

CONSECO INC

FORM 11-K (Annual Report of Employee Stock Plans)

Filed 06/27/96 for the Period Ending 12/31/95

Address	11825 N PENNSYLVANIA ST CARMEL, IN 46032
Telephone	3178176100
CIK	0000719241
SIC Code	6321 - Accident and Health Insurance
Industry	Insurance (Life)
Sector	Financial
Fiscal Year	12/31

CONSECO INC

FORM 11-K

(Annual Report of Employee Stock Plans)

Filed 6/27/1996 For Period Ending 12/31/1995

Address	11825 N PENNSYLVANIA ST CARMEL, Indiana 46032
Telephone	317-817-6100
CIK	0000719241
Industry	Insurance (Life)
Sector	Financial
Fiscal Year	12/31

Generated by EDGAR Online Pro
<http://pro.edgar-online.com>



Contact EDGAR Online
Customer Service: 203-852-5666
Corporate Sales: 212-457-8200

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

Form 11-K

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934 [FEE REQUIRED]

FOR THE FISCAL YEAR ENDED December 31, 1995 OR

TRANSITION REPORT PURSUANT TO SECTION 15 (d) OF THE SECURITIES
EXCHANGE ACT OF 1934 [NO FEE REQUIRED]

FOR THE TRANSITION PERIOD FROM TO

Commission file number: 1-9250

A. Full title of the plan and the address of the plan, if different
from that of the issuer named below:

ConsecoSave Plan

B. Name of issuer of the securities held pursuant to the plan and the
address of its principal executive offices:

Conseco, Inc.
11825 North Pennsylvania Street
Carmel, Indiana 46032

J:\11-K.94\11-KCVR.CNC

CONSECOSAVE PLAN

INDEX

a) Financial Statements	
Report of Independent Accountants.....	3
Statement of Net Assets Available for Plan Benefits - December 31, 1995 and 1994.....	4
Statement of Changes in Net Assets Available for Plan Benefits for the years ended December 31, 1995 and 1994.....	5
Notes to Financial Statements.....	6
Supplemental schedules.....	12
b) Exhibit	
23 Consent of Independent Accountants	

REPORT OF INDEPENDENT ACCOUNTANTS

To the Plan Trustees
ConsecoSave Plan
Carmel, Indiana

We have audited the accompanying statement of net assets available for plan benefits of the ConsecoSave Plan (the "Plan") as of December 31, 1995 and 1994, and the related statement of changes in net assets available for plan benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for plan benefits of the Plan as of December 31, 1995 and 1994, and the changes in net assets available for plan benefits for the years then ended, in conformity with generally accepted accounting principles.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules of assets held for investment purposes as of December 31, 1995 and reportable transactions for the year ended December 31, 1995 are presented for the purpose of additional analysis and are not a required part of the basic financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedules have been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Indianapolis, Indiana Coopers & Lybrand L.L.P. June 14, 1996

CONSECOSAVE PLAN

STATEMENT OF NET ASSETS AVAILABLE FOR PLAN BENEFITS

December 31, 1995 and 1994

	1995	1994
Assets:		
Investments in Consecosave Trust Portfolios at fair value:		
Corporate Bond Portfolio (cost: 1995 - \$6,511,148; 1994 - \$7,116,890)	\$ 6,772,474	\$ 6,759,602
Interest Income Portfolio (cost: 1995 - \$21,280,156; 1994 - \$21,053,290)	21,280,156	21,053,290
Equity Portfolio (cost: 1995 - \$20,797,109; 1994 - \$16,209,024)	23,845,210	17,313,910
Money Market Portfolio (cost: 1995 - \$8,210,626; 1994 - \$8,293,737)	8,210,626	8,293,737
Government Securities Portfolio (cost: 1995 - \$4,250,247; 1994 - \$4,588,883)	4,431,429	4,525,516
Conseco Stock Portfolio (cost: 1995 - \$4,612,484; 1994 - \$3,928,851)	7,601,416	4,545,661
CCP Stock Portfolio (cost: 1995 - \$5,995; 1994 - \$575,564)	5,995	519,683
BLH Stock Portfolio (cost: 1995 - \$1,283,356; 1994 - \$346,443)	1,298,166	344,385
	73,445,472	63,355,784
Total investments		
Employer contribution receivable	2,810,580	1,490,799
	\$ 76,256,052	\$ 64,846,583
Net assets available for plan benefits	\$ 76,256,052	\$ 64,846,583

The accompanying notes are an integral part of these financial statements.

