

REGULATORY SETTLEMENT AGREEMENT

This REGULATORY SETTLEMENT AGREEMENT (the "**Agreement**") is entered into this **19th** day of **December, 2017** by and among: (i) HCC LIFE INSURANCE COMPANY ("**HCC Life**"); (ii) HCC MEDICAL INSURANCE SERVICES, LLC ("**HCC MIS**") ; (iii) HCC INSURANCE HOLDINGS, INC. ("**Holdings**") (HCC Life, HCC MIS and Holdings, together with their respective Affiliates, collectively referred to herein as the "**HCC Group**"); (iii) the FLORIDA OFFICE OF INSURANCE REGULATION ("**FOIR**"); (iv) the INDIANA DEPARTMENT OF INSURANCE ("**IDOI**"); (v) the KANSAS INSURANCE DEPARTMENT ("**KID**"); (vi) UTAH INSURANCE DEPARTMENT ("**UID**") (FOIR, IDOI, KID and UID collectively referred to herein as the "**Lead States**"); and (vii) the insurance-related regulatory bodies of such other jurisdictions as choose to adopt, agree to and approve this Agreement (the "**Subscribing States**") (Subscribing States and Lead States collectively referred to herein as the "**Settling States**") (the Settling States and HCC Life are collectively referred to herein as the "**Parties**").

RECITALS

WHEREAS, Holdings is the parent company of HCC Life and of HCC MIS;

WHEREAS, HCC MIS was established in Indianapolis, Indiana in 1998;

WHEREAS, during the Examination Period, HCC Life (NAIC #92711) marketed and sold short-term medical insurance products ("STM Products" as defined in Section 2 below) throughout the United States;

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

WHEREAS, the IDOI, as managing Lead State, advised HCC Life on May 13, 2016, that a multistate market conduct examination (the "**Examination**") had been called regarding HCC Life's writing, form filing, marketing, soliciting and claims payment of STM Products during the period March 23, 2010 through April 30, 2016 (the "**Examination Period**");

WHEREAS, there are presently forty-two (42) jurisdictions participating in the Examination, of which STM Products were sold by HCC Life in thirty-nine (39) (the "**Participating States**") including the four (4) Lead States and thirty-eight (38) Participating States, a list of which may be found on **Exhibit A**, attached hereto and by reference incorporated herein;

WHEREAS, the Examination was conducted in conjunction with a separate multistate examination of third parties, Health Insurance Innovations, Inc. (ORG # 118438), Health Plan Intermediaries, LLC, and their parent companies and Affiliates (collectively, "**HII**"). Through HII's network of agents and call centers, HII marketed, sold and collected premium for HCC Life's STM Product (as defined in Section 2 below). The multistate examination of HII (the "**HII Examination**") continues;

WHEREAS, the Examiner-in-Charge has presented to HCC Life and the Lead States a preliminary statement based on information gathered to date;

WHEREAS, HCC Life denies any wrongdoing or activities that violate any applicable insurance laws or regulations, and nothing contained herein, or the execution and performance of this Agreement

shall be deemed or construed as evidence, or an admission or acknowledgment by HCC Life of any wrongdoing or liability whatsoever;

WHEREAS, based upon the review and analysis of the preliminary statement presented by the Examiner-in-Charge, HCC Life agrees to the conditions of this Agreement and the resolution of those matters within the scope of the Examination as set forth in the April 26, 2016 Examination Warrant, which scope remains unchanged, (the "**Examination Scope**") all as more particularly provided herein;

WHEREAS, in view of the foregoing facts and circumstances, the Settling States find it to be in the public interest and are willing to accept this Agreement to settle all insurance regulatory matters within the Examination Scope;

WHEREAS, effective June 1, 2017, HCC Life no longer markets or sells STM Products in the Settling States;

WHEREAS, HCC Life has cooperated with the Examiner-in-Charge in the course of the Examination by making its books and records available for examination, and its personnel and agents available to assist as requested by the Examiner-in-Charge;

WHEREAS, HCC Life represents that at all times relevant to this Agreement, HCC Life and its officers, directors, employees, agents and representatives acted in good faith; and

WHEREAS, HCC Life and the Settling States execute this RSA knowingly and voluntarily, and the Parties acknowledge that this Agreement is in the public interest and desire to end the Examination.

NOW, THEREFORE, in consideration of the Recitals, the mutual covenants and agreements herein, and each act performed and to be performed hereunder, the Parties agree as follows:

1. Incorporation of Recitals. The above and foregoing Recitals, including, without limitation, all capitalized terms defined therein, are hereby incorporated into and made a part of this Agreement as if more fully set forth in the body of this instrument.
2. Definitions. The terms listed below shall have either the meaning given in this section or the definition given elsewhere in the Agreement.
 - a. "**Affiliate**" shall mean a person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the person specified.
 - b. "**Agreement**" shall have the meaning set forth in the first paragraph of page 1.
 - c. "**Agreement Date**" shall be the date first written in the first paragraph of this Agreement.
 - d. "**Audit Procedures**" shall have the meaning set forth in Section 4e. of this Agreement.
 - e. "**Business Practice Audit**" shall have the meaning set forth in Section 4c. of this Agreement.
 - f. "**Claims Audit**" shall have the meaning set forth in Section 4b. of this Agreement.
 - g. "**Conditional Effective Date**" shall be the date on which this Agreement has been signed by HCC Life and adopted by each of the four (4) Lead States.

- h. "**Examination**" shall have the meaning set forth in the first paragraph of page 1.
- i. "**Examination Scope**" shall have the meaning set forth in the tenth clause of the Recitals.
- j. "**Examiner-in-Charge**" shall mean Chad T. Walker of the law firm Bose McKinney & Evans LLP.
- k. "**Final Effective Date**" shall have the meaning set forth in Section 10. [April 2, 2018]
- l. "**FOIR**" shall have the meaning set forth in the first paragraph of page 1.
- m. "**HCC**" shall have the meaning set forth in the first paragraph of page 1.
- n. "**HCC Life**" shall have the meaning set forth in the first paragraph of page 1.
- o. "**HCC MIS**" shall have the meaning set forth in the first paragraph of page 1.
- p. "**HCC Third Party Audit**" shall have the meaning set forth in Section 4d. of this Agreement.
- q. "**HCC Life STM Policies**" shall mean any STM Products sold, marketed, underwritten or issued by HCC Life, either directly or indirectly through third parties, including, without limitation, HII.
- r. "**HII**" shall have the meaning set forth in the sixth clause of the Recitals.
- s. "**HII Examination**" shall have the meaning set forth in the sixth clause of the Recitals.
- t. "**Holdings**" shall have the meaning set forth in the first paragraph of page 1.
- u. "**IDOI**" shall have the meaning set forth in the first paragraph of page 1.
- v. "**KID**" shall have the meaning set forth in the first paragraph of page 1.
- w. "**Lead States**" shall have the meaning set forth in the first paragraph of page 1.
- x. "**Multistate Payment**" shall have the meaning set forth in Section 5a. of this Agreement.
- y. "**Participating States**" shall have the meaning set forth in the fifth clause of the Recitals.
- z. "**Parties**" shall have the meaning set forth in the first paragraph of page 1.
- aa. "**Settling States**" shall have the meaning set forth in the first paragraph of page 1.
- bb. "**STM Products**" shall mean the approved short-term medical insurance policies as filed by HCC Life and sold to individuals, either directly or through a group, with limited coverage periods as determined by applicable state laws and regulations.
- cc. "**Subscribing States**" shall have the meaning set forth in the first paragraph of page 1.
- dd. "**UID**" shall have the meaning set forth in the first paragraph of page 1.

3. Short Term Medical Business. HCC Life represents to the Settling States that, effective June 1, 2017, it ceased the sale, marketing and underwriting and premium collections¹ of all STM Products directly or indirectly offered or underwritten by HCC Life, except as otherwise required in order to conduct the run-off of its STM business in accordance with applicable laws and regulations. HCC Life covenants and agrees that it shall not directly or indirectly enter into the sale of short-term medical insurance within any of the Settling States for a period of five (5) years from the Final Effective Date. In the event HCC Life commences the sale or marketing of STM Products in any Settling State following such period, HCC Life shall file forms and rates as required by applicable laws and regulations.

4. Specific Business Practices and Reforms.
 - a. HCC Life shall administer and adjudicate any and all claims filed in relationship to HCC Life STM Policies in a timely fashion and in strict compliance with the terms and conditions of the policies and any and all applicable laws, rules, and regulations.

 - b. Within one hundred twenty (120) days of the Final Effective Date, the Examiner-in-Charge shall commence a preliminary audit (in accordance with the NAIC Market Regulation Handbook) of HCC Life's claims handling practices for the STM Products for the period of June 1, 2017 through the date of the commencement of such examination (the "**Claims Audit**"). Upon completion of the Claims Audit, the Examiner-in-Charge shall present his preliminary findings to the Lead States. The Claims Audit covers a period of time beyond the scope of the original Examination, and, therefore, the Lead States reserve the right to additional examination(s) of HCC Life as a result of the Claims Audit together with the right to impose financial, regulatory, and performance sanctions with respect thereto. HCC Life shall be responsible for the full, complete, and prompt payment of all fees and expenses of the Examiner-in-Charge in conducting and reporting on the Claims Audit in compliance with the laws of the State of Indiana. Upon the request of a Participating State, the Examiner-in-Charge shall provide any final reports regarding the Claims Audit previously provided to Lead States to such Participating State.

 - c. Within ninety (90) days of the Final Effective Date, the Examiner-in-Charge shall commence a preliminary audit (in accordance with the NAIC Market Regulation Handbook) of HCC Life's business practices for the STM Products to include, without limitation, writing, form filing, marketing, soliciting, claims payment, licensing and appointments (the "**Business Practice Audit**"). Upon completion of the Business Practice Audit, the Examiner-in-Charge shall present his preliminary findings to the Lead States. The Lead States reserve the right to additional examination(s) of HCC Life as a result of the Business Practice Audit together with the right to impose financial, regulatory, and performance sanctions with respect thereto. HCC Life shall be responsible for the full, complete, and prompt payment of all fees and expenses of the Examiner-in-Charge in conducting and reporting on the Business Practice Audit in compliance with the laws of the State of Indiana. Upon the request of a Participating State, the Examiner-in-Charge shall provide any final reports regarding the Business Practice Audit previously provided to Lead States to such Participating State.

¹ The Parties acknowledge that HCC Life continues to collect premiums on in-force business at the time of withdrawal from the applicable market.

- d. HCC Life shall regularly audit the business practices of its producers, third party administrators, managing general agents, and contractors across all lines of its business, and make commercially reasonable efforts to ensure compliance with all applicable laws, rules and regulations and operate in a sound fashion (the "**HCC Life Third Party Audit**").
 - e. Within 180 days of the Final Effective Date, HCC Life shall, to the extent it deems necessary, establish, document, and provide to the Examiner-in-Charge standards and procedures to conduct regular audits of its internal and third-party operations across all lines of business (the "**Audit Procedures**"). Such Audit Procedures shall include review of controls in place to ensure compliance with filed rating plans, form usage, licensing, appointments, marketing, claims handling, sales, and premiums are in compliance with applicable laws, rules and regulations. Upon receipt of Audit Procedures, the Examiner-in-Charge shall provide the Audit Procedures to the Lead States, who in turn shall review and either approve or return to Company with directions for further revision. Alternatively, at the discretion of the Lead States, the Lead States may direct the Examiner-in-Charge to review the Audit Procedures and provide the Lead States with a summary of such Audit Procedures and the findings, if any, of the Examiner-in-Charge. Any review of such Audit Procedures by the Examiner-in-Charge shall be at the expense of HCC Life.
5. Multistate Payment & Release.
- a. HCC Life shall pay a total of \$5,000,000 to the Settling States for the examination, administrative costs and compliance in connection with the Examination (the "**Multistate Payment**"). This payment shall be allocated among the Settling States as they agree.
 - b. Except as otherwise specifically provided herein, and provided HCC Life's full and complete compliance with this Agreement, the Multistate Payment shall be the sole amount charged, assessed or collected by the Settling States on HCC Life with respect to the Examination Scope during the Examination Period.
 - c. Within ten (10) days of the Final Effective Date, the Examiner-in-Charge shall provide HCC Life a document reflecting how the Multistate Payment is to be allocated among the Settling States.
 - d. HCC Life acknowledges the validity and legitimacy of the Multistate Payment and shall pay the Multistate Payment within 30 days of the Final Effective Date. Once paid by HCC Life, the Multistate Payment is final and non-recoverable under any circumstances, including without limitation termination of this Agreement. However, HCC Life reserves all rights to pursue a private cause of action against third parties, and the Settling States agree that nothing in this Agreement precludes HCC Life from exercising any such rights.
6. Cooperation with HII Examination. HCC Life shall continue to fully and completely cooperate with the Lead States and the Examiner-in-Charge with respect to the continuing HII Examination. HCC Life shall voluntarily (without service of subpoena) provide any and all unprivileged books, records, documents, instruments, writings, data or other tangible evidence available and requested by the Examiner-in-Charge and shall make HCC Life personnel available as requested by the Examiner-in-Charge as such information and personnel relate to the HII Examination.

