

REGULATORY SETTLEMENT AGREEMENT

This Regulatory Settlement Agreement ("**Agreement**") is entered into by and between the following insurance companies: **Standard Insurance Company and each of its parents, predecessors, successors, and assigns and subsidiaries** (collectively referred to herein as the "**Company**"), and the California Department of Insurance; Florida Office of Insurance Regulation; Oregon Department of Insurance and Financial Services, New Hampshire Insurance Department; North Dakota Insurance Department, and Pennsylvania Insurance Department as Lead States ("**Lead States**") in the multistate targeted market conduct examination of the Company called on November 14, 2012 (the "**Multi-State Examination**"), and the insurance departments executing a Participating State Adoption in the form set forth on Schedule B (the "**Participating States**"). The **Lead States and Participating States** are collectively referred to as the "**Departments**". **The Departments and the Company are collectively referred to herein as the "**Parties**".**

RECITALS

WHEREAS, the Departments have regulatory jurisdiction over the business of insurance conducted in their respective jurisdictions, including the authority to conduct market conduct examinations;

WHEREAS, the Departments are the Lead and Participating States in the Multi-State Examination that was called to assess the Company's settlement practices, procedures and policy administration relating to claims, and the use of the Social Security Death Master File or similar database or service, including the Company's efforts to identify the owners and Beneficiaries of unclaimed Proceeds;

WHEREAS, the Company represents that it has established policies and procedures reasonably designed to ensure timely payment of valid claims to Beneficiaries in accordance with the Insurance Laws and, in the event that the Company's search identifies no living Beneficiary, timely reporting and remitting unclaimed Proceeds to the appropriate states in accordance with the Unclaimed Property Laws. The Company's procedures include the voluntary use of the Social Security Death Master File in certain situations initiated prior to the start of the Multi-State Examination, the use of third party tools to locate covered individuals and Beneficiaries, and procedures upon receiving notification of a death in order to initiate a claim for payment of benefits;

WHEREAS, based upon the information gathered to date, the Departments and Company disagree on the adequacy of the Company's Social Security Death Master File comparison policies and procedures;

WHEREAS, the Company denies any wrongdoing or activities that violate any Insurance Laws and or any other applicable laws and regulations;

WHEREAS, the probability that long-term litigation and/or administrative

proceedings would be required to resolve the disputes between the Parties, the Company and the Departments desire to resolve all claims regarding the differences in interpretation and enforcement of Insurance Laws and all claims that the Departments have asserted or may assert with respect to the Insurance Laws and Company's claim settlement practices or related to the use of the Social Security Death Master File; and

WHEREAS, the Company has cooperated with the Departments and its examiners in the course of the Multi-State Examination by making its books and records available for examination, and its personnel and agents available to assist as requested by the Departments and has represented that the Company and its officers, directors, employees, agents, and representatives at all times relevant to this Agreement have acted in good faith;

NOW, THEREFORE, the Parties agree as follows:

1. **Defined Terms.** Those capitalized terms in this Agreement not otherwise defined in the text shall have the following meanings:
 - a. **"Accountholder"** means the owner of a "Retained Asset Account."
 - b. **"Annuity Contract"** means a fixed or variable annuity contract other than a fixed or variable annuity contract issued (1) in connection with an employment-based plan subject to the Employee Retirement Income Security Act of 1974, or (2) to fund an employment-based retirement plan, including any deferred compensation plan.
 - c. **"Annuity Contract Owner"** means the owner of an Annuity Contract.
 - d. **"Beneficiary"** or **"Beneficiaries"** means the party or parties entitled or contingently entitled to receive the benefits from a Policy, an Annuity Contract, or the proceeds of a Retained Asset Account.
 - e. **"Company Records"** means in-force Policy, Annuity Contract and Retained Asset Account and lapsed Policy information maintained on any Policy Administration System managed by the Company and any third-party retained by the Company, but excluding information maintained by a group term life insurance customer or some other third party retained by the group customer. Company Records does not include lapsed Policies that have been compared against the DMF for eighteen (18) months following the lapse or termination of the applicable Policy. Company Records does not mean information that has been deleted from any Policy Administration System consistent with this Agreement, the applicable state law and the Company's record retention and destruction policies.
 - f. **"Date of Death"** means the date on which an Insured, Annuity Contract Owner, annuitant or Accountholder has died.