CONSECOSAVE PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR PLAN BENEFITS

For the Years Ended December 31, 1995 and 1994

	1995	1994
Investment Income:		
Interest and dividends	\$ 3,267,014	\$ 2,889,813
Net realized gains (losses) on sales of investments	4,412,796	(733,040)
Net unrealized appreciation (depreciation) in fair value of investments	5,195,745	(1,989,846)
	12,875,555	166,927
Contributions:		
Employee contributions	9,094,926	7,946,994
Employer contributions	2,810,580	1,578,756
	11,905,506	9,525,750
Deductions:		
Benefits paid	13,353,410	8,332,406
Custodial fees	18,182	19,670
Transfer of assets to WesternSave Plan	--	1,085,589
	13,371,592	9,437,665
Net increase in net assets available for plan benefits	11,409,469	255,012
Net assets available for plan benefits, beginning of year	64,846,583	64,591,571
	\$ 76,256,052	\$ 64,846,583
	\$ 76,256,052	\$ 64,846,583

The accompanying notes are an integral part of these financial statements.

CONSECOSAVE PLAN

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

The accompanying financial statements of the Consecosave Plan (the "Plan") have been prepared in accordance with generally accepted accounting principles. In October 1995, BankersSave Plan, a plan sponsored by Bankers Life and Casualty Company ("Bankers"), an indirect subsidiary of the Plan sponsor, Consecosave, Inc. ("Consecosave"), was merged into the Plan due to Consecosave's intention to acquire substantially all of the outstanding shares of Bankers' parent. The transaction was accounted for as a pooling of interests and, therefore, all prior period financial statements presented have been restated as if the merger occurred at the beginning of such periods. The total assets of BankersSave at December 31, 1994 were \$55,892,037.

Investments

The Plan provides the following investment options for voluntary employee contributions: Corporate Bond Portfolio, Interest Income Portfolio, Equity Portfolio, Money Market Portfolio, Government Securities Portfolio and Consecosave Stock Portfolio. Employer contributions are invested solely in the common stock of Consecosave. The Plan's investments, except for the affiliated stocks which are held by the Trustees of the Plan, are maintained under a group annuity contract in a separate account of Bankers National Life Insurance Company ("BNL"), an indirect wholly-owned subsidiary of Consecosave.

Investments in each portfolio are valued monthly at the close of the New York Stock Exchange's last business day, with the exception of regional business holidays. The cost of investments sold is determined on the specific identification basis. Investment transactions are accounted for on the settlement date.

The Corporate Bond Portfolio invests in investment-grade and high-yield corporate bonds. Securities for which representative market quotes are readily available are valued at the mid-day mean between the bid and ask prices as quoted by one or more dealers who make a market in such securities. For securities not actively traded, the estimated fair values are determined using values obtained from independent pricing services.

The Interest Income Portfolio invests in guaranteed interest contracts issued by life insurance companies. These contracts are carried at their accumulated contract values, which are cost adjusted for interest credited (at a blended rate of 6.40 percent and 6.58 percent at December 31, 1995 and 1994, respectively). Such carrying values approximate fair values. The contracts, interest rates, and expiration dates are as follows:

Bankers National Life Insurance Company - 1993	6.90%	December 31, 1996
Beneficial Standard Life Insurance Company - 1993	7.05%	December 31, 1997
Beneficial Standard Life Insurance Company - 1994	5.00%	December 31, 1998
Great American Reserve Insurance Company - 1993	6.90%	December 31, 1996
Great American Reserve Insurance Company - 1995	7.45%	December 31, 2000
Western National Life Insurance Company - 1992	6.50%	June 30, 1996
Western National Life Insurance Company - 1993	7.05%	December 31, 1997

The Equity Portfolio invests in selected equity securities and other securities having the investment characteristics of common stocks. The equity portion of the portfolio is widely diversified by both industry and number of issuers. Investment opportunities are sought among securities of larger, established companies, although securities of smaller, less well known companies may also be selected. Equity securities traded on a national securities exchange are valued at their closing market prices. Fixed income securities for which representative market quotes are readily available are valued at the mid-day mean between the bid and ask prices as quoted by one or more dealers who make a market in such securities. For fixed income securities not actively traded, the estimated fair values are determined using values obtained from independent pricing services.

CONSECOSAVE PLAN

NOTES TO FINANCIAL STATEMENTS - (Continued)

1. Summary of Significant Accounting Policies (Continued)

Investments (continued)

The Money Market Portfolio invests in money market instruments maturing within one year, with an average maturity of 120 days or less. Such investments are carried at amortized cost which approximates fair value.

The Government Securities Portfolio invests in securities issued by the U.S. Government or an agency or instrumentality of the U.S. Government, including mortgage-backed securities. The U.S. Government securities which may be purchased include direct obligations issued by the U.S. Treasury, such as Treasury Bills, certificates of indebtedness, notes and bonds. Securities for which representative market quotes are readily available are valued at the mid-day mean between the bid and ask prices as quoted by one or more dealers who make a market in such securities. For securities not actively traded, the estimated fair values are determined using values obtained from independent pricing services. Short-term investments are carried at amortized cost which approximates fair value.

The Consecosave Stock Portfolio invests in the common stock of Consecosave only. The return is based on changes in the market value of Consecosave common stock and dividends received, which are reinvested in Consecosave common stock. The Consecosave common stock is valued at its closing market price on the New York Stock Exchange.

Prior to August 31, 1995, the CCP Stock Portfolio invested in the common stock of CCP Insurance, Inc. ("CCP") only. The return was based on changes in the market value of CCP common stock and dividends received, which were reinvested in CCP common stock. The CCP common stock was valued at its closing market price on the New York Stock Exchange. As of August 31, 1995, CCP was merged into Consecosave. The remaining balance in the CCP Stock Portfolio at December 31, 1995, which consisted of money market funds, was distributed to participants during the second quarter of 1996.

The BLH Stock Portfolio invests in the common stock of Bankers Life Holding Corporation ("BLH") only. The return is based on changes in the market value of BLH common stock and dividends received, which are reinvested in BLH common stock. The BLH common stock is valued at its closing market price on the New York Stock Exchange. Effective January 1995, no new contributions were accepted into this Portfolio.

Certain amounts from the prior year have been reclassified to conform to the 1995 presentation.

Administrative Expenses

Operating expenses and maintenance fees incurred during the years ended December 31, 1995 and 1994, except for investment custodial fees, were paid by BNL on behalf of the Plan. Future payment of such expenses by BNL is at Consecosave's discretion.

Income Taxes

Under Sections 401(a) and 501(a), respectively, of the Internal Revenue Code, the Plan is qualified and the Consecosave Trust, a collective trust established under the Plan, is tax-exempt.

CONSECOSAVE PLAN

NOTES TO FINANCIAL STATEMENTS - (Continued)

2. Plan Description

The Plan is a defined contribution plan pursuant to Section 401(k) of the Internal Revenue Code. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"). Established April 1, 1989, and amended and restated on January 1, 1993 and October 1, 1995, the Plan includes all employees of Consecos and its subsidiaries (other than employees of American Life Holdings, Inc.). Participation is voluntary. Effective July 1, 1995, employees are eligible to become a participant on the first day of the calendar quarter immediately following (1) the employee's date of hire or on the first day of any calendar quarter thereafter if such employee's customary employment is for at least 1,000 hours of service per year; or (2) if the employee's customary employment is less than 1,000 hours of service per year, the last day of either the employee's initial six-month period of employment or any subsequent six-month period during which the employee completes 500 hours of service. From January 1 through July 1, 1995, employees were eligible to become a participant in the Plan on the first day of the calendar quarter immediately following the employee's date of hire or on the first day of any calendar quarter thereafter. Prior to January 1, 1995, employees who had completed six consecutive months of service were eligible to become a participant in the Plan.

Employee contributions to the Plan are made through periodic payroll deductions in increments of 1.0 percent of the participant's annual earnings, not to exceed the lesser of 15.0 percent of the participant's annual earnings or the maximum amount specified by federal tax law (\$9,240 for pre-tax contributions for 1995 and 1994). Payroll deductions may be made on a pre-tax and after-tax basis. Participants must contribute at least 5.0 percent pre-tax in order to make concurrent after-tax contributions. Participants designate the portfolios to which their contributions are made. Prior to January 1, 1995, participants must have contributed at least 4.0 percent pre-tax in order to make concurrent after-tax contributions.

During 1994 and the last six months of 1995, Consecos matched 50.0 percent of each participant's pre-tax contributions up to a maximum of 4.0 percent of the participant's annual earnings. During the first six months of 1995, Consecos matched 100.0 percent of each participant's pre-tax contributions up to a maximum of 5.0 percent of the participant's annual earnings. Additional amounts may be contributed by Consecos at the discretion of its Board of Directors. All employer contributions are made to the Consecos Stock Portfolio, which invests solely in Consecos common stock. Such contributions are made no later than the due date for filing Consecos's federal income tax return, including extensions.

Participants are immediately vested in their voluntary contributions plus actual earnings thereon. Participants who were in the plan prior to December 31, 1992 have a gradual vesting schedule based upon length of service and are fully vested in Consecos's contributions after five years of service. After that date, participants are still subject to a gradual vesting schedule based upon length of service but are fully vested after six years. The non-vested interests of withdrawn participants are used to reduce Consecos's future contributions.

All benefits under the Plan are paid in cash in a lump sum, whole shares of Consecos or BLH common stock, or a combination thereof. A participant may make withdrawals after age 59 1/2, and under certain circumstances, hardship withdrawals and after-tax deposit account withdrawals. Portfolio transfers are allowed quarterly in 1.0 percent increments.

Participants may obtain loans up to 50.0 percent of the vested portion of their account balances, excluding employer contributions in Consecos stock, to a maximum loan of \$50,000. Only one loan may be outstanding at a time. Repayment of both principal and interest is made to the participant's account via payroll deduction or a lump sum.

CONSECOSAVE PLAN

NOTES TO FINANCIAL STATEMENTS - (Continued)

2. Plan Description (continued)

The Plan is administered by the Plan Administrator, who is appointed by Consecos's Board of Directors, and who establishes the rules and procedures necessary for the Plan's operations. Although it has not expressed any intent to do so, Consecos has the right to terminate the Plan. In the event the Plan is terminated, each participant's account shall be nonforfeitable with respect to both the participant's and employer's contributions and the net assets shall be set aside for payment to the participants. Distribution shall be made by the Trustee in a lump sum or in substantially equal installments during a period not exceeding one year following such termination.

The foregoing description of the Plan provides only limited information. Participants should refer to the Summary Plan Description for a more complete description of the Plan's provisions.

3. Transfer of Plan Assets

On April 1, 1994, the WesternSave Plan was established in connection with the sale of Consecos's majority ownership interest in Western National Life Insurance Company. The balances of the Equity Portfolio, the Money Market Portfolio, the Interest Income Portfolio, the Corporate Bond Portfolio and the Government Securities Portfolio attributable to Western National employees, totaling \$1,085,589, were transferred to the WesternSave Plan.

CONSECOSAVE PLAN

NOTES TO FINANCIAL STATEMENTS - (Continued)

4. Changes in Net Assets Available for Plan Benefits By Portfolio

For the Year Ended December 31, 1995

	Corporate Bond Portfolio	Interest Income Portfolio	Equity Portfolio	Money Market Portfolio	Government Securities Portfolio	Conseco Stock Portfolio	CCP Stock Portfolio	BLH Stock Portfolio	Total
Investment Income:									
Interest and dividends	\$ 501,518	\$ 1,376,319	\$ 520,472	\$ 493,510	\$ 303,237	\$ 23,933	\$ 3,353	\$ 44,672	\$ 3,267,014
Net realized gains (losses) on sales of investments	222,936	--	3,995,336	--	177,243	43,724	(7,215)	(19,228)	4,412,796
Net unrealized appreciation (depreciation) in fair value of investments	603,468	--	1,918,265	--	242,134	2,369,540	55,881	6,457	5,195,745
Net investment income	1,327,922	1,376,319	6,434,073	493,510	722,614	2,437,197	52,019	31,901	12,875,555
Contributions:									
Employee contributions	837,512	2,632,129	2,755,029	1,191,223	615,250	924,044	82,752	56,987	9,094,926
Employer contributions	--	--	--	--	--	2,810,580	--	--	2,810,580
Total contributions	837,512	2,632,129	2,755,029	1,191,223	615,250	3,734,624	82,752	56,987	11,905,506
Deductions:									
Benefits paid	1,084,494	4,252,729	3,361,726	2,293,114	1,111,133	966,742	90,513	192,959	13,353,410
Custodial fees	3,408	185	7,177	3,483	2,282	605	544	498	18,182
Total deductions	1,087,902	4,252,914	3,368,903	2,296,597	1,113,415	967,347	91,057	193,457	13,371,592
Net employee transfers	(1,064,660)	471,332	711,101	528,753	(318,536)	305,355	(557,402)	(75,943)	--
Net increase (decrease) in net assets available for plan benefits	12,872	226,866	6,531,300	(83,111)	(94,087)	5,509,829	(513,688)	(180,512)	11,409,469
Net assets available for plan benefits, beginning of year	6,759,602	21,053,290	17,313,910	8,293,737	4,525,516	4,902,167	519,683	1,478,678	64,846,583
Net assets available for plan benefits, end of year	\$ 6,772,474	\$21,280,156	\$ 23,845,210	\$8,210,626	\$4,431,429	\$ 10,411,996	\$ 5,995	\$1,298,166	\$76,256,052

CONSECOSAVE PLAN

NOTES TO FINANCIAL STATEMENTS - (Continued)

4. Changes in Net Assets Available for Plan Benefits By Portfolio (Continued)

For the Year Ended December 31, 1994

	Corporate Bond Portfolio	Interest Income Portfolio	Equity Portfolio	Money Market Portfolio	Government Securities Portfolio	Conseco Stock Portfolio	CCP Stock Portfolio	BLH Stock Portfolio	Total
Investment Income:									
Interest and dividends	\$ 566,540	\$ 1,166,629	\$ 361,413	\$ 328,255	\$ 400,659	\$ 56,906	\$ 4,022	\$ 5,389	\$ 2,889,813
Net realized gains (losses) on sales of investments	(361,185)	--	255,954	--	(483,046)	(33,805)	(110,938)	(20)	(733,040)
Net unrealized appreciation (depreciation) in fair value of investments	(395,217)	--	(96,626)	--	(14,360)	(1,358,168)	(123,418)	(2,057)	(1,989,846)
Net investment income	(189,862)	1,166,629	520,741	328,255	(96,747)	(1,335,067)	(230,334)	3,312	166,927
Contributions:									
Employee contributions	1,166,327	1,983,414	2,054,195	865,725	751,284	762,079	259,412	104,558	7,946,994
Employer contributions	22,261	19,240	6,710	3,750	2,312	386,565	3,625	1,134,293	1,578,756
Total contributions	1,188,588	2,002,654	2,060,905	869,475	753,596	1,148,644	263,037	1,238,851	9,525,750
Deductions:									
Benefits paid	831,106	2,745,665	1,950,410	1,310,469	975,512	409,630	100,897	8,717	8,332,406
Custodial fees	3,861	7	9,488	3,428	2,169	321	321	75	19,670
Transfer of assets to WesternSave Plan	119,418	279,007	98,686	114,073	23,058	451,347	--	--	1,085,589
Total deductions	954,385	3,024,679	2,058,584	1,427,970	1,000,739	861,298	101,218	8,792	9,437,665
Net employee transfers	(2,007,123)	4,057,168	(1,743,264)	231,431	(1,599,287)	774,222	41,546	245,307	--
Net increase (decrease) in net assets available for plan benefits	(1,962,782)	4,201,772	(1,220,202)	1,191	(1,943,177)	(273,499)	(26,969)	1,478,678	255,012
Net assets available for plan benefits, beginning of year	8,722,384	16,851,518	18,534,112	8,292,546	6,468,693	5,175,666	546,652	--	64,591,571
Net assets available for plan benefits, end of year	\$ 6,759,602	\$ 21,053,290	\$17,313,910	\$ 8,293,737	\$ 4,525,516	\$ 4,902,167	\$ 519,683	\$1,478,678	\$64,846,583

CONSECOSAVE PLAN

ITEM 27(A) - SCHEDULE OF ASSETS HELD FOR INVESTMENTS

December 31, 1995

(c) Description of Investment	(d) Cost	(e) Current Value
Assets Held in Common/Collective Trust ConsecoSave Trust	\$66,951,121	\$73,445,472

CONSECOSAVE PLAN

ITEM 27 (D) - SCHEDULE OF REPORTABLE TRANSACTIONS

For the Year Ended December 31, 1995

Identity of Party Involved	Description of Transactions	Number of Transactions	Purchase Price	Selling Price	Expenses Incurred with Transaction	Cost of Asset	Current Value of Asset on Transaction Date	Gain (Loss)	Employee Withdrawals
Various	Employee Withdrawals	44	--	--	--	--	\$ 13,353,410	--	\$ 13,353,410

CONSECOSAVE PLAN

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees of the Plan have duly caused this annual report to be signed on its behalf by the undersigned thereunto duly authorized.

CONSECOSAVE PLAN

Dated: June 26, 1996

By: /s/ ROLLIN M. DICK

*-----
Rollin M. Dick, Trustee*

EXHIBIT 23

CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the incorporation by reference in the registration statements of Conseco, Inc. on Form S-8 (File Nos. 33-57931 and 33-58710) of our report dated June 14, 1996, on our audits of the financial statements and supplemental schedules of the ConsecoSave Plan as of December 31, 1995 and 1994, and for the years then ended, which report is included in this Annual Report on Form 11-K.

Coopers & Lybrand L.L.P.

Indianapolis, Indiana
June 26, 1996

End of Filing

Powered By **EDGAR**
Online

© 2005 | **EDGAR Online, Inc.**