7. Regulatory Oversight. The Lead States shall maintain regulatory authority and oversight over HCC Life's compliance with the terms of this Agreement. With respect to such continuing oversight, HCC Life agrees as follows:
- a. For a period of twenty-four (24) months following the Final Effective Date, HCC Life shall provide to the Examiner-in-Charge semi-annual reports on the implementation and execution of the requirements of this Agreement. Each report shall be delivered to the Examiner-in-Charge within 45 days following the end of the applicable reporting period (e.g. 11/16/18; 5/17/19; 11/16/19; 5/17/20 [insert due dates based on execution date]). Copies of these reports will be provided to the Lead States as well as to the Participating States' respective designated examiners, upon their request.
 - b. Twenty-Four (24) months following the Final Effective Date, the Lead States, through the Examiner-in-Charge, shall conduct a preliminary audit in accordance with the NAIC Market Regulation Handbook) multistate examination on their own behalf and that of the Settling States of HCC Life's compliance with the requirements of this Agreement. The Lead States shall provide a report summarizing the results of that examination to HCC Life and the Settling States. HCC Life shall be responsible for the full, complete and prompt payment of all fees and expenses of the additional audit(s) and of Examiner-in-Charge in conducting and reporting the additional audit(s) in compliance with the laws of the State of Indiana.
 - c. In addition to any payments otherwise provided in this Agreement, the costs of the Settling States related to the monitoring of HCC Life's compliance with the Agreement, including costs and expenses of conducting any reviews or examinations permitted herein, the costs and expenses of the Examiner-in-Charge as it relates to his obligations hereunder, as well as participating in any meetings, presentations or discussions with HCC Life and the costs of any third-party examiner(s), shall be the full and sole responsibility of HCC Life as costs of the Examination.
8. Release. Subject to HCC Life's full and complete performance of and compliance with the terms and conditions in this Agreement, each Participating State hereby releases the HCC Group from any and all claims, demands, interest, penalties, actions or causes of action that each Participating State may have or could have alleged by reason of any matter, cause or thing whatsoever, regarding or relating to the subject matter of the Examination within the Examination Period; provided, however, that nothing herein shall preclude the Lead States from conducting subsequent examinations to assess HCC Life's compliance with this Agreement or such other examinations or audits as expressly provided herein.
9. Default.
- a. HCC Life's failure to comply with any material provision of this Agreement shall constitute a breach of the Agreement, a violation of an order of the Settling States and a violation of HCC Life's Agreement with the Settling States, and shall subject HCC Life to such administrative and enforcement actions and penalties as each Participating State deems appropriate, consistent with each Participating State's respective laws.
 - b. Any agreement on the part of any party hereto to any extension or waiver shall be valid only if in writing signed by the party granting such waiver or extension and, unless it expressly provides otherwise, shall be a one-time waiver or extension only, and any such waiver or extension or any other failure to insist on strict compliance with any duty or

obligation herein shall not operate as a waiver or extension of, or estoppel with respect to, any continuing, subsequent, or other failure to comply with this Agreement.

- c. If a Settling State believes that the Company has breached a provision of this Agreement, that Settling State shall provide written notice of the alleged breach to HCC Life and will also notify the Lead States that the alleged breach has occurred. HCC Life shall have the opportunity, within thirty (30) days of receipt of such notice, to present evidence in writing and through appearance before the complaining state insurance regulator in an attempt to rebut the allegation(s) or to seek an extension to address the alleged breach. A Settling State shall not pursue any enforcement action as set forth in Section 9.a. against HCC Life until the 30-day response period described above has expired.

10. Effectiveness.

- a. This Agreement shall be finally effective on the date in which the Examiner-in-Charge provides HCC Life with a copy of this Agreement adopted, agreed to, and approved by the first to occur of (i) twenty-five Settling States or; (ii) sixty percent (60%) of the gross premium written during the Examination Period, as identified by the Examiner-in-Charge (the "**Final Effective Date**"). Except as provided in Subsection c of this Section 10, the Final Effective Date shall be 90 days after the Conditional Effective Date.
- b. The Examiner-in-Charge shall arrange to deliver this Agreement within seven (7) calendar days following the Conditional Effective Date to the Participating States. Participating States may adopt, agree to, or approve the Agreement by means of the Subscribing State Adoption Form attached as **Exhibit B** and by reference herein incorporated.
- c. The Lead States and HCC Life may agree in writing to extend the initial Final Effective Date and each extended Final Effective Date thereafter in writing, in which case the Examiner-in-Charge shall notify the Participating States who may then choose whether to participate hereunder on or before the date of the extended Final Effective Date.
- d. If the Final Effective Date does not occur by the initial Final Effective Date provided in Subsection a. of this Section 10, or such extended Final Effective Date thereafter as provided in Subsection c. of this Section 10, this Agreement shall be deemed null and void and of no further force or effect.

11. Additional Terms.

- a. *No Admission.* This Agreement represents a compromise of disputed matters between the Parties. 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 HCC Group or any of its current or former affiliates, subsidiaries, officers, directors, employees, agents or representatives with respect to the subject matter of the Examination or the Examination Scope.
- b. *Third Party Reliance.* This Agreement is an agreement solely between the named Parties as defined above, and no other person or entity shall be deemed to obtain or possess any enforceable rights against the HCC Group as a third party beneficiary or otherwise as a result of this Agreement. The Parties agree that this Agreement is not intended to and

shall not confer any rights upon any other person or entity and shall not be used for any other purpose. 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, and the matters herein shall remain within the sole and exclusive jurisdiction of the Settling States.

- c. *HII Examination.* Nothing in this Agreement shall prevent or otherwise restrict a Participating State or the Examiner-in-Charge from continuing the HII Examination or from otherwise examining the conduct of HII in any manner, including, without limitation, HII's contractual relationship and dealings with the HCC Group. Additionally, nothing in this Agreement shall prevent or otherwise restrict the HCC Group from otherwise pursuing a private right of action against a third party for such third party's failure to comply with the terms and conditions of a contractual agreement by and between HCC Life and such third party.
- d. *Exhibits.* The following exhibits are attached hereto and incorporated herein:
 - Exhibit A Participating States
 - Exhibit B Subscribing State Adoption Form
- e. *Time of the Essence.* The Parties hereby agree that time shall be of the essence with respect to the performance of this Agreement.
- f. *Rights and Remedies.* Except as otherwise provided in this Agreement, the rights, powers, remedies and privileges provided in this Agreement are cumulative and not exclusive of any rights, powers, remedies and privileges provided by applicable law.
- g. *Settling State Authority.* Each person signing on behalf of each of the Settling States gives his or her express assurance that under applicable state laws, regulations, and judicial rulings, he or she has authority to enter into this Agreement.
- h. *HCC Life Authority.* HCC Life expressly represents and warrants as of the date of its execution of this Agreement that: (i) it is duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation or organization and has the absolute, unrestricted right, power, authority and capacity to execute and deliver this Agreement and to perform its obligations arising hereunder, without any further consent or approval being required from any individual person, parent company or other organization or entity; (ii) it has obtained all necessary authorizations, approvals, or consents of any governmental entity required in connection with the execution, delivery, or performance by it of this Agreement; (iii) it has conducted all investigations it deems appropriate and necessary to determine whether to enter into this Agreement; and (iv) it has read this Settlement Agreement, enters into it knowingly and voluntarily and has been advised by its legal counsel as to the legal effect of this Agreement.
- i. *Choice of Law.* This Agreement and any disputes or conflicts which may arise in connection with the interpretation or enforcement of this Agreement, and the rights and obligations of the Parties, shall be governed by the laws of the State of Indiana without regard or reference to choice or conflict of law rules. The HCC Group and the Settling States consent to the exclusive jurisdiction of the United States District Court for the Southern District of Indiana or the Superior Court for Marion County, Indiana for the purposes of interpreting and enforcing this Agreement.

- j. *Joint Preparation.* This Agreement, exclusive of any statements or findings, preliminary or otherwise, of the Examiner-in-Charge, shall be deemed to have been prepared jointly by the Parties hereto. Any ambiguity herein shall not be interpreted against any Party hereto and shall be interpreted as if each of the Parties hereto had prepared this Agreement.
- k. *Interpretation.* Titles and headings to sections herein are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement. Whenever the context requires in this Agreement, the singular shall include the plural, and vice versa.
- l. *Invalidity.* In the event that any portion of this Agreement is enjoined or held invalid under the laws of a Participating State'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 Participating State 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.
- m. *Entire Understanding; Modification.* This Agreement represents the entire understanding between the Parties with respect to the subject matter hereof and supersedes any and all prior understandings, agreements, plans, and negotiations, whether written or oral, with respect to the subject matter hereof. All modifications to this Agreement must be in writing and signed by each of the Parties hereto.
- n. *Counterparts.* This Agreement may be executed in one or more counterparts, any of which shall be deemed an original and all of which taken together shall constitute one and the same Agreement. Execution and delivery of this Agreement may be evidenced by facsimile or electronic mail transmission.

[SIGNATURES ON FOLLOWING PAGE]

SIGNATURE PAGE TO REGULATORY SETTLEMENT AGREEMENT

"LEAD STATES"

**FLORIDA OFFICE OF INSURANCE
REGULATION**

By: David Altmaier
David Altmaier
Commissioner

Date: 11/29/17

INDIANA DEPARTMENT OF INSURANCE

By: _____
Stephen W. Robertson
Commissioner

Date: _____

KANSAS INSURANCE DEPARTMENT

By: _____
Ken Selzer
Commissioner

Date: _____

UTAH INSURANCE DEPARTMENT

By: _____
Todd E. Kiser
Commissioner

Date: _____

"HCC LIFE"

HCC LIFE INSURANCE COMPANY

By: [Signature]
Name: Christopher J. B. Williams

Title: Executive Vice President

Date: _____

HCC MEDICAL INSURANCE SERVICES, LLC

By: [Signature]
Name: Christopher J. B. Williams

Title: Executive Vice President

Date: _____

HCC INSURANCE HOLDINGS, INC.

By: [Signature]
Name: Christopher J. B. Williams

Title: Chief Executive Officer

Date: _____

SIGNATURE PAGE TO REGULATORY SETTLEMENT AGREEMENT

"LEAD STATES"

**FLORIDA OFFICE OF INSURANCE
REGULATION**

By: _____
David Altmaier
Commissioner

Date: _____

"HCC LIFE"

HCC LIFE INSURANCE COMPANY

By: _____
Name: Christopher J. B. Williams

Title: Executive Vice President

Date: _____

INDIANA DEPARTMENT OF INSURANCE

By: _____
Stephen V. Robertson
Commissioner

Date: **November 22, 2017**

HCC MEDICAL INSURANCE SERVICES, LLC

By: _____
Name: Christopher J. B. Williams

Title: Executive Vice President

Date: _____

KANSAS INSURANCE DEPARTMENT

By: _____
Ken Selzer
Commissioner

Date: _____

HCC INSURANCE HOLDINGS, INC.

By: _____
Name: Christopher J. B. Williams

Title: Chief Executive Officer

Date: _____

UTAH INSURANCE DEPARTMENT

By: _____
Todd E. Kiser
Commissioner

Date: _____

SIGNATURE PAGE TO REGULATORY SETTLEMENT AGREEMENT

"LEAD STATES"

FLORIDA OFFICE OF INSURANCE
REGULATION

By: _____
David Altmaier
Commissioner

Date: _____

INDIANA DEPARTMENT OF INSURANCE

By: _____
Stephen W. Robertson
Commissioner

Date: _____

KANSAS INSURANCE DEPARTMENT

By: _____
Ken Selzer
Commissioner

Date: 12-19-2017

UTAH INSURANCE DEPARTMENT

By: _____
Todd E. Kiser
Commissioner

Date: _____

"HCC LIFE"

HCC LIFE INSURANCE COMPANY

By: _____

Name: Christopher J.B. Williams

Title: Executive Vice President

Date: _____

HCC MEDICAL INSURANCE SERVICES, LLC

By: _____

Name: Christopher J.B. Williams

Title: Executive Vice President

Date: _____

HCC INSURANCE HOLDINGS, INC.

By: _____

Name: Christopher J.B. Williams

Title: Chief Executive Officer

Date: _____

SIGNATURE PAGE TO REGULATORY SETTLEMENT AGREEMENT

"LEAD STATES"

**FLORIDA OFFICE OF INSURANCE
REGULATION**

By: _____
David Altmaier
Commissioner

Date: _____

INDIANA DEPARTMENT OF INSURANCE

By: _____
Stephen W. Robertson
Commissioner

Date: _____

KANSAS INSURANCE DEPARTMENT

By: _____
Ken Selzer
Commissioner

Date: _____

UTAH INSURANCE DEPARTMENT

By: _____
Todd E. Kiser
Commissioner

Date: 11-22-17

"HCC LIFE"

HCC LIFE INSURANCE COMPANY

By: _____
Name: Christopher J. B. Williams

Title: Executive Vice President

Date: _____

HCC MEDICAL INSURANCE SERVICES, LLC

By: _____
Name: Christopher J. B. Williams

Title: Executive Vice President

Date: _____

HCC INSURANCE HOLDINGS, INC.

By: _____
Name: Christopher J. B. Williams

Title: Chief Executive Officer

Date: _____

EXHIBIT A
PARTICIPATING STATES

1. Alabama
2. Alaska
3. Arizona
4. Arkansas
5. California
6. Colorado
7. Connecticut
8. District of Columbia
9. Florida*
10. Georgia
11. Idaho
12. Illinois
13. Indiana**
14. Iowa
15. Kansas*
16. Kentucky
17. Louisiana
18. Maine
19. Maryland
20. Michigan
21. Mississippi
22. Missouri
23. Nebraska
24. Nevada
25. New Jersey
26. New York
27. North Dakota
28. Ohio
29. Oklahoma
30. Pennsylvania
31. Rhode Island
32. South Carolina
33. South Dakota
34. Tennessee
35. Texas
36. Utah*
37. Vermont
38. Virginia
39. Washington
40. West Virginia
41. Wisconsin
42. Wyoming

* - Lead State

** - Managing Lead State

EXHIBIT B

**Multistate Targeted Market Conduct Examination
of
HCC Life Insurance Company
Regulatory Settlement Agreement**

SUBSCRIBING STATE ADOPTION

On behalf of _____ [*Insert Name of Insurance Regulatory Agency*], I _____ [*Insert Name of Official Signing Below*], have received, reviewed and do hereby adopt, agree to and approve that certain Regulatory Settlement Agreement executed by HCC Life Insurance Company on the ___ day of _____, 2017.

[*Print Name of Insurance Regulatory Agency*]

By: _____

Printed: _____

Title: _____

Date: _____

Please provide the following information as to how your jurisdiction's allocation of the Multistate Payment should be made from HCC Life.

CONTACT NAME: _____

MAILING ADDRESS: _____

PAYMENT MADE TO: _____

IF APPLICABLE, PLEASE PROVIDE WIRING INSTRUCTIONS SEPARATELY.

Upon completion, please return this form to:

Chad T. Walker
Bose McKinney & Evans LLP
111 Monument Circle, Suite 2700
Indianapolis, Indiana 46204
Phone: 317.684.5199
Fax: 317.223.0199
Email: cwalker@boselaw.com

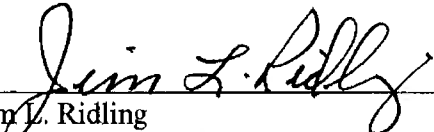
Exhibit B

**Multistate Targeted Market Conduct Examination
of
HCC Life Insurance Company
Regulatory Settlement Agreement**

SUBSCRIBING STATE ADOPTION

On behalf of the **ALABAMA DEPARTMENT OF INSURANCE**, I, Jim L. Ridling, as Commissioner of Insurance, have received, reviewed and to hereby adopt, agree to and approve that certain Regulatory Settlement Agreement executed by HCC Life Insurance Company on the 19th day of December, 2017.

ALABAMA DEPARTMENT OF INSURANCE

By: 
Jim L. Ridling
Commissioner of Insurance

Date: January 04, 2018

Please provide the following information as to how your jurisdiction's allocation of the Multistate Payment should be made from HCC Life.

CONTACT NAME: Richard L. Ford, Chief Examiner
MAILING ADDRESS: PO Box 303351, Montgomery, AL 36130-3351
PHONE NUMBER: (334) 241-4155
EMAIL: Richard.Ford@insurance.alabama.gov
PAYMENT MADE TO: Commissioner of Insurance, State of Alabama

Upon completion, please return this form to:

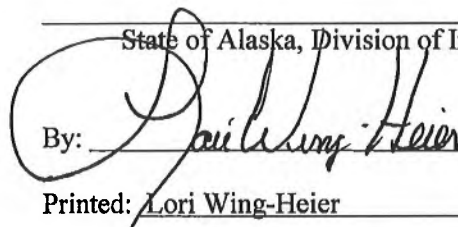
Chad T. Walker
Bose McKinney & Evans LLP
111 Monument Circle, Suite 2700
Indianapolis, Indiana 46204
Email: cwalker@boselaw.com

EXHIBIT B

**Multistate Targeted Market Conduct Examination
of
HCC Life Insurance Company
Regulatory Settlement Agreement**

SUBSCRIBING STATE ADOPTION

On behalf of the State of Alaska Division of Insurance, I, Director Lori Wing-Heier, have received, reviewed and do hereby adopt, agree to and approve that certain Regulatory Settlement Agreement executed by HCC Life Insurance Company on the 19th day of December 2017.

State of Alaska, Division of Insurance
By: 
Printed: Lori Wing-Heier
Title: Director
Date: 3-13-18

Please provide the following information as to how your jurisdiction's allocation of the Multistate Payment should be made from HCC Life.

CONTACT NAME: Chip Wagoner

MAILING ADDRESS: Alaska Division of Insurance, PO Box 110805, Juneau, AK 99811

PAYMENT MADE TO: State of Alaska

IF APPLICABLE, PLEASE PROVIDE WIRING INSTRUCTIONS SEPARATELY.

Upon completion, please return this form to:

Chad T. Walker
Bose McKinney & Evans LLP
111 Monument Circle, Suite 2700
Indianapolis, Indiana 46204
Phone: 317.684.5199
Fax: 317.223.0199
Email: cwalker@boselaw.com

EXHIBIT B

**Multistate Targeted Market Conduct Examination
of
HCC Life Insurance Company
Regulatory Settlement Agreement**

SUBSCRIBING STATE ADOPTION

On behalf of Arizona Department of Insurance, I Leslie R. Hess, have received, reviewed and do hereby adopt, agree to and approve that certain Regulatory Settlement Agreement executed by HCC Life Insurance Company on the day of December 29, 2017.

Arizona Department of Insurance

By: Leslie R. Hess

Printed: Leslie R. Hess

Title: Interim Director

Date: January 18, 2018

Please provide the following information as to how your jurisdiction's allocation of the Multistate Payment should be made from HCC Life.

CONTACT NAME: Mary Jordan

MAILING ADDRESS: 2910 N. 44th Street, #210 Phoenix, AZ 85018

PAYMENT MADE TO: Arizona Department of Insurance

IF APPLICABLE, PLEASE PROVIDE WIRING INSTRUCTIONS SEPARATELY.

Upon completion, please return this form to:

Chad T. Walker
Bose McKinney & Evans LLP
111 Monument Circle, Suite 2700
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EXHIBIT B

**Multistate Targeted Market Conduct Examination
of
HCC Life Insurance Company
Regulatory Settlement Agreement**

SUBSCRIBING STATE ADOPTION

On behalf of the Arkansas Insurance Department [Insert Name of Insurance Regulatory Agency], I Allen Kerr [Insert Name of Official Signing Below], have received, reviewed and do hereby adopt, agree to and approve that certain Regulatory Settlement Agreement executed by HCC Life Insurance Company on the 4th day of January, 2018.

Arkansas Insurance Department
[Print Name of Insurance Regulatory Agency]

By: 

Printed: Allen Kerr

Title: Commissioner

Date: 1/4/18

Please provide the following information as to how your jurisdiction's allocation of the Multistate Payment should be made from HCC Life.

CONTACT NAME: Courtney Traylor

MAILING ADDRESS: 1200 West 3rd Street, Little Rock, AR 72201-1904

PAYMENT MADE TO: Arkansas Insurance Department

IF APPLICABLE, PLEASE PROVIDE WIRING INSTRUCTIONS SEPARATELY.

Upon completion, please return this form to:

Chad T. Walker
Bose McKinney & Evans LLP
111 Monument Circle, Suite 2700
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Email: cwalker@boselaw.com

EXHIBIT B

**Multistate Targeted Market Conduct Examination
of
HCC Life Insurance Company
Regulatory Settlement Agreement**

SUBSCRIBING STATE ADOPTION

On behalf of the Colorado Division of Insurance, I, Michael Conway, have received, reviewed and do hereby adopt, agree to and approve that certain Regulatory Settlement Agreement executed by HCC Life Insurance Company on the 4th day of January, 2018.

Colorado Division of Insurance

By: 

Printed: Michael Conway

Title: Interim Commissioner of Insurance

Date: January 4, 2018

Please provide the following information as to how your jurisdiction's allocation of the Multistate Payment should be made from HCC Life.

CONTACT NAME: Stephanie Clement; ATTN: Cash Management

MAILING ADDRESS: CO Division of Insurance 1560 Broadway Ste 850 Denver CO 80202

PAYMENT MADE TO: Colorado Division of Insurance

IF APPLICABLE, PLEASE PROVIDE WIRING INSTRUCTIONS SEPARATELY.

Upon completion, please return this form to:

Chad T. Walker
Bose McKinney & Evans LLP
111 Monument Circle, Suite 2700
Indianapolis, Indiana 46204
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Email: cwalker@boselaw.com

EXHIBIT B

**Multistate Targeted Market Conduct Examination
of
HCC Life Insurance Company
Regulatory Settlement Agreement**

SUBSCRIBING STATE ADOPTION

On behalf of the Connecticut Insurance Department, I Katharine L. Wade, have received, reviewed and do hereby adopt, agree to and approve that certain Regulatory Settlement Agreement executed by HCC Life Insurance Company on the 19th day of December, 2017.

Connecticut Insurance Department

By: _____

Katharine L. Wade

Printed: Katharine L. Wade

Title: Commissioner

Date: _____

2-7-18

Please provide the following information as to how your jurisdiction's allocation of the Multistate Payment should be made from HCC Life.

| | |
|---|--|
| CONTACT NAME: | Kurt Swan, Director, Market Conduct Division |
| MAILING ADDRESS: | P.O. Box 816, Hartford, CT 06142-0816 |
| OVERNIGHT MAILING ADDRESS: | 153 Market Street, Hartford, CT 06103 |
| PAYMENT MADE TO: | Treasurer, State of Connecticut |
| IF APPLICABLE, PLEASE PROVIDE WIRING INSTRUCTIONS SEPARATELY. | |

Upon completion, please return this form to:

Chad T. Walker
Bose McKinney & Evans LLP
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EXHIBIT B

**Multistate Targeted Market Conduct Examination
of
HCC Life Insurance Company
Regulatory Settlement Agreement**

SUBSCRIBING STATE ADOPTION

On behalf of the Delaware Department of Insurance, I, Trinidad Navarro, Delaware Insurance Commissioner, have received, reviewed and do hereby adopt, agree to and approve that certain Regulatory Settlement Agreement executed by HCC Life Insurance Company on this 9th day of January, 2018.

DELAWARE DEPARTMENT OF INSURANCE

By: *Trinidad Navarro*

Printed: Trinidad Navarro

Title: Insurance Commissioner

Date: January 9, 2018

Please provide the following information as to how your jurisdiction's allocation of the Multistate Payment should be made from HCC Life.

CONTACT NAME: Jenifer Vaughn, Controller

MAILING ADDRESS: Delaware Department of Insurance, 841 Silver Lake Blvd., Dover, DE
19904

PAYMENT MADE TO: State of Delaware

IF APPLICABLE, PLEASE PROVIDE WIRING INSTRUCTIONS SEPARATELY.

Upon completion, please return this form to:

Chad T. Walker
Bose McKinney & Evans LLP
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EXHIBIT B

**Multistate Targeted Market Conduct
Examination of
HCC Life Insurance Company
Regulatory Settlement Agreement**

SUBSCRIBING STATE ADOPTION

On behalf of the District of Columbia, Department of Insurance, Securities and Banking, I Stephen C. Taylor, have received, reviewed and do hereby adopt, agree to and approve that certain Regulatory Settlement Agreement executed by HCC Life Insurance Company on the 28th day of February _____ 2018.

District of Columbia, Department of Insurance, Securities and Banking

By: _____

Printed: Stephen C. Taylor

Title: Commissioner

Date: February 28, 2018

Please provide the following information as to how your jurisdiction's allocation of the Multistate Payment should be made from HCC Life.

CONTACT NAME: Philip Barlow, Associate Commissioner of Insurance

MAILING ADDRESS: 1050 First Street, NE, Washington, DC 20002

PAYMENT MADE TO: D.C. Treasurer

IF APPLICABLE, PLEASE PROVIDE WIRING INSTRUCTIONS SEPARATELY.

Upon completion, please return this form to:

Chad T. Walker
Bose McKinney & Evans LLP
111 Monument Circle, Suite
2700
Indianapolis, Indiana 46204
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Fax: 317.223.0199
Email: cwalker@boselaw.com

EXHIBIT B

**Multistate Targeted Market Conduct Examination
of
HCC Life Insurance Company
Regulatory Settlement Agreement**

SUBSCRIBING STATE ADOPTION

On behalf of Florida Office of Ins. Regulation [Insert Name of Insurance Regulatory Agency], I David Altmaier [Insert Name of Official Signing Below], have received, reviewed and do hereby adopt, agree to and approve that certain Regulatory Settlement Agreement executed by HCC Life Insurance Company on the 29 day of November, 2017.

Florida Office of Insurance Regulation
[Print Name of Insurance Regulatory Agency]

By: David Altmaier
Printed: David Altmaier
Title: Commissioner
Date: 12/14/17

Please provide the following information as to how your jurisdiction's allocation of the Multistate Payment should be made from HCC Life.

CONTACT NAME: Scott Woods, L+H Market Regulation
MAILING ADDRESS: 200 E. Gaines Street, Tallahassee, FL 32399
PAYMENT MADE TO: Florida Department of Financial Services
IF APPLICABLE, PLEASE PROVIDE WIRING INSTRUCTIONS SEPARATELY.

Upon completion, please return this form to:

Chad T. Walker
Bose McKinney & Evans LLP
111 Monument Circle, Suite 2700
Indianapolis, Indiana 46204
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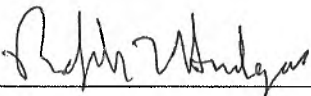
EXHIBIT B

**Multistate Targeted Market Conduct Examination
of
HCC Life Insurance Company
Regulatory Settlement Agreement**

SUBSCRIBING STATE ADOPTION

On behalf of THE GEORGIA INSURANCE DEPARTMENT, I, RALPH T. HUDGENS, COMMISSIONER OF INSURANCE have received, reviewed and do hereby adopt, agree to and approve that certain Regulatory Settlement Agreement executed by HCC Life Insurance Company on the day of December 19, 2017.

THE GEORGIA INSURANCE DEPARTMENT

By: 

Printed: RALPH T. HUDGENS

Title: COMMISSIONER OF INSURANCE

Date: 2/28/18

Please provide the following information as to how your jurisdiction's allocation of the Multistate Payment should be made from HCC Life.

CONTACT NAME: Sarah U. Crittenden, Esq.
MAILING ADDRESS: Georgia Insurance Department, Legal Division
P.O. Box 935138
Atlanta, Georgia 31193-5138
PHONE NUMBER: (404) 463-4458
EMAIL: scrittenden@oci.ga.gov
PAYMENT MADE TO: THE GEORGIA INSURANCE DEPARTMENT

Upon completion, please return this form to:

Chad T. Walker
Bose McKinney & Evans LLP
111 Monument Circle, Suite 2700
Indianapolis, Indiana 46204
Phone: 317.684.5199
Fax: 317.223.0199
Email: cwalker@boselaw.com

EXHIBIT B

**Multistate Targeted Market Conduct Examination
of
HCC Life Insurance Company
Regulatory Settlement Agreement**

SUBSCRIBING STATE ADOPTION

On behalf of The Idaho Department of Insurance, I Dean L. Cameron, have received, reviewed and do hereby adopt, agree to and approve that certain Regulatory Settlement Agreement executed by HCC Life Insurance Company on the day of November 22, 2017.

Idaho Department of Insurance

[Print Name of Insurance Regulatory Agency]

By: 

Printed: Dean L. Cameron

Title: Director

Date: 1/23/18

Please provide the following information as to how your jurisdiction's allocation of the Multistate Payment should be made from HCC Life.

CONTACT NAME: October Nickel

MAILING ADDRESS: 700 W. State Street Boise, Idaho 83702

PAYMENT MADE TO: Idaho Department of Insurance

IF APPLICABLE, PLEASE PROVIDE WIRING INSTRUCTIONS SEPARATELY.

Upon completion, please return this form to:

Chad T. Walker
Bose McKinney & Evans LLP
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Indianapolis, Indiana 46204
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Fax: 317.223.0199
Email: cwalker@boselaw.com

EXHIBIT B

**Multistate Targeted Market Conduct Examination
of
HCC Life Insurance Company
Regulatory Settlement Agreement**

SUBSCRIBING STATE ADOPTION

On behalf of The Illinois Department of Insurance, I Jack Engle, have received, reviewed and do hereby adopt, agree to and approve that certain Regulatory Settlement Agreement executed by HCC Life Insurance Company on the 19th day of December, 2017.

Illinois Department of Insurance

By: 

Printed: Jack Engle

Title: Assistant Deputy Director / Collaborative
Action Designee

Date: February 22, 2018

Please provide the following information as to how your jurisdiction's allocation of the Multistate Payment should be made from HCC Life.

CONTACT NAME: Jack Engle

MAILING ADDRESS: 320 West Washington St. - 5th Floor, Springfield, IL 62767

PAYMENT MADE TO: Director - Illinois Department of Insurance

IF APPLICABLE, PLEASE PROVIDE WIRING INSTRUCTIONS SEPARATELY.

Upon completion, please return this form to:

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EXHIBIT B

**Multistate Targeted Market Conduct Examination
of
HCC Life Insurance Company
Regulatory Settlement Agreement**

SUBSCRIBING STATE ADOPTION

On behalf of the Iowa Insurance Division , I Douglas M. Ommen, as Iowa Insurance Commissioner, have received, reviewed and do hereby adopt, agree to and approve that certain Regulatory Settlement Agreement executed by HCC Life Insurance Company on the 19th day of December, 2017.

IOWA INSURANCE DIVISION

By: 

Printed: Douglas M. Ommen

Title: Iowa Insurance Commissioner

Date: 2/14/18

Please provide the following information as to how your jurisdiction's allocation of the Multistate Payment should be made from HCC Life.

CONTACT NAME: Hilary Foster

MAILING ADDRESS: Two Ruan Center, 601 Locust St., 4th Floor, Des Moines, IA 50309

PAYMENT MADE TO: Iowa Insurance Division

IF APPLICABLE, PLEASE PROVIDE WIRING INSTRUCTIONS SEPARATELY.

Upon completion, please return this form to:

Chad T. Walker
Bose McKinney & Evans LLP
111 Monument Circle, Suite 2700
Indianapolis, Indiana 46204
Phone: 317.684.5199
Fax: 317.223.0199
Email: cwalker@boselaw.com

EXHIBIT B

**Multistate Targeted Market Conduct Examination
of
HCC Life Insurance Company
Regulatory Settlement Agreement**

SUBSCRIBING STATE ADOPTION

On behalf of Kansas Insurance Dept [Insert Name of Insurance Regulatory Agency], I Ken Selzer [Insert Name of Official Signing Below], have received, reviewed and do hereby adopt, agree to and approve that certain Regulatory Settlement Agreement executed by HCC Life Insurance Company on the 22 day of November, 2017.

Kansas Insurance Department
[Print Name of Insurance Regulatory Agency]

By: [Signature]

Printed: Ken Selzer

Title: Ins. Commissioner

Date: 11/22/17

Please provide the following information as to how your jurisdiction's allocation of the Multistate Payment should be made from HCC Life.

CONTACT NAME: Stacy Rinehart
MAILING ADDRESS: 420 SW 9th Street, Topeka KS 66612
PAYMENT MADE TO: Kansas Insurance Department

IF APPLICABLE, PLEASE PROVIDE WIRING INSTRUCTIONS SEPARATELY.

Upon completion, please return this form to:

Chad T. Walker
Bose McKinney & Evans LLP
111 Monument Circle, Suite 2700
Indianapolis, Indiana 46204
Phone: 317.684.5199
Fax: 317.223.0199
Email: cwalker@boselaw.com

EXHIBIT B

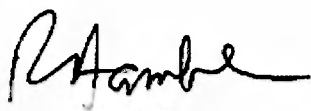
**Multistate Targeted Market Conduct Examination
of
HCC Life Insurance Company
Regulatory Settlement Agreement**

SUBSCRIBING STATE ADOPTION

On behalf of Kentucky [Department of Insurance], I Russ Hamblen, have received, reviewed and do hereby adopt, agree to and approve that certain Regulatory Settlement Agreement executed by HCC Life Insurance Company on the day of December 19, 2017.

Kentucky Department of Insurance

[Print Name of Insurance Regulatory Agency]

By: 

Printed: Russ Hamblen

Title: Chief Market Conduct Examiner

Date: February 26, 2018

Please provide the following information as to how your jurisdiction's allocation of the Multistate Payment should be made from HCC Life.

CONTACT NAME: Russ Hamblen

MAILING ADDRESS: 215 West Main Street, Frankfort, KY 40601

PAYMENT MADE TO: Kentucky State Treasurer

IF APPLICABLE, PLEASE PROVIDE WIRING INSTRUCTIONS SEPARATELY.

Upon completion, please return this form to:

Chad T. Walker
Bose McKinney & Evans LLP
111 Monument Circle, Suite 2700
Indianapolis, Indiana 46204
Phone: 317.684.5199
Fax: 317.223.0199
Email: cwalker@boselaw.com

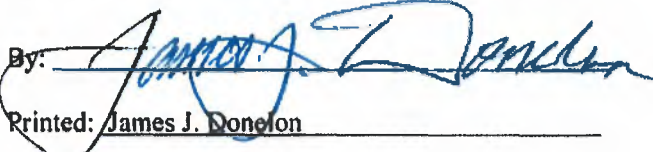
EXHIBIT B

**Multistate Targeted Market Conduct Examination
of
HCC Life Insurance Company
Regulatory Settlement Agreement**

SUBSCRIBING STATE ADOPTION

On behalf of the Louisiana Department of Insurance, I James J. Donelon, have received, reviewed and do hereby adopt, agree to and approve that certain Regulatory Settlement Agreement executed by HCC Life Insurance Company on the 19th day of December, 2017.

LOUISIANA DEPARTMENT OF INSURANCE

By: 
Printed: James J. Donelon
Title: Commissioner of Insurance
Date: 1/11/18

Please provide the following information as to how your jurisdiction's allocation of the Multistate Payment should be made from HCC Life.

CONTACT NAME: Jeffrey Zewe

MAILING ADDRESS: 1702 N. Third Street. Baton Rouge. LA 70802

PAYMENT MADE TO: Louisiana Department of Insurance

IF APPLICABLE, PLEASE PROVIDE WIRING INSTRUCTIONS SEPARATELY.

Upon completion, please return this form to:

Chad T. Walker
Bose McKinney & Evans LLP
111 Monument Circle, Suite 2700
Indianapolis, Indiana 46204
Phone: 317.684.5199
Fax: 317.223.0199
Email: cwalker@boselaw.com

MARYLAND INSURANCE ADMINISTRATION

**Multistate Targeted Market Conduct Examination
of
HCC Life Insurance Company
Regulatory Settlement Agreement**

MARYLAND STATE ADOPTION

On behalf of Maryland Insurance Administration [Insert Name of Insurance Regulatory Agency], I Erica J. Bailey [Insert Name of Official Signing Below], have received, reviewed and do hereby adopt, agree to and approve that certain Regulatory Settlement Agreement executed by HCC Life Insurance Company on the 13th day of March, 2018, subject to the following condition:

The last sentence of §9(3) of the Regulatory Settlement Agreement is amended as follows:

At the discretion of the Maryland Insurance Commissioner, and in accordance with Maryland law, the Maryland Insurance Administration shall consider not pursuing an enforcement action as set forth in Section 9.a. against HCC Life until the 30-day response period described above has expired.

Maryland Insurance Administration
[Print Name of Insurance Regulatory Agency]

By: [Signature]

Printed: Erica J. Bailey

Title: Associate Commissioner

Date: March 13, 2018

With regards to the above amendment to the Regulatory Settlement Agreement:

HCC Life Insurance Company

By: [Signature] Randy Rincella

Date: March 8, 2018

HCC Medical Insurance Services, LLC

By: [Signature] Randy Rincella

Date: March 8, 2018

HCC Insurance Holdings, Inc.

By: [Signature] Randy Rincella

Date: March 8, 2018

[Continued on Following Page]

Please provide the following information as to how your jurisdiction's allocation of the Multistate Payment should be made from HCC Life.

CONTACT NAME: Erica J. Bailey
MAILING ADDRESS: 200 St. Paul Place, Baltimore, MD 21202
PAYMENT MADE TO: Maryland Insurance Administration

IF APPLICABLE, PLEASE PROVIDE WIRING INSTRUCTIONS SEPARATELY.

Upon completion, please return this form to:

Chad T. Walker
Bose McKinney & Evans LLP
111 Monument Circle, Suite 2700
Indianapolis, Indiana 46204
Phone: 317.684.5199 / Fax: 317.223.0199
Email: cwalker@boselaw.com

EXHIBIT B

**Multistate Targeted Market Conduct Examination
of
HCC Life Insurance Company
Regulatory Settlement Agreement**

SUBSCRIBING STATE ADOPTION

On behalf of the Michigan Department of Insurance and Financial Services, I, Patrick M. McPharlin, have received, reviewed and do hereby adopt, agree to and approve that certain Regulatory Settlement Agreement executed by HCC Life Insurance Company on the 19th day of December 2017.

Michigan Department of Insurance and Financial Services
[Print Name of Insurance Regulatory Agency]

By: 

Printed: Patrick M. McPharlin

Title: Director

Date: 2-7-18

Please provide the following information as to how your jurisdiction's allocation of the Multistate Payment should be made from HCC Life.

CONTACT NAME: Randall S. Gregg, General Counsel

MAILING ADDRESS: Department of Insurance and Financial Services
Personal and Confidential: Randall S. Gregg
Office of General Counsel
Mason Building, 8th Floor
530 W. Allegan St.
Lansing, MI 48933

PAYMENT MADE TO: Michigan Insurance Bureau Fund

IF APPLICABLE, PLEASE PROVIDE WIRING INSTRUCTIONS SEPARATELY.

Upon completion, please return this form to:

Chad T. Walker
Bose McKinney & Evans LLP
111 Monument Circle, Suite 2700
Indianapolis, Indiana 46204
Phone: 317.684.5199
Fax: 317.223.0199
Email: cwalker@boselaw.com

EXHIBIT B

**Multistate Targeted Market Conduct Examination
of
HCC Life Insurance Company
Regulatory Settlement Agreement**

SUBSCRIBING STATE ADOPTION

On behalf of Mississippi Insurance Department, I Mark Haire, have received, reviewed and do hereby adopt, agree to and approve that certain Regulatory Settlement Agreement executed by HCC Life Insurance Company on the day of February 27, 2018

Mississippi Insurance Department

By: Mark Haire

Printed: Mark Haire

Title: Deputy Commissioner

Date: 2-27-18

Please provide the following information as to how your jurisdiction's allocation of the Multistate Payment should be made from HCC Life.

CONTACT NAME: Nancy Stuart

MAILING ADDRESS: P.O. Box 79 Jackson, MS 39205

PAYMENT MADE TO: Mississippi Insurance Department

IF APPLICABLE, PLEASE PROVIDE WIRING INSTRUCTIONS SEPARATELY.

Upon completion, please return this form to:

Chad T. Walker
Bose McKinney & Evans LLP
111 Monument Circle, Suite 2700
Indianapolis, Indiana 46204
Phone: 317.684.5199
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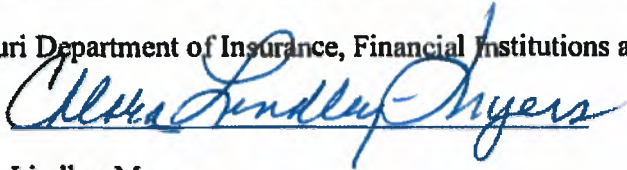
EXHIBIT B
Multistate Targeted Market Conduct Examination
of HCC Life Insurance Company
Regulatory Settlement Agreement

SUBSCRIBING STATE ADOPTION

On behalf of Missouri Department of Insurance, Financial Institutions and Professional Registration, I, Chlora Lindley-Myers, have received, reviewed and do hereby adopt, agree to and approve that certain Regulatory Settlement Agreement executed by HCC Life Insurance Company on the 19th day of December 2017 hereby adopt, agree and approve this Agreement.

Missouri Department of Insurance, Financial Institutions and Professional Registration

By:



Chlora Lindley-Myers

Title: Director

Date:

January 24, 2018

Please provide the following information as to how your jurisdiction's allocation of the Multi-State Payment should be made from HCC Life.

CONTACT NAME: Stewart Freilich

MAILING ADDRESS: 301 West High Street, Room 530, Jefferson City, MO 65101

Phone: 573 526-1527

E-Mail: Stewart.Freilich@insurance.mo.gov

PAYMENT MADE TO: State of Missouri

Please return this form to:

Chad T. Walker

Bose McKinney & Evans LLP

111 Monument Circle, Suite 2700

Indianapolis, Indiana 46204

Phone: 317-684-5199

Fax: 317-223-0199

Email: cwalker@boselaw.com

EXHIBIT B

**Multistate Targeted Market Conduct Examination
of
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Regulatory Settlement Agreement**

SUBSCRIBING STATE ADOPTION

On behalf of Nebraska Department of Insurance [Insert Name of Insurance Regulatory Agency], I Bruce R. Range [Insert Name of Official Signing Below], have received, reviewed and do hereby adopt, agree to and approve that certain Regulatory Settlement Agreement executed by HCC Life Insurance Company on the 10 day of January, 2018 ^{oak}

Nebraska Department of Insurance
[Print Name of Insurance Regulatory Agency]

By: Bruce R. Range

Printed: Bruce R. Range

Title: Director

Date: 1-10-2018

Please provide the following information as to how your jurisdiction's allocation of the Multistate Payment should be made from HCC Life.

CONTACT NAME: Randall Willey

MAILING ADDRESS: 941 O Street, Suite 400, Lincoln, NE 68508

PAYMENT MADE TO: Nebraska Department of Insurance

IF APPLICABLE, PLEASE PROVIDE WIRING INSTRUCTIONS SEPARATELY.

Upon completion, please return this form to:

Chad T. Walker
Bose McKinney & Evans LLP
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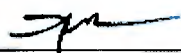
EXHIBIT B

**Multistate Targeted Market Conduct Examination
of
HCC Life Insurance Company
Regulatory Settlement Agreement**

SUBSCRIBING STATE ADOPTION

On behalf of State of Nevada, Department of Business and Industry, Division of Insurance, I, Barbara D. Richardson, Commissioner of Insurance, have received, reviewed and do hereby adopt, agree to and approve that certain Regulatory Settlement Agreement executed by HCC Life Insurance Company on the 19th day of December, 2017.

NEVADA DIVISION OF INSURANCE

By: 
BARBARA D. RICHARDSON

Printed: Barbara D. Richardson

Title: State of Nevada, Commissioner of Insurance

Date: 1/23/18

Please provide the following information as to how your jurisdiction's allocation of the Multistate payment should be made from HCC Life.

CONTACT NAME: Amy L. Parks, Esq.
MAILING ADDRESS: Nevada Division of Insurance
1818 East College Parkway, Suite 103
Carson City, Nevada 89706
PHONE NUMBER: 775-687-0710
EMAIL: alparks@doi.nv.gov

PAYMENT MADE TO: Nevada Division of Insurance

IF APPLICABLE, PLEASE PROVIDE WIRING INSTRUCTIONS SEPARATELY.

Upon completion, please return this form to:

Chad T. Walker
Bose McKinney & Evans LLP
111 Monument Circle, Suite 2700
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Email: cwalker@boselaw.com

EXHIBIT B

**Multistate Targeted Market Conduct Examination
of
HCC Life Insurance Company
Regulatory Settlement Agreement**

SUBSCRIBING STATE ADOPTION

On behalf of the New Hampshire Insurance Department, I, Roger A Sevigny, have received, reviewed and do hereby adopt, agree to and approve that certain Regulatory Settlement Agreement executed by HCC Life Insurance Company on the 21st day of February, 2018.

New Hampshire Insurance Department

By: 

Printed: Roger A. Sevigny

Title: Commissioner

Date: 2-21-18

Please provide the following information as to how your jurisdiction's allocation of the Multistate Payment should be made from HCC Life.

CONTACT NAME: Theodore Perkins, Jr

MAILING ADDRESS: 21 South Fruit St, Suite 14, Concord NH 03301

PAYMENT MADE TO: State of New Hampshire Insurance Department

IF APPLICABLE, PLEASE PROVIDE WIRING INSTRUCTIONS SEPARATELY.

Upon completion, please return this form to:

Chad T. Walker
Bose McKinney & Evans LLP
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EXHIBIT B

**Multistate Targeted Market Conduct Examination
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Regulatory Settlement Agreement**

SUBSCRIBING STATE ADOPTION

On behalf of The North Carolina Department of Insurance, I Tracy M. Biehn, have received, reviewed and do hereby adopt, agree to and approve that certain Regulatory Settlement Agreement executed by HCC Life Insurance Company on the 19th day of December, 2017.

The North Carolina Department of Insurance

By: 

Printed: Tracy M. Biehn

Title: Senior Regulatory Compliance Analyst

Date: January 8, 2018

Please provide the following information as to how your jurisdiction's allocation of the Multistate Payment should be made from HCC Life.

CONTACT NAME: Tracy M. Biehn

MAILING ADDRESS: 1201 Mail Service Center, Raleigh, NC 27699-1201

PAYMENT MADE TO: The North Carolina Department of Insurance

IF APPLICABLE, PLEASE PROVIDE WIRING INSTRUCTIONS SEPARATELY.

Upon completion, please return this form to:

Chad T. Walker
Bose McKinney & Evans LLP
111 Monument Circle, Suite 2700
Indianapolis, Indiana 46204
Phone: 317.684.5199
Fax: 317.223.0199
Email: cwalker@boselaw.com

EXHIBIT B

**Multistate Targeted Market Conduct Examination
of
HCC Life Insurance Company
Regulatory Settlement Agreement**

SUBSCRIBING STATE ADOPTION

On behalf of the North Dakota Insurance Department, I, Jon Godfread, have received, reviewed and do hereby adopt, agree to and approve that certain Regulatory Settlement Agreement executed by HCC Life Insurance Company on the day of February 20th, 2018.

North Dakota Insurance Department

By: 

Printed: Jon Godfread

Title: North Dakota Insurance Commissioner

Date: 2/20/18

Please provide the following information as to how your jurisdiction's allocation of the Multistate Payment should be made from HCC Life.

CONTACT NAME: Johnny Palsgraaf

MAILING ADDRESS: 600 East Boulevard Ave, Bismarck, ND 58505

PAYMENT MADE TO: North Dakota Insurance Department

IF APPLICABLE, PLEASE PROVIDE WIRING INSTRUCTIONS SEPARATELY.

Upon completion, please return this form to:

Chad T. Walker
Bose McKinney & Evans LLP
111 Monument Circle, Suite 2700
Indianapolis, Indiana 46204
Phone: 317.684.5199
Fax: 317.223.0199
Email: cwalker@boselaw.com

EXHIBIT B

**Multistate Targeted Market Conduct Examination
of
HCC Life Insurance Company
Regulatory Settlement Agreement**

SUBSCRIBING STATE ADOPTION

On behalf of Ohio, I, Jillian Froment, as Director, have received, reviewed and do hereby adopt, agree to and approve that certain Regulatory Settlement Agreement executed by HCC Life Insurance Company on the 19th day of December, 2017.

Ohio Department of Insurance

By: 

Printed: Jillian Froment

Title: Director

Date: 2/23/18

Please provide the following information as to how your jurisdiction's allocation of the Multistate Payment should be made from HCC Life.

CONTACT NAME: Angela Dingus, Chief Market Conduct Division

MAILING ADDRESS: 50 West Town Street, Suite 300, Columbus, Ohio 43215

PAYMENT MADE TO: Treasurer, State of Ohio

IF APPLICABLE, PLEASE PROVIDE WIRING INSTRUCTIONS SEPARATELY.

Upon completion, please return this form to:

Chad T. Walker
Bose McKinney & Evans LLP
111 Monument Circle, Suite 2700
Indianapolis, Indiana 46204
Phone: 317.684.5199
Fax: 317.223.0199
Email: cwalker@boselaw.com

EXHIBIT B

**Multistate Targeted Market Conduct Examination
of
HCC Life Insurance Company
Regulatory Settlement Agreement**

SUBSCRIBING STATE ADOPTION

On behalf of the Oklahoma Insurance Department, I Joel L. Sander, have received, reviewed and do hereby adopt, agree to and approve that certain Regulatory Settlement Agreement executed by HCC Life Insurance Company on the day of February 27, 2018.

Oklahoma Insurance Department

By: _____

Printed: Joel L. Sander

Title: Deputy Commissioner

Date: February 27, 2018

Please provide the following information as to how your jurisdiction's allocation of the Multistate Payment should be made from HCC Life.

CONTACT NAME: Sherry Marczewski

MAILING ADDRESS: 3625 NW 56th Street, Ste. 100 Oklahoma City, Ok 73112

PAYMENT MADE TO: Oklahoma Insurance Department

IF APPLICABLE, PLEASE PROVIDE WIRING INSTRUCTIONS SEPARATELY.

Upon completion, please return this form to:

Chad T. Walker
Bose McKinney & Evans LLP
111 Monument Circle, Suite 2700
Indianapolis, Indiana 46204
Phone: 317.684.5199
Fax: 317.223.0199
Email: cwalker@boselaw.com

EXHIBIT B

**Multistate Targeted Market Conduct Examination
of
HCC Life Insurance Company
Regulatory Settlement Agreement**

SUBSCRIBING STATE ADOPTION

On behalf of the Pennsylvania Insurance Department, I Christopher R. Monahan, have received, reviewed and do hereby adopt, agree to and approve that certain Regulatory Settlement Agreement executed by HCC Life Insurance Company on the day of January 5, 2018.

Pennsylvania Insurance Department

By: 

Printed: Christopher R. Monahan

Title: Deputy Insurance Commissioner

Date: January 5, 2018

Please provide the following information as to how your jurisdiction's allocation of the Multistate Payment should be made from HCC Life.

CONTACT NAME: Constance Arnold

MAILING ADDRESS: 1321 Strawberry Square, Harrisburg, PA 17120

PAYMENT MADE TO: Commonwealth of Pennsylvania

IF APPLICABLE, PLEASE PROVIDE WIRING INSTRUCTIONS SEPARATELY.

Upon completion, please return this form to:

Chad T. Walker
Bose McKinney & Evans LLP
111 Monument Circle, Suite 2700
Indianapolis, Indiana 46204
Phone: 317.684.5199
Fax: 317.223.0199
Email: cwalker@boselaw.com

EXHIBIT B

**Multistate Targeted Market Conduct Examination
of
HCC Life Insurance Company
Regulatory Settlement Agreement**

SUBSCRIBING STATE ADOPTION

On behalf The South Carolina Department of Insurance, I, Raymond G. Farmer [, have received, reviewed and do hereby adopt, agree to and approve that certain Regulatory Settlement Agreement executed by HCC Life Insurance Company on the day of March 1, 2018.

South Carolina Department of Insurance
[Print Name of Insurance Regulatory Agency]

By: Raymond G. Farmer

Printed: Raymond G. Farmer

Title: Director

Date: 3/1/2018

Please provide the following information as to how your jurisdiction's allocation of the Multistate Payment should be made from HCC Life.

CONTACT NAME: Michael Bailes

MAILING ADDRESS: 1201 Main Street, Suite 1000, Columbia SC 29201

PAYMENT MADE TO: South Carolina Department of Insurance

IF APPLICABLE, PLEASE PROVIDE WIRING INSTRUCTIONS SEPARATELY.

Upon completion, please return this form to:

Chad T. Walker
Bose McKinney & Evans LLP
111 Monument Circle, Suite 2700
Indianapolis, Indiana 46204
Phone: 317.684.5199
Fax: 317.223.0199
Email: cwalker@boselaw.com

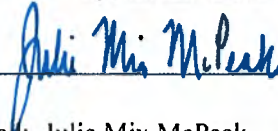
EXHIBIT B

**Multistate Targeted Market Conduct Examination
of
HCC Life Insurance Company
Regulatory Settlement Agreement**

SUBSCRIBING STATE ADOPTION

On behalf of the Tennessee Department of Commerce and Insurance, I, Julie Mix McPeak, have received, reviewed and do hereby adopt, agree to and approve the Regulatory Settlement Agreement executed by HCC Life Insurance Company on the ____ day of February, 2018.

Tennessee Department of Commerce and Insurance

By: 

Printed: Julie Mix McPeak

Title: Commissioner

Date: 2/28/18

Please provide the following information as to how your jurisdiction's allocation of the Multistate Payment should be made from HCC Life.

CONTACT NAME: Lorrie Brouse, Deputy Commissioner & General Counsel

MAILING ADDRESS: 500 James Robertson Parkway
Nashville, TN 37243

PAYMENT MADE TO: Tennessee Department of Commerce and Insurance,
Insurance Education Fund – Account CI779

IF APPLICABLE, PLEASE PROVIDE WIRING INSTRUCTIONS SEPARATELY.

Upon completion, please return this form to:

Chad T. Walker
Bose McKinney & Evans LLP 111 Monument Circle, Suite 2700
Indianapolis, Indiana 46204
Phone: 317.684.5199
Fax: 317.223.0199
Email: cwalker@boselaw.com

No. 2018- 5440

**OFFICIAL ORDER
of the
TEXAS COMMISSIONER OF INSURANCE**

Date: MAR 3 0 2018

Subject Considered:

HCC LIFE INSURANCE COMPANY
HCC MEDICAL INSURANCE SERVICES, LLC
HCC INSURANCE HOLDINGS, INC.
225 Town Park, Drive, Suite 350
Kennesaw, Georgia 30144

CONSENT ORDER
TDI ENFORCEMENT FILE NO. 15422

The subject of this order is the Regulatory Settlement Agreement (RSA) entered into by HCC Life Insurance Company, HCC Medical Insurance Services, LLC, and HCC Insurance Holdings, Inc. (Companies). The RSA is the result of an ongoing multistate targeted market conduct examination regarding HCC Life's writing, form filing, marketing, soliciting, and claims payment of short-term medical insurance plans.

WAIVER

The Companies acknowledge that the Texas Insurance Code and other applicable laws provide certain rights relating to the subject matter of any disciplinary proceeding and how it is conducted. The Companies waive those rights with respect to the entry of this consent order.

Pursuant to TEX. INS. CODE § 82.055(b), the Companies agree to this consent order with the express reservation that they do not admit to a violation of any provision of the Insurance Code or rule or regulation of the department and the Companies maintain the existence of any violation is in dispute.

FINDINGS OF FACT

1. The Companies have conducted the business of insurance in Texas.
2. On December 19, 2017, the Companies signed the RSA, which is attached and incorporated for all purposes as Exhibit 1. Pursuant to the RSA, the Companies agree to pay \$5,000,000 to be distributed to the signatory states that are parties to the RSA.

2018 - 5440

COMMISSIONER'S ORDER
HCC Life Insurance Company
HCC Medical Insurance Services, LLC
HCC Insurance Holdings, Inc.
Page 2 of 4

3. Texas is expected to receive a payment allocation as determined by the RSA. The sum owed to Texas under the RSA constitutes an administrative penalty. Jurisdictions must sign the RSA by March 1, 2018, to participate in the payment allocation.
4. In entering into this consent order, TDI and the Companies agree that numbered item 9.c (Breach/Default) of the RSA is not applicable in Texas. In the event TDI alleges that a breach of the RSA has occurred, TDI will comply with the Texas Insurance Code, the Texas Administrative Code, and the Texas Administrative Procedures Act.
5. In entering into this consent order, TDI and the companies agree that numbered item 11.i (Choice of Law) of the RSA is not applicable in Texas.
6. TDI and the Companies agree that this consent order disposes of all issues, claims, demands, interest, penalties, actions, or causes of action regarding the Companies' writing, form filing, marketing, soliciting, and claims payment of short-term medical insurance plans as described in the RSA. This order and the amount ordered payable to TDI does not extinguish any obligations otherwise owed to the State of Texas.
7. By this consent order, the Companies waive their rights with respect to all issues, claims, demands, interest, penalties, actions, or causes of action covered by the RSA: (1) to file a motion for determination; (2) to file any further claim for any issues occurring with respect to the matters covered by the RSA, or to otherwise further dispute any issues involved in the matters covered by the RSA; and (3) to file any petition in district court contesting issues disposed of in the RSA, or which could have been raised and disposed of concerning the period covered by the RSA, except those rights provided for in the RSA.
8. This consent order and RSA is between TDI and the Companies and does not incorporate any other pending agreements other than those referenced in the RSA.

CONCLUSIONS OF LAW

1. The commissioner has jurisdiction over this matter pursuant to TEX. INS. CODE §§ 82.052 and 84.001-84.051; and TEX. GOV'T CODE §§ 2001.051-2001.178.
2. The commissioner has the authority to dispose of this case informally pursuant to TEX. GOV'T CODE § 2001.056; TEX. INS. CODE §§ 36.104 and 82.055; and 28 TEX. ADMIN. CODE § 1.47.

TDI adopts, agrees to, and approves the RSA and will enforce the RSA consistent with applicable law in effect in Texas and as referenced in the RSA and this consent order.

2018- 5440

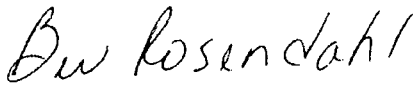
COMMISSIONER'S ORDER
HCC Life Insurance Company
HCC Medical Insurance Services, LLC
HCC Insurance Holdings, Inc.
Page 3 of 4

It is ordered that Companies pay the penalty amount allocated to TDI in accordance with the method described in the RSA within 10 days after the later of the effective date or receipt of the allocation from the Lead Departments as set forth in the attached RSA. The amount must be paid by check or money order made payable to the "State of Texas" and sent to the Texas Department of Insurance, Attn: Enforcement Section, Division 60851, MC 9999, P.O. Box 149104, Austin, Texas 78714-9104.



Kent C. Sullivan
Commissioner of Insurance

APPROVED AS TO FORM AND CONTENT:



Beverly Rosendahl
Director, Enforcement Section
Texas Department of Insurance

2018- 5440

COMMISSIONER'S ORDER
HCC Life Insurance Company
HCC Medical Insurance Services, LLC
HCC Insurance Holdings, Inc.
Page 4 of 4

AGREED, ACCEPTED, AND EXECUTED BY:

**HCC Life Insurance Company
HCC Medical Insurance Services, LLC**

HCC Insurance Holdings, Inc.

By: 

By: 

Name: Randy Rinicella
Title: Vice President & Associate Secretary

Name: Randy Rinicella
Title: Sr. Vice President, General Counsel,
& Secretary

AFFIDAVIT

STATE OF TEXAS
COUNTY OF HARRIS


§
§
§

Before me, the undersigned authority, personally appeared the affiant, who being by me duly sworn, deposed as follows:

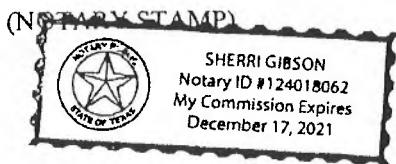
"My name is Randy Rinicella am of sound mind, capable of making this statement, and have personal knowledge of these facts which are true and correct.


I am an authorized representative of HCC Life Insurance Company, HCC Medical Insurance Services, LLC, and HCC Insurance Holdings, Inc. Within HCC Life Insurance Company, and HCC Medical Insurance Services, LLC, I hold the office of Vice President & Associate Secretary. Within HCC Insurance Holdings, Inc., I hold the office of Senior Vice President, General Counsel, & Secretary. I am duly authorized by HCC Life Insurance Company, HCC Medical Insurance Services, LLC, and HCC Insurance Holdings, Inc. to sign this consent order and make the following statement:

HCC Life Insurance Company, HCC Medical Insurance Services, LLC, and HCC Insurance Holdings, Inc. knowingly and voluntarily enters into this consent order. HCC Life Insurance Company, HCC Medical Insurance Services, LLC, and HCC Insurance Holdings, Inc. agrees with and consents to the issuance and service of the consent order by the Texas Commissioner of insurance."


Affiant

SWORN TO AND SUBSCRIBED before me on March 21, 2018.




Signature of Notary Public

REGULATORY SETTLEMENT AGREEMENT

This REGULATORY SETTLEMENT AGREEMENT (the "**Agreement**") is entered into this 19th day of December, 2017 by and among: (i) HCC LIFE INSURANCE COMPANY ("**HCC Life**"); (ii) HCC MEDICAL INSURANCE SERVICES, LLC ("**HCC MIS**") ; (iii) HCC INSURANCE HOLDINGS, INC. ("**Holdings**") (HCC Life, HCC MIS and Holdings, together with their respective Affiliates, collectively referred to herein as the "**HCC Group**"); (iii) the FLORIDA OFFICE OF INSURANCE REGULATION ("**FOIR**"); (iv) the INDIANA DEPARTMENT OF INSURANCE ("**IDOI**"); (v) the KANSAS INSURANCE DEPARTMENT ("**KID**"); (vi) UTAH INSURANCE DEPARTMENT ("**UID**") (FOIR, IDOI, KID and UID collectively referred to herein as the "**Lead States**"); and (vii) the insurance-related regulatory bodies of such other jurisdictions as choose to adopt, agree to and approve this Agreement (the "**Subscribing States**") (Subscribing States and Lead States collectively referred to herein as the "**Settling States**") (the Settling States and HCC Life are collectively referred to herein as the "**Parties**").

RECITALS

WHEREAS, Holdings is the parent company of HCC Life and of HCC MIS;

WHEREAS, HCC MIS was established in Indianapolis, Indiana in 1998;

WHEREAS, during the Examination Period, HCC Life (NAIC #92711) marketed and sold short-term medical insurance products ("STM Products" as defined in Section 2 below) throughout the United States;

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

WHEREAS, the IDOI, as managing Lead State, advised HCC Life on May 13, 2016, that a multistate market conduct examination (the "**Examination**") had been called regarding HCC Life's writing, form filing, marketing, soliciting and claims payment of STM Products during the period March 23, 2010 through April 30, 2016 (the "**Examination Period**");

WHEREAS, there are presently forty-two (42) jurisdictions participating in the Examination, of which STM Products were sold by HCC Life in thirty-nine (39) (the "**Participating States**") including the four (4) Lead States and thirty-eight (38) Participating States, a list of which may be found on Exhibit A, attached hereto and by reference incorporated herein;

WHEREAS, the Examination was conducted in conjunction with a separate multistate examination of third parties, Health Insurance Innovations, Inc. (ORG # 118438), Health Plan Intermediaries, LLC, and their parent companies and Affiliates (collectively, "**HII**"). Through HII's network of agents and call centers, HII marketed, sold and collected premium for HCC Life's STM Product (as defined in Section 2 below). The multistate examination of HII (the "**HII Examination**") continues;

WHEREAS, the Examiner-in-Charge has presented to HCC Life and the Lead States a preliminary statement based on information gathered to date;

WHEREAS, HCC Life denies any wrongdoing or activities that violate any applicable insurance laws or regulations, and nothing contained herein, or the execution and performance of this Agreement



shall be deemed or construed as evidence, or an admission or acknowledgment by HCC Life of any wrongdoing or liability whatsoever;

WHEREAS, based upon the review and analysis of the preliminary statement presented by the Examiner-in-Charge, HCC Life agrees to the conditions of this Agreement and the resolution of those matters within the scope of the Examination as set forth in the April 26, 2016 Examination Warrant, which scope remains unchanged, (the "**Examination Scope**") all as more particularly provided herein;

WHEREAS, in view of the foregoing facts and circumstances, the Settling States find it to be in the public interest and are willing to accept this Agreement to settle all insurance regulatory matters within the Examination Scope;

WHEREAS, effective June 1, 2017, HCC Life no longer markets or sells STM Products in the Settling States;

WHEREAS, HCC Life has cooperated with the Examiner-in-Charge in the course of the Examination by making its books and records available for examination, and its personnel and agents available to assist as requested by the Examiner-in-Charge;

WHEREAS, HCC Life represents that at all times relevant to this Agreement, HCC Life and its officers, directors, employees, agents and representatives acted in good faith; and

WHEREAS, HCC Life and the Settling States execute this RSA knowingly and voluntarily, and the Parties acknowledge that this Agreement is in the public interest and desire to end the Examination.

NOW, THEREFORE, in consideration of the Recitals, the mutual covenants and agreements herein, and each act performed and to be performed hereunder, the Parties agree as follows:

1. **Incorporation of Recitals**. The above and foregoing Recitals, including, without limitation, all capitalized terms defined therein, are hereby incorporated into and made a part of this Agreement as if more fully set forth in the body of this instrument.
2. **Definitions**. The terms listed below shall have either the meaning given in this section or the definition given elsewhere in the Agreement.
 - a. "**Affiliate**" shall mean a person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the person specified.
 - b. "**Agreement**" shall have the meaning set forth in the first paragraph of page 1.
 - c. "**Agreement Date**" shall be the date first written in the first paragraph of this Agreement.
 - d. "**Audit Procedures**" shall have the meaning set forth in Section 4e. of this Agreement.
 - e. "**Business Practice Audit**" shall have the meaning set forth in Section 4c. of this Agreement.
 - f. "**Claims Audit**" shall have the meaning set forth in Section 4b. of this Agreement.
 - g. "**Conditional Effective Date**" shall be the date on which this Agreement has been signed by HCC Life and adopted by each of the four (4) Lead States.

- h. "**Examination**" shall have the meaning set forth in the first paragraph of page 1.
- i. "**Examination Scope**" shall have the meaning set forth in the tenth clause of the Recitals.
- j. "**Examiner-in-Charge**" shall mean Chad T. Walker of the law firm Bose McKinney & Evans LLP.
- k. "**Final Effective Date**" shall have the meaning set forth in Section 10.
- l. "**FOIR**" shall have the meaning set forth in the first paragraph of page 1.
- m. "**HCC**" shall have the meaning set forth in the first paragraph of page 1.
- n. "**HCC Life**" shall have the meaning set forth in the first paragraph of page 1.
- o. "**HCC MIS**" shall have the meaning set forth in the first paragraph of page 1.
- p. "**HCC Third Party Audit**" shall have the meaning set forth in Section 4d. of this Agreement.
- q. "**HCC Life STM Policies**" shall mean any STM Products sold, marketed, underwritten or issued by HCC Life, either directly or indirectly through third parties, including, without limitation, HII.
- r. "**HII**" shall have the meaning set forth in the sixth clause of the Recitals.
- s. "**HII Examination**" shall have the meaning set forth in the sixth clause of the Recitals.
- t. "**Holdings**" shall have the meaning set forth in the first paragraph of page 1.
- u. "**IDOI**" shall have the meaning set forth in the first paragraph of page 1.
- v. "**KID**" shall have the meaning set forth in the first paragraph of page 1.
- w. "**Lead States**" shall have the meaning set forth in the first paragraph of page 1.
- x. "**Multistate Payment**" shall have the meaning set forth in Section 5a. of this Agreement.
- y. "**Participating States**" shall have the meaning set forth in the fifth clause of the Recitals.
- z. "**Parties**" shall have the meaning set forth in the first paragraph of page 1.
- aa. "**Settling States**" shall have the meaning set forth in the first paragraph of page 1.
- bb. "**STM Products**" shall mean the approved short-term medical insurance policies as filed by HCC Life and sold to individuals, either directly or through a group, with limited coverage periods as determined by applicable state laws and regulations.
- cc. "**Subscribing States**" shall have the meaning set forth in the first paragraph of page 1.
- dd. "**UID**" shall have the meaning set forth in the first paragraph of page 1.

3. Short Term Medical Business. HCC Life represents to the Settling States that, effective June 1, 2017, it ceased the sale, marketing and underwriting and premium collections¹ of all STM Products directly or indirectly offered or underwritten by HCC Life, except as otherwise required in order to conduct the run-off of its STM business in accordance with applicable laws and regulations. HCC Life covenants and agrees that it shall not directly or indirectly enter into the sale of short-term medical insurance within any of the Settling States for a period of five (5) years from the Final Effective Date. In the event HCC Life commences the sale or marketing of STM Products in any Settling State following such period, HCC Life shall file forms and rates as required by applicable laws and regulations.
4. Specific Business Practices and Reforms.
 - a. HCC Life shall administer and adjudicate any and all claims filed in relationship to HCC Life STM Policies in a timely fashion and in strict compliance with the terms and conditions of the policies and any and all applicable laws, rules, and regulations.
 - b. Within one hundred twenty (120) days of the Final Effective Date, the Examiner-in-Charge shall commence a preliminary audit (in accordance with the NAIC Market Regulation Handbook) of HCC Life's claims handling practices for the STM Products for the period of June 1, 2017 through the date of the commencement of such examination (the "**Claims Audit**"). Upon completion of the Claims Audit, the Examiner-in-Charge shall present his preliminary findings to the Lead States. The Claims Audit covers a period of time beyond the scope of the original Examination, and, therefore, the Lead States reserve the right to additional examination(s) of HCC Life as a result of the Claims Audit together with the right to impose financial, regulatory, and performance sanctions with respect thereto. HCC Life shall be responsible for the full, complete, and prompt payment of all fees and expenses of the Examiner-in-Charge in conducting and reporting on the Claims Audit in compliance with the laws of the State of Indiana. Upon the request of a Participating State, the Examiner-in-Charge shall provide any final reports regarding the Claims Audit previously provided to Lead States to such Participating State.
 - c. Within ninety (90) days of the Final Effective Date, the Examiner-in-Charge shall commence a preliminary audit (in accordance with the NAIC Market Regulation Handbook) of HCC Life's business practices for the STM Products to include, without limitation, writing, form filing, marketing, soliciting, claims payment, licensing and appointments (the "**Business Practice Audit**"). Upon completion of the Business Practice Audit, the Examiner-in-Charge shall present his preliminary findings to the Lead States. The Lead States reserve the right to additional examination(s) of HCC Life as a result of the Business Practice Audit together with the right to impose financial, regulatory, and performance sanctions with respect thereto. HCC Life shall be responsible for the full, complete, and prompt payment of all fees and expenses of the Examiner-in-Charge in conducting and reporting on the Business Practice Audit in compliance with the laws of the State of Indiana. Upon the request of a Participating State, the Examiner-in-Charge shall provide any final reports regarding the Business Practice Audit previously provided to Lead States to such Participating State.

¹ The Parties acknowledge that HCC Life continues to collect premiums on in-force business at the time of withdrawal from the applicable market.

- d. HCC Life shall regularly audit the business practices of its producers, third party administrators, managing general agents, and contractors across all lines of its business, and make commercially reasonable efforts to ensure compliance with all applicable laws, rules and regulations and operate in a sound fashion (the "**HCC Life Third Party Audit**").
 - e. Within 180 days of the Final Effective Date, HCC Life shall, to the extent it deems necessary, establish, document, and provide to the Examiner-in-Charge standards and procedures to conduct regular audits of its internal and third-party operations across all lines of business (the "**Audit Procedures**"). Such Audit Procedures shall include review of controls in place to ensure compliance with filed rating plans, form usage, licensing, appointments, marketing, claims handling, sales, and premiums are in compliance with applicable laws, rules and regulations. Upon receipt of Audit Procedures, the Examiner-in-Charge shall provide the Audit Procedures to the Lead States, who in turn shall review and either approve or return to Company with directions for further revision. Alternatively, at the discretion of the Lead States, the Lead States may direct the Examiner-in-Charge to review the Audit Procedures and provide the Lead States with a summary of such Audit Procedures and the findings, if any, of the Examiner-in-Charge. Any review of such Audit Procedures by the Examiner-in-Charge shall be at the expense of HCC Life.
5. Multistate Payment & Release.
- a. HCC Life shall pay a total of \$5,000,000 to the Settling States for the examination, administrative costs and compliance in connection with the Examination (the "**Multistate Payment**"). This payment shall be allocated among the Settling States as they agree.
 - b. Except as otherwise specifically provided herein, and provided HCC Life's full and complete compliance with this Agreement, the Multistate Payment shall be the sole amount charged, assessed or collected by the Settling States on HCC Life with respect to the Examination Scope during the Examination Period.
 - c. Within ten (10) days of the Final Effective Date, the Examiner-in-Charge shall provide HCC Life a document reflecting how the Multistate Payment is to be allocated among the Settling States.
 - d. HCC Life acknowledges the validity and legitimacy of the Multistate Payment and shall pay the Multistate Payment within 30 days of the Final Effective Date. Once paid by HCC Life, the Multistate Payment is final and non-recoverable under any circumstances, including without limitation termination of this Agreement. However, HCC Life reserves all rights to pursue a private cause of action against third parties, and the Settling States agree that nothing in this Agreement precludes HCC Life from exercising any such rights.
6. Cooperation with HII Examination. HCC Life shall continue to fully and completely cooperate with the Lead States and the Examiner-in-Charge with respect to the continuing HII Examination. HCC Life shall voluntarily (without service of subpoena) provide any and all unprivileged books, records, documents, instruments, writings, data or other tangible evidence available and requested by the Examiner-in-Charge and shall make HCC Life personnel available as requested by the Examiner-in-Charge as such information and personnel relate to the HII Examination.

7. Regulatory Oversight. The Lead States shall maintain regulatory authority and oversight over HCC Life's compliance with the terms of this Agreement. With respect to such continuing oversight, HCC Life agrees as follows:
- a. For a period of twenty-four (24) months following the Final Effective Date, HCC Life shall provide to the Examiner-in-Charge semi-annual reports on the implementation and execution of the requirements of this Agreement. Each report shall be delivered to the Examiner-in-Charge within 45 days following the end of the applicable reporting period (e.g. _____ [insert due dates based on execution date]). Copies of these reports will be provided to the Lead States as well as to the Participating States' respective designated examiners, upon their request.
 - b. Twenty-Four (24) months following the Final Effective Date, the Lead States, through the Examiner-in-Charge, shall conduct a preliminary audit in accordance with the NAIC Market Regulation Handbook) multistate examination on their own behalf and that of the Settling States of HCC Life's compliance with the requirements of this Agreement. The Lead States shall provide a report summarizing the results of that examination to HCC Life and the Settling States. HCC Life shall be responsible for the full, complete and prompt payment of all fees and expenses of the additional audit(s) and of Examiner-in-Charge in conducting and reporting the additional audit(s) in compliance with the laws of the State of Indiana.
 - c. In addition to any payments otherwise provided in this Agreement, the costs of the Settling States related to the monitoring of HCC Life's compliance with the Agreement, including costs and expenses of conducting any reviews or examinations permitted herein, the costs and expenses of the Examiner-in-Charge as it relates to his obligations hereunder, as well as participating in any meetings, presentations or discussions with HCC Life and the costs of any third-party examiner(s), shall be the full and sole responsibility of HCC Life as costs of the Examination.
8. Release. Subject to HCC Life's full and complete performance of and compliance with the terms and conditions in this Agreement, each Participating State hereby releases the HCC Group from any and all claims, demands, interest, penalties, actions or causes of action that each Participating State may have or could have alleged by reason of any matter, cause or thing whatsoever, regarding or relating to the subject matter of the Examination within the Examination Period; provided, however, that nothing herein shall preclude the Lead States from conducting subsequent examinations to assess HCC Life's compliance with this Agreement or such other examinations or audits as expressly provided herein.
9. Default.
- a. HCC Life's failure to comply with any material provision of this Agreement shall constitute a breach of the Agreement, a violation of an order of the Settling States and a violation of HCC Life's Agreement with the Settling States, and shall subject HCC Life to such administrative and enforcement actions and penalties as each Participating State deems appropriate, consistent with each Participating State's respective laws.
 - b. Any agreement on the part of any party hereto to any extension or waiver shall be valid only if in writing signed by the party granting such waiver or extension and, unless it expressly provides otherwise, shall be a one-time waiver or extension only, and any such waiver or extension or any other failure to insist on strict compliance with any duty or

obligation herein shall not operate as a waiver or extension of, or estoppel with respect to, any continuing, subsequent, or other failure to comply with this Agreement.

- c. If a Settling State believes that the Company has breached a provision of this Agreement, that Settling State shall provide written notice of the alleged breach to HCC Life and will also notify the Lead States that the alleged breach has occurred. HCC Life shall have the opportunity, within thirty (30) days of receipt of such notice, to present evidence in writing and through appearance before the complaining state insurance regulator in an attempt to rebut the allegation(s) or to seek an extension to address the alleged breach. A Settling State shall not pursue any enforcement action as set forth in Section 9.a. against HCC Life until the 30-day response period described above has expired.

10. Effectiveness.

- a. This Agreement shall be finally effective on the date in which the Examiner-in-Charge provides HCC Life with a copy of this Agreement adopted, agreed to, and approved by the first to occur of (i) twenty-five Settling States or; (ii) sixty percent (60%) of the gross premium written during the Examination Period, as identified by the Examiner-in-Charge (the "**Final Effective Date**"). Except as provided in Subsection c of this Section 10, the Final Effective Date shall be 90 days after the Conditional Effective Date.
- b. The Examiner-in-Charge shall arrange to deliver this Agreement within seven (7) calendar days following the Conditional Effective Date to the Participating States. Participating States may adopt, agree to, or approve the Agreement by means of the Subscribing State Adoption Form attached as **Exhibit B** and by reference herein incorporated.
- c. The Lead States and HCC Life may agree in writing to extend the initial Final Effective Date and each extended Final Effective Date thereafter in writing, in which case the Examiner-in-Charge shall notify the Participating States who may then choose whether to participate hereunder on or before the date of the extended Final Effective Date.
- d. If the Final Effective Date does not occur by the initial Final Effective Date provided in Subsection a. of this Section 10, or such extended Final Effective Date thereafter as provided in Subsection c. of this Section 10, this Agreement shall be deemed null and void and of no further force or effect.

11. Additional Terms.

- a. *No Admission.* This Agreement represents a compromise of disputed matters between the Parties. 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 HCC Group or any of its current or former affiliates, subsidiaries, officers, directors, employees, agents or representatives with respect to the subject matter of the Examination or the Examination Scope.
- b. *Third Party Reliance.* This Agreement is an agreement solely between the named Parties as defined above, and no other person or entity shall be deemed to obtain or possess any enforceable rights against the HCC Group as a third party beneficiary or otherwise as a result of this Agreement. The Parties agree that this Agreement is not intended to and

shall not confer any rights upon any other person or entity and shall not be used for any other purpose. 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, and the matters herein shall remain within the sole and exclusive jurisdiction of the Settling States.

- c. *HII Examination.* Nothing in this Agreement shall prevent or otherwise restrict a Participating State or the Examiner-in-Charge from continuing the HII Examination or from otherwise examining the conduct of HII in any manner, including, without limitation, HII's contractual relationship and dealings with the HCC Group. Additionally, nothing in this Agreement shall prevent or otherwise restrict the HCC Group from otherwise pursuing a private right of action against a third party for such third party's failure to comply with the terms and conditions of a contractual agreement by and between HCC Life and such third party.
- d. *Exhibits.* The following exhibits are attached hereto and incorporated herein:
- | | |
|-----------|---------------------------------|
| Exhibit A | Participating States |
| Exhibit B | Subscribing State Adoption Form |
- e. *Time of the Essence.* The Parties hereby agree that time shall be of the essence with respect to the performance of this Agreement.
- f. *Rights and Remedies.* Except as otherwise provided in this Agreement, the rights, powers, remedies and privileges provided in this Agreement are cumulative and not exclusive of any rights, powers, remedies and privileges provided by applicable law.
- g. *Settling State Authority.* Each person signing on behalf of each of the Settling States gives his or her express assurance that under applicable state laws, regulations, and judicial rulings, he or she has authority to enter into this Agreement.
- h. *HCC Life Authority.* HCC Life expressly represents and warrants as of the date of its execution of this Agreement that: (i) it is duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation or organization and has the absolute, unrestricted right, power, authority and capacity to execute and deliver this Agreement and to perform its obligations arising hereunder, without any further consent or approval being required from any individual person, parent company or other organization or entity; (ii) it has obtained all necessary authorizations, approvals, or consents of any governmental entity required in connection with the execution, delivery, or performance by it of this Agreement; (iii) it has conducted all investigations it deems appropriate and necessary to determine whether to enter into this Agreement; and (iv) it has read this Settlement Agreement, enters into it knowingly and voluntarily and has been advised by its legal counsel as to the legal effect of this Agreement.
- i. *Choice of Law.* This Agreement and any disputes or conflicts which may arise in connection with the interpretation or enforcement of this Agreement, and the rights and obligations of the Parties, shall be governed by the laws of the State of Indiana without regard or reference to choice or conflict of law rules. The HCC Group and the Settling States consent to the exclusive jurisdiction of the United States District Court for the Southern District of Indiana or the Superior Court for Marion County, Indiana for the purposes of interpreting and enforcing this Agreement.

- j. *Joint Preparation.* This Agreement, exclusive of any statements or findings, preliminary or otherwise, of the Examiner-in-Charge, shall be deemed to have been prepared jointly by the Parties hereto. Any ambiguity herein shall not be interpreted against any Party hereto and shall be interpreted as if each of the Parties hereto had prepared this Agreement.
- k. *Interpretation.* Titles and headings to sections herein are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement. Whenever the context requires in this Agreement, the singular shall include the plural, and vice versa.
- l. *Invalidity.* In the event that any portion of this Agreement is enjoined or held invalid under the laws of a Participating State'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 Participating State 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.
- m. *Entire Understanding; Modification.* This Agreement represents the entire understanding between the Parties with respect to the subject matter hereof and supersedes any and all prior understandings, agreements, plans, and negotiations, whether written or oral, with respect to the subject matter hereof. All modifications to this Agreement must be in writing and signed by each of the Parties hereto.
- n. *Counterparts.* This Agreement may be executed in one or more counterparts, any of which shall be deemed an original and all of which taken together shall constitute one and the same Agreement. Execution and delivery of this Agreement may be evidenced by facsimile or electronic mail transmission.

[SIGNATURES ON FOLLOWING PAGE]

SIGNATURE PAGE TO REGULATORY SETTLEMENT AGREEMENT

"LEAD STATES"

FLORIDA OFFICE OF INSURANCE
REGULATION

By: David Altmaier
David Altmaier
Commissioner

Date: 11/29/17

INDIANA DEPARTMENT OF INSURANCE

By: _____
Stephen W. Robertson
Commissioner

Date: _____

KANSAS INSURANCE DEPARTMENT

By: _____
Ken Selzer
Commissioner

Date: _____

UTAH INSURANCE DEPARTMENT

By: _____
Todd E. Kiser
Commissioner

Date: _____

"HCC LIFE"

HCC LIFE INSURANCE COMPANY

By: [Signature]
Name: Christopher J.B. Williams

Title: Executive Vice President

Date: _____

HCC MEDICAL INSURANCE SERVICES, LLC

By: [Signature]
Name: Christopher J.B. Williams

Title: Executive Vice President

Date: _____

HCC INSURANCE HOLDINGS, INC.

By: [Signature]
Name: Christopher J.B. Williams

Title: Chief Executive Officer

Date: _____

SIGNATURE PAGE TO REGULATORY SETTLEMENT AGREEMENT


"LEAD STATES"

"HCC LIFE"

FLORIDA OFFICE OF INSURANCE
REGULATION

HCC LIFE INSURANCE COMPANY

By: _____
David Altmaier
Commissioner

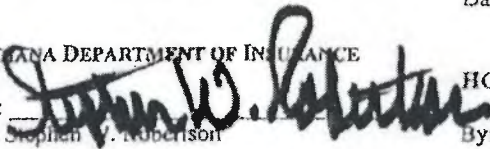
By: 
Name: Christopher J.B. Williams
Title: Executive Vice President


Date: _____

Date: _____

INDIANA DEPARTMENT OF INSURANCE

HCC MEDICAL INSURANCE SERVICES, LLC

By: 
Stephen W. Robinson
Commissioner

By: 
Name: Christopher J.B. Williams
Title: Executive Vice President


Date: November 22, 2017

Date: _____

KANSAS INSURANCE DEPARTMENT

HCC INSURANCE HOLDINGS, INC.

By: _____
Ken Selzer
Commissioner

By: 
Name: Christopher J.B. Williams
Title: Chief Executive Officer

Date: _____

Date: _____

UTAH INSURANCE DEPARTMENT

By: _____
Todd E. Kiser
Commissioner

Date: _____

2018- 5440

SIGNATURE PAGE TO REGULATORY SETTLEMENT AGREEMENT

"LEAD STATES"

**FLORIDA OFFICE OF INSURANCE
REGULATION**

By: _____
David Altmaier
Commissioner

Date: _____

INDIANA DEPARTMENT OF INSURANCE

By: _____
Stephen W. Robertson
Commissioner

Date: _____

KANSAS INSURANCE DEPARTMENT

By: _____
Ken Selzer
Commissioner

Date: 12-19-2017

UTAH INSURANCE DEPARTMENT

By: _____
Todd E. Kiser
Commissioner

Date: _____

"HCC LIFE"

HCC LIFE INSURANCE COMPANY

By: _____
Name: Christopher J. B. Williams

Title: Executive Vice President

Date: _____

HCC MEDICAL INSURANCE SERVICES, LLC

By: _____
Name: Christopher J. B. Williams

Title: Executive Vice President

Date: _____

HCC INSURANCE HOLDINGS, INC.

By: _____
Name: Christopher J. B. Williams

Title: Chief Executive Officer

Date: _____

2018- 5440

SIGNATURE PAGE TO REGULATORY SETTLEMENT AGREEMENT

"LEAD STATES"

FLORIDA OFFICE OF INSURANCE
REGULATION

By: _____
David Altmaier
Commissioner

Date: _____

INDIANA DEPARTMENT OF INSURANCE

By: _____
Stephen W. Robertson
Commissioner

Date: _____

KANSAS INSURANCE DEPARTMENT

By: _____
Ken Selzer
Commissioner

Date: _____

UTAH INSURANCE DEPARTMENT

By: _____
Todd E. Kiser
Commissioner

Date: 11-22-17

"HCC LIFE"

HCC LIFE INSURANCE COