention of death claims for 10 years and all other terminated policy files for 7 years before destruction. Availability of the remaining files would not significantly affect the findings, so no additional files were requested for review.

SUMMARY

The Examiners found that the Company accurately reported its past marketing and rating practices in its October 2000 response to the August 2000 survey except for the following findings:

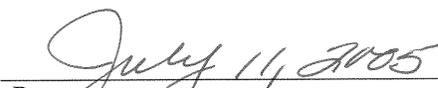
- The Company stated, “Application forms *in use (emphasis added)* from 1967 to the present time have not included a question as to race.” The Company’s April 2001 review and review by the Examiners found that the Company produced an application including questions as to race as late as September 1967 and continued accepting applications including questions as to race as late as 1970.
- The Company stated, “Other than rate books in use prior to 1954, we found no underwriting guidelines, manuals, memoranda or other corporate records setting forth underwriting guidelines relating to race.” The Examiners found six rate books dated 4/15/56, 1/1/58, 11/1/58, 1/1/60, 9/1/62, and 1/1/63 containing underwriting requirements relating to race.

In addition, the Examiners found that when the Company accepted applications from African-American applicants between 1954 and 1967, the Company unfairly discriminated against those applicants.

This concludes the report of the Ohio market conduct examination of The Ohio National Life Insurance Company. The Examiners, Molly Porto, John Pollock, Brent Guess, and Tom

Neiswander, would like to acknowledge the assistance and cooperation provided by the Company's management and employees.


Molly Porto
Examiner in Charge


Date

COMPANY'S RESPONSE

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Cincinnati, Ohio 45242



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www.ohionational.com

July 7, 2005

Melissa L. Hull
Acting Assistant Director
Ohio Department of Insurance
2100 Stella Court
Columbus, Ohio 43215-1067

Re: Ohio Department of Insurance, A Targeted Market Conduct Examination
of The Ohio National Life Insurance Company

Dear Ms. Hull:

The purpose of this letter is to provide The Ohio National Life Insurance Company's comments to the report of the Targeted Market Conduct Examination of The Ohio National Life Insurance Company.

There is no direct evidence that The Ohio National Life Insurance Company ("Ohio National") had a company practice of unfairly discriminating against African American applicants in its policy rates or premiums. However, on its own volition, Ohio National instituted a review of rated policies during the time period in question. It was determined that there were a small number of policies (27) underwritten 30 to 50 years ago where the underwriting file was not adequately documented to determine the basis for the rating on those policies. Underwriting is not an exact science and it is not reasonable or possible to determine the basis for all underwriting decisions made 30 to 50 years ago. Nevertheless, because there was some uncertainty in the documentation for the ratings in those underwriting files, Ohio National voluntarily took immediate remedial action to correct the ratings on those policies.

The Department's survey on October 16, 2000 only provided for a "yes" or "no" answer to the question "Has your company ever marketed or issued life insurance policies using race-based underwriting/pricing" and there was no response allowing for "not sure" or "undetermined". Ohio National properly qualified its response indicating that it was unsure because there were ratings in some files from 30 to 50 years prior that were not adequately documented to determine the reason for the rating, such as health, occupation, avocation, etc. From a review of all rated policies between 1954 and 1972, a total of 27 such policies were identified. The reason for the rating was unclear, and thus may or may not have been based, in whole or in part, on the applicant's race. The overall evidence does not support that Ohio National had a company practice where policy rates or premiums were, in whole or in part, based upon the race of the

The Ohio National Life Insurance Company
Ohio National Life Assurance Corporation

Melissa L. Hull
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applicant. However, in these situations where the file was not adequately documented to determine the underwriting basis for the substandard rating on a policy issued 30 to 50 years prior, Ohio National voluntarily did an immediate remediation so as to effectively convert the policy to a standard rating at issue.

The Company accurately reported its past marketing and rating practices in its October, 2000 response to the August survey. As stated in the first paragraph of the Background section of the Report, the Company was asked to report on any past practices where policy rates or premiums were, in whole or in part, based on the race of the applicant. The issue that Ohio National responded to was whether Ohio National's rate books, underwriting guidelines, etc. contained anything that showed or required a rating differential based upon race. Based upon the review that was done, it was determined that the three significant criteria to determine rates were sex, weight, and occupation. There was no information in any of those documents which were reviewed that stated a person would receive an additional rating simply because he/she was not a Caucasian or because he/she was of any particular race.

Furthermore, between 1967 and 1970 while a limited number of agents may have used the old application produced prior to 1967 to submit business, and not the application form changed in 1967, there was no indication that the use of this application affected the ultimate rating for any policy.

Finally, the overall evidence does not support a finding that Ohio National unfairly discriminated in its policy rates or premiums against African Americans applicants between 1954 and 1967 nor that the rating on the 27 policies issued 30 to 50 years ago where the file was not adequately documented to determine the reason for the rating was based upon the applicant's race. The Board of Directors minutes and the executive committee minutes do not contain any reference to such business practices. Ohio National's administrative systems did not capture the race of the applicant or the insured. There was no underwriting guideline or requirement to rate policies of persons because he/she was not a Caucasian or because he/she was of any particular race. Ohio National's rate books did not contain any different rates based upon race. In addition to 27 policies that contained a rating for which the file was not adequately documented to determine the reason for the rating, there were also policies issued standard to African Americans during the period reviewed and also policies that contained a rating where the file was adequately documented to determine the reason for the rating and no additional rating was given those policies based upon race or any other factors.

However, because Ohio National was unable to determine the underwriting basis for the substandard rating on some policies issued to African Americans 30 to 50 years before and that there was a possibility that these ratings may have been based, in part, upon race, the Company voluntarily took immediate remedial action to address that possibility. In addition to addressing

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the policies identified, in consideration that other policies for which we no longer have records because the policies were terminated and the files destroyed in the normal course of business may have had ratings that were not adequately documented to determine the reason for the rating, Ohio National made a corporate contribution to the National Underground Railroad Freedom Center. Ohio National contributed \$100,000 to the Freedom Center and also agreed to match executive officer personal contributions. Based upon executive officer contributions pledged through 2007, Ohio National's contribution will likely total another \$77,500. Thus, Ohio National and its executive officers have contributed and/or pledged \$255,000.00 toward the National Underground Railroad Freedom Center.

Very truly yours,



William C. Price
Vice President and Counsel

WCP:mam

Hull



Bob Taft, Governor
Ann Womer Benjamin, Director

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July 11, 2005

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William C. Price
Vice President and Counsel
Ohio National Life Insurance Company
One Financial Way
Cincinnati, Ohio 45242

Re: Ohio National Life Insurance Company
NAIC Code 67172

Dear Mr. Price:

Enclosed please find your copy of the finalized Target Market Conduct Examination report issued by Ohio Department of Insurance ("Department") based on the Department's examination into the race-based pricing and underwriting business practices of Ohio National Life Insurance Company. At this point, the Department considers this matter closed.

On behalf of the Department, I would like to thank you and your staff for their cooperation and assistance in this matter.

Sincerely:

A handwritten signature in black ink, appearing to read 'Melissa L. Hull'.

Melissa L. Hull
Assistant Director
Office of Investigative and Licensing Services



Accredited by the National Association of Insurance Commissioners (NAIC)
Consumer Hotline: 1-800-686-1526 Fraud Hotline: 1-800-686-1527 OSHIIP Hotline: 1-800-686-1578