- g. **“Date of Death Notice”** means the date the Company first has notice of the Date of Death of an Insured, Annuity Contract Owner, annuitant, or Accountholder. Typically, this means notice received through a Policyholder or a third party retained by the Policyholder, or Beneficiary. However, for purposes of this Agreement notice shall include, but not be limited to notice of death identified and positively confirmed through DMF comparison or any other record of death maintained or located in Company Records.
- h. **“Death Master File” or “DMF”** means the United States Social Security Administration’s Death Master File or a service that is at least as comprehensive and accurate as the Social Security’s Death Master File for the purpose of determining that a person has died.
- i. **“DMF Match”** means a search of the DMF for an Insured, Accountholder, Annuity Contract Owner, or annuitant that results in a match.
- j. **“Effective Date”** means the date this Agreement has been executed by the Company, each of the Departments of Insurance of California, Florida, Oregon, Pennsylvania, New Hampshire, and North Dakota, (the **“Lead Departments”**).
- k. **“Exception”** means a fact situation described in subparagraphs i. – iii. below which serves to exclude the Proceeds from payment to a beneficiary or escheatment to a state as a result of a DMF Match:
- i. for death benefits under a Policy, Annuity Contract and Retained Asset Account: (a) the individual identified in the Date of Death Notice as the Insured, Annuitant, Annuity Contract Owner or Accountholder is either alive or not the Insured, Accountholder, Annuitant or Annuity Contract Owner; (b) the Policy, Annuity Contract or Retained Asset Account was not in force at the Date of Death; (c) there is no death benefit due and payable upon death due to, among other things: (i) the application of a contestability provision or other policy provisions that do not support payment or (ii) the existence of an exclusionary event or litigation; (d) the death benefit under an Annuity Contract is within the five (5) year deferral period under the Internal Revenue Code and the Company has documented contact with the Beneficiary subsequent to the date of death giving rise to the death benefit; or (e) the Proceeds due upon death have in fact been paid, or in the case of an Annuity Contract the Annuity Contract has been continued by the Beneficiary, or reported and remitted as Unclaimed Property to the affected jurisdiction(s);
 - ii. for Annuities that have reached their Maturity Date: (a) there

is no benefit due and payable on the Maturity Date; (b) documented contact has occurred with the Annuity Contract Owner including but not limited to a request by the Annuity Contract Owner to change the designation of a Beneficiary, Annuity Contract Owner or annuitant; a non-automated request to reallocate the value of the Annuity Contract among variable investment options; or a non-automated request to renew or change a fixed interest guarantee period under the Annuity contract; (c) the Annuity Contract Owner has taken action which is inconsistent with a desire to annuitize; (d) the value of the Proceeds payable upon Maturity Date is the subject of pending litigation or dispute; and/or (e) the full value of any benefits due and payable upon the Maturity Date has in fact been remitted to the Annuity Contract Owner or Beneficiary or reported and remitted as Unclaimed Property to the affected jurisdiction(s);

iii. for Retained Asset Accounts: (a) the Accountholder has taken affirmative action in respect to the Retained Asset Account that is inconsistent with abandonment (automatic financial or administrative transactions, including automated deposits or withdrawals prearranged by the account owner, and/or the non-receipt by the Company of returned mail shall not constitute "affirmative action" for this purpose, except to the extent where the affected jurisdiction specifically recognizes that such activity is sufficient to prevent property from being presumed abandoned); or (b) the full value of the Retained Asset Account has in fact been remitted to the Beneficiary or reported and remitted as Unclaimed Property to the affected jurisdiction(s).

- l. **"Future Settlement Agreement"** means any agreement entered into by any other insurer and the Departments concerning the subject matter of this Agreement.
- m. **"Insurance Laws"** means the insurance laws, rules and regulations in effect in each of the Department's jurisdictions and any official guidance issued pursuant to such laws, rules and regulations.
- n. **"Insured"** means an individual insured under a Policy, for whom the Company has contractually agreed with a group term life insurance Policyholder that the Company will be responsible for performing Recordkeeping Services. Insured does not include dependents who have coverage under a Policy.
- o. **"Maturity Date"** means the date in an Annuity Contract that annuity payments are scheduled to begin, unless the records of the Company indicate that the Maturity Date has been extended as a result of (i) the

Company's documented contact with the Annuity Contract Owner, or (ii) the Annuity Contract Owner has taken action with respect to the Annuity Contract that is inconsistent with a desire to annuitize. For purposes hereof, "action in respect to the Annuity Contract that is inconsistent with a desire to annuitize" shall mean a partial annuitization, a partial withdrawal of contract value (including required minimum distributions or systematic withdrawals, unless such distributions or withdrawals remain uncashed, and partial exchanges of the Annuity Contract for another annuity contract), termination or surrender of the Annuity Contract, payment of all Proceeds due, fund transfers, beneficiary changes, or payment of additional annuity considerations.

- p. **"Policy"** means any group term life insurance policy or certificate of group term life insurance that pays a death benefit and for whom the Company has contractually agreed with a Policyholder that the Company will be responsible for performing Recordkeeping Services. The term "Policy" shall not include an employee welfare benefit plan subject to the federal Employee Retirement Income Security Act of 1974 (ERISA) or under any federal employee benefit program. Further, Policy does not include an individual life insurance policy that was converted under the Right to Convert provision of a group term life insurance policy or certificate.
- q. **"Policy Administration System"** means one or more computer systems that provide the authoritative source of digitized records including at least the following for the Insured, Accountholder, Annuity Contract Owner or annuitant:
 - i. Full name,
 - ii. Social security number,
 - iii. Date of birth,
 - iv. Address,
 - v. Coverage eligibility,
 - vi. Premium payment status, and
 - vii. Beneficiary Designation Information, which includes at a minimum the following: (1) beneficiary's full name, address, date of birth, or (2) beneficiaries full name and social security number.
- r. **"Proceeds"** means the benefits payable under a Policy, Annuity Contract or Retained Asset Account of the Company.

- s. **“Policyholder”** means the group (for example, the employer, union or association) that contracts with the Company to provide group term life insurance coverage under a Policy.
- t. **“Recordkeeping Services”** means those circumstances under which the Company has contractually agreed with a group term life insurance Policyholder to be responsible for obtaining, maintaining and administering Insured personal information necessary to process a claim, including minimally the Insured and Beneficiary Designation Information maintained in a Policy Administration System.
- u. **“Retained Asset Account”** means any mechanism whereby the settlement of Proceeds payable under a Policy or Annuity Contract, including, but not limited to, the payment of cash surrender value, is accomplished by the Company or an entity acting on behalf of the Company establishing an account with check or draft writing privileges, where those Proceeds are retained by the Company, pursuant to a supplementary contract not involving annuity benefits.
- v. **“Thorough Search”** means the Company efforts to locate and contact the Beneficiaries of a Policy, Retained Asset Account, or Annuity Contract after receiving a Date of Death Notice that indicates that the Insured, Accountholder, Annuity Contract Owner or annuitant has been reported as dead, which at a minimum, must include:
 - i. The Company shall make at least two (2) attempts to contact the Beneficiary in writing at the address in Company Records or included in information provided by a group term life insurance Policyholder to the Company. If such writing is returned as undeliverable, the Company is not required to send any additional mailings to that address.
 - ii. If no response is received from the Beneficiary, or from someone on the Beneficiary’s behalf, after efforts made under i., above, or if sent mail is returned to the Company undelivered to the Beneficiary, the Company shall search for an updated address using at least one online locator tool such as LexisNexis, Accurint or other comparable databases. At least two (2) attempts in writing will be made to contact the Beneficiary at any updated address identified through these online sources that is reasonably likely to be current and for the same person based on name and at least one other known data criteria such as date of birth, social security number or former address.
 - iii. In the event the Company receives no response to the writings sent pursuant to i. or ii., above, the Company shall attempt to contact the Beneficiary by telephone, if available in the

Company Records or provided by the Policyholder to the Company, at least on two (2) occasions.

- iv. In the event the Company receives no response to the attempted contacts described in iii., above, the Company shall attempt to contact the Beneficiary at the most current available e-mail address, if available in the Company Records or provided by the Policyholder to the Company, at least on two (2) occasions.
- v. In the event the Company's efforts above do not resolve in a response from a Beneficiary, the Proceeds, if due and payable under the applicable contract, are to be viewed as Unclaimed Property under the applicable Unclaimed Property Act. The Company shall comply with all due diligence requirements of the Unclaimed Property Laws including, without limitation, mailing a letter to any updated address obtained through online search and locator tools warning of possible escheatment; and
- vi. The Company shall maintain documentation of all its Thorough Search efforts.

If the value of the Proceeds is de minimis (defined as \$100 or less), the Company may satisfy its obligations to conduct a Thorough Search by making at least one (1) attempt to contact the Beneficiary or Beneficiaries by mail at the address indicated in the Company Records or as provided by a Policyholder, or, if the Company Records do not identify a Beneficiary and address, may report and remit the funds to the affected jurisdiction(s) following the applicable Unclaimed Property Act.

Notwithstanding the forgoing, the Company's obligation to conduct a Thorough Search shall cease upon documented contact with a Beneficiary. In the event the Company fails to locate a Beneficiary, including through the efforts described above, the Company shall report and remit the policy proceeds in accordance with the applicable jurisdiction's Unclaimed Property Laws.

- w. **"Unclaimed Property"** means property subject to state Unclaimed Property Laws.
- x. **"Unclaimed Property Audit Agreement"** means the Global Resolution Agreement between the Company, Verus Financial, LLC and the Unclaimed Property regulators and the agreement between the Company and the Florida Department of Financial Services.
- y. **"Unclaimed Property Laws"** means the laws, rules and regulations regulating unclaimed property in each of the Departments' jurisdictions

that apply to insurance companies.

- 2. Specific Business Practices and Reforms.** The Company will adopt and continue the policies and procedures it has heretofore adopted, as follows:
- a. To the extent not already compared and within 12 months of the Effective Date, the Company shall perform a comparison against the complete DMF of all active and terminated Insureds and Accountholders to the extent retained in the Company Records.
 - b. Within 12 months of the Effective Date, the Company shall complete a comparison against any updates to the DMF of a Policy that terminated no more than 18 months prior to the Effective Date. Thereafter, the Company shall compare all Insureds, Retained Asset Accountholders, Annuitants and Annuity Contract Owners in its Company Records at least semi-annually, unless statutorily required to do so more frequently, against all updates to the DMF since the previous comparison was performed. The Company shall have no responsibility for errors, omissions or delays in information contained in the DMF or any update files. The Company shall use the comparison criteria specified in Schedule A.
 - c. If the Company is not contacted by a Beneficiary within ninety (90) days from its receipt of the Date of Death Notice, the Company shall commence a Thorough Search, which shall be completed within one (1) year from the Date of Death Notice. If (i) the Beneficiary cannot be located by a Thorough Search and (ii) the Company is unable to establish an Exception, it shall report and remit the Proceeds as Unclaimed Property consistent to the affected jurisdiction(s) under Unclaimed Property Laws, with dormancy running from the Date of Death.
 - d. For the sole purpose of this Agreement, within 6 months of the Effective Date, the Company shall develop policies and procedures to establish that a DMF Match shall require the Company to initiate its death claims process and conduct a Thorough Search for Beneficiaries, consistent with this Agreement. Nothing herein is intended nor shall be deemed to waive or determine the requirements for establishing proof of death, or to confer any rights on any party other than the Company and the Departments.
 - e. In the event that one of the Company's line of business conducts a search for matches against the DMF at intervals more frequent than those provided for in this Agreement and such DMF Match results in action being taken with respect to a Policy, Annuity Contract, or Retained Asset Account, then that line of business shall share the relevant information among applicable lines of business.

- f. In the event that the Company locates the Beneficiary, the Company shall, within 15 days of location, contact the Policyholder or Beneficiary and request that a claim be made, providing appropriate claim forms or instructions, if required, to the Beneficiary to make a claim, including instructions as to the need to provide an official death certificate if consistent with law and the Policy, Annuity Contract, or Retained Asset Account. The Company reserves the right to require satisfactory confirmation of death, including a death certificate, as due proof of death, before Proceeds are paid to a Beneficiary or a Beneficiary's legal representative if consistent with law and the Policy, Annuity Contract, or Retained Asset Account. Nothing in this Agreement shall be construed to supersede the Company's right to maintain effective procedures and resources to deter and investigate fraudulent insurance acts as required by applicable law.
- g. Within six (6) months after the Effective Date of this Agreement, the Company will develop policies and procedures for conducting a Thorough Search. The obligation to conduct a Thorough Search under the terms of this Agreement shall not abrogate the right of the Company to complete any due diligence within the timeframe required by any applicable law. During this six (6) month transition period, where by existing policies and procedures will be modified to comply with the terms of this Agreement, the Company will continue its existing practice of initiating the death claim process and attempting to locate Beneficiaries upon receipt of a Date of Death Notice.
- h. To the extent permitted under applicable law, the Company may disclose the minimum necessary personal information about an Insured, annuitant, Annuity Contract Owner, Accountholder or Beneficiary to a person whom the Company reasonably believes may be able to assist the Company locate such persons or a person otherwise entitled to payment of the Proceeds, provided however, the Company shall not implement policies or practices that will or may diminish the rights of or amounts of Proceeds due to Beneficiaries under its Policies, Annuity Contracts, or Retained Asset Accounts.
- i. Within six (6) months after the Effective Date of this Agreement the Company shall establish policies and procedures to ensure that:
 - i. commencing no later than forty-five (45) days prior to the Maturity Date of an Annuity Contract for which the Company is unable to establish an Exception, at least two (2) letters are sent to an Annuity Contract Owner notifying the owner of the upcoming Maturity Date, stating that the Contract will be annuitized following the Maturity Date if no response is received, and identifying the options available to the

Beneficiary (e.g., annuitization, extension of the Maturity Date; surrender of the Contract);

- ii. the Company shall immediately commence a Thorough Search for the Annuity Contract Owner if the letters described in subparagraph (i) hereof are returned as undeliverable;
 - iii. the Company shall require an affirmative request by an Annuity Contract Owner or authorized representative before extending a Maturity Date, and the Company shall record such requests;
 - iv. the Annuity Contract is annuitized as soon as practicable, but in no event more than forty-five (45) days following the Maturity Date, if the Company has a valid address for the Annuity Contract Owner and no response is received to the letters described in subparagraph (i) hereof unless the Company was delayed in sending the letters due to extenuating circumstances involving the Annuity Contract, in which case annuitization shall begin no more than ninety (90) days following the mailing of the letters;
 - v. if a Thorough Search for the Annuity Contract Owner is unsuccessful, or if annuity payments for a contract that has been annuitized under subparagraph (iv) hereof are not deposited, the Proceeds will be reported and remitted as Unclaimed Property to the affected jurisdiction(s) in accordance with the applicable Unclaimed Property Laws.
- j. Within six (6) months after the Effective Date of this Agreement, the Company shall establish policies and procedures to ensure that all Retained Asset Accounts are monitored for inactivity and each Accountholder is notified that the failure to make a withdrawal from the account or to respond to communications from the Company may cause the account to be declared dormant and subject to escheat based on the last documented contact with the Accountholder or the Accountholder's authorized representative.
- k. Within six (6) months after the Effective Date of this Agreement, the Company shall establish policies and procedures that require initiation of a Thorough Search for a Beneficiary of a Retained Asset Account, as appropriate, following the earlier of three (3) or five (5) years (subject to the Unclaimed Property Laws of the affected jurisdiction) after: (i) the date that the Accountholder last initiated a financial or administrative transaction or (ii) the last Accountholder-authenticated response to the Company that is documented on the Company's books and records. In the event that the Company is unable to locate a Beneficiary or Accountholder and is unable to establish an Exception within one (1)

year after the commencement of the Thorough Search, it shall report and remit the Proceeds of the Retained Asset Account as Unclaimed Property to the affected jurisdiction(s) in accordance with the Unclaimed Property Laws.

1. Within (18) months after the Effective Date of this Agreement, the Company shall update forms, as applicable, that contain a beneficiary designation for group term life insurance, Retained Asset Account and Annuity Contracts, to include at a minimum the name, address, date of birth, social security number, and telephone number of the Beneficiary. The Departments agree that if no other changes are made to such previously filed forms, the Departments waive any filing requirements.
3. **Regulatory Oversight.** Each of the Departments shall maintain independent regulatory oversight over the Company's compliance with the terms of this Agreement and in furtherance thereof, the Company agrees to the following:
- a. For a period of thirty-six (36) months, or fewer if the Company satisfies the California Department of Insurance that the Company has implemented and executed the requirements of this Agreement, following the Effective Date, the Company shall provide to the Lead Departments quarterly reports on the implementation and execution of the requirements of this Agreement. Each report shall be delivered to each of the Lead Departments within forty-five (45) days following the end of the applicable reporting period. Copies of these reports will also be made available to a Department's designated examiner, upon reasonable request, to allow it to assist the Departments in monitoring compliance with the requirements of this Agreement.
 - b. Thirty-Nine (39) months following the Effective Date the Lead Departments shall conduct a Multi-State Examination of Company's compliance with the requirements of this Agreement. The Lead Departments shall provide a report summarizing the results of that examination to Company and Departments. The examination shall be performed with the cost of the examination to be borne by Company in accordance with the Lead Departments respective laws.
 - c. The Company may petition a Department to terminate or modify this Agreement in a jurisdiction. Such petition may include, but not be limited to the following grounds: (i) the Agreement's terms, in whole or in part, are inconsistent with the statutes, rules, or regulations then in effect in that jurisdiction or (ii) that a Future Settlement Agreement with a company possessing substantial market share is more favorable than this Agreement. A Department shall not unreasonably withhold its consent to the relief requested by the Company in its petition. Once made by the Company, the Multi-State Examination Payment, as

allocated to each Department, is final and non-recoverable under any circumstances including termination of this Agreement.

- d. In addition to the payments set forth in Paragraph 5, the reasonable costs and expenses of the Departments related to the monitoring of the Company's compliance with the Agreement, including the costs and expenses of conducting any reviews or examinations permitted by the Agreement, as well as participating in any meetings, presentations or discussions with the Company, shall be borne by the Company as costs of the Multi-State Examination.
- e. In the event that any Participating State, or any Participating State's department, office or regulatory agency enacts, declares or announces any statute, regulation, rule, policy, guidance or interpretation directed to an insurance company's use of the DMF (or a similar source) to determine whether Proceeds are due any Beneficiary, the Company's compliance therewith shall be deemed compliant with this Agreement in that Participating State notwithstanding any contrary or inconsistent provision in this Agreement. Therefore, in such case the Company shall not be required to petition any Department to terminate or modify this Agreement to comply with such changes in that jurisdiction as long as Company complies with the new legal requirements in that jurisdiction.
- f. The monitoring of the Company for compliance with the terms of this Agreement constitutes an ongoing examination by each of the Departments in accordance with the laws of its jurisdiction. Consistent with applicable law, each Department shall accord confidential treatment to the work papers, recorded information, documents, copies of work papers, and documents produced by, obtained by or disclosed by Company.
- g. No later than five years following the Effective Date, the Lead Departments will complete the Multi-State Examination with a final review concerning the Company's compliance with the Agreement. If that review confirms that the Company has fulfilled its obligations under the Agreement, the Multi-State Examination will be closed. The Agreement will terminate eight years following the Effective Date (the "**Termination Date**"), contingent upon closure of the Multi-State Examination and the Company's submission of its prospective policies and procedures for DMF matching and Beneficiary outreach to be used thereafter. This submission shall be made to the Lead Departments six (6) calendar months prior to the Termination Date.

4. **Company Covenants.** The Company covenants and agrees with each of the Departments as follows:

- a. Proceeds under a Policy shall be determined in accordance with the Policy terms.

- b. Proceeds under Annuity Contracts shall be determined in accordance with the contract terms.
- c. The value of a Retained Asset Account shall be the value of the account as of the date the Proceeds are removed from the Retained Asset Account to be paid to the Accountholder or Beneficiary or to be remitted to the affected Participating State.
- d. Beneficiaries shall not be charged for any fees or costs associated with a search or verification conducted pursuant to this Agreement.
- e. The Company shall comply with the Unclaimed Property Audit Agreement.

5. **Multi-State Examination Payment.** Without admitting any liability whatsoever, the Company agrees to pay the Departments the sum of \$277,000 (the “Payment”) for the examination, compliance and monitoring costs incurred by the Departments associated with the Multi-State Examination. The Lead Departments shall be responsible for allocating the Payment among the Departments. The Company agrees to remit the Payment within ten (10) days after the later of the Effective Date or the receipt of the allocation from the Lead Departments. Upon the receipt of the Payment, as allocated by each of the Departments, the Company’s financial obligations incurred by the Departments arising out of the Multi-State Examination will be fully satisfied, except as set forth in Paragraph 3d. The Payment shall be in addition to the Company’s obligation to reimburse the Lead Departments for reasonable third-party expenses, including expenses for consultants, incurred in connection with the Lead Department’s role in the Multi-State Examination.

6. **Miscellaneous.**

- a. This Agreement is an agreement solely among the named Parties as defined above, and no other person or entity shall be deemed to obtain or possess any enforceable rights against the Company as a third party beneficiary or otherwise as a result of this Agreement. Nothing in this Agreement shall be construed to provide for a private right of action to any person or entity not a Party to this Agreement. Nor shall the Agreement be deemed to create any intended or incidental third party beneficiaries.
- b. This Agreement does not impair, restrict, suspend, or disqualify the Company from engaging in any lawful business in any jurisdiction, based upon, or arising out of, the Multi-State Examination regarding any alleged act or omission of the Company, and all matters set forth in this Agreement shall remain with the sole and exclusive jurisdiction of the Departments.
- c. This Agreement contains the entire agreement between the Parties with respect to the matters referenced herein, including the Company’s claims

settlement practices, procedures, and policy administration relating to the matching of Insureds against the DMF or any similar database and there are no other understandings or agreements, verbal or otherwise, between the Parties with respect to the matters set forth herein. In entering into this Agreement, no Party has relied on a representation not set forth herein. No amendment or modification of any provision of this Agreement, or consent to any departure from this Agreement, shall be effective unless in writing and signed by the Party to be charged therewith, and then such modification or consent shall be effective only in the specific instance and for the specific purpose for which given.

- d. Neither this Agreement, nor any of the communications or negotiations leading up to this Agreement, nor any actions taken or documents executed in connection with this Agreement, is now or may be deemed in the future to be an admission or evidence of any liability or wrongdoing by the Company with respect to the subject matter of the Multi-State Examination
- e. Subject to the Company's performance of and compliance with the terms and conditions in this Agreement and Schedules, each Department hereby releases the Company from any and all claims, demands, interest, penalties, actions or causes of action that each Department may have by reason of any matter, cause or thing whatsoever, regarding or relating to the subject matter of the Multi-State Examination as described in Exhibit 1; provided, however, should the Lead Departments believe the Company has failed to comply with this Agreement, nothing herein shall preclude the Lead Departments from conducting subsequent Multi-State Examinations to assess the Company's compliance with this Agreement.
- f. In the event that any portion of this Agreement is enjoined or held invalid under the laws of a Department's jurisdiction, such enjoined or invalid portion shall be deemed to be severed only for the duration of the injunction, if applicable, and only with respect to that Department and its jurisdiction, and all remaining provisions of this Agreement shall be given full force and effect and shall not in any way be affected thereby.
- g. Nothing in this Agreement shall be construed as an admission of any party's position as to the preemptive effect of the Employee Retirement Income Security Act of 1974, as periodically amended, or the law of the jurisdiction as applied to employment based plans.
- h. This Agreement shall not be construed to allow or require the Company to implement policies or practices that will or may diminish the rights of, or the Proceeds due to, Beneficiaries under the terms of its Policies, Annuity Contracts, or Retained Asset Accounts.
- i. The Company shall comply with any law, rule, or regulation in the

jurisdiction of any Department or Department's regulatory agency hereafter adopts, even if in conflict with a term of this Agreement as it pertains to the same jurisdiction.

- j. Nothing in this Agreement shall abrogate the obligations of the Company under the Unclaimed Property Audit Agreement.
 - k. The Parties represent and warrant that the person executing this Agreement on behalf of each Party has the legal authority to bind the Party to the terms of this Agreement.
 - l. This Agreement may be executed in counterparts. A true and correct copy of the Agreement shall be enforceable the same as an original.
7. **Enforcement.** The failure to comply with any provision of this Agreement shall constitute a breach of the Agreement, a violation of an Order of the Departments and a violation of Company's Agreement with the Departments, and shall subject Company to such administrative and enforcement actions and penalties as each Department deems appropriate, consistent with each Department's respective laws.

IN WITNESS WHEREOF THE PARTIES HAVE EXECUTED THIS AGREEMENT AS OF THE DATE SET FORTH AFTER EACH OF THEIR NAMES.

[SIGNATURE PAGES IMMEDIATELY FOLLOW]

COMPANIES SIGNATURE PAGE

Standard Insurance Company and each of its parents, predecessors, successors, and assigns and subsidiaries

By  _____

Dated: June 29, 2016

SCHEDULE B
PARTICIPATING REGULATOR ADOPTION
STANDARD INSURANCE COMPANY
EXAMINATION RESOLUTION AGREEMENT

On behalf of the State of South Dakota, I, Larry Deiter hereby adopt, agree, and approve this Agreement.


Larry Deiter, Director
South Dakota Division of Insurance

9/14/2016
Date

Please provide the following information as to how your jurisdiction's allocation of the Multi-State Examination Payment should be sent from Standard Insurance Company:

Benjamin Eirikson
South Dakota Division of Insurance
124 S Euclid Ave, 2nd Floor
Pierre, SD 57501

Payments should be made payable to "South Dakota Division of Insurance"

Please return this form to:

Raquel Cano, Assistant to the General Counsel
Legal Division Office
California Department of Insurance
45 Fremont Street, 23rd Floor
San Francisco, California 94105
Phone: 415-538-4372
Fax: 415-904-5889
Email: Raquel.Cano@insurance.ca.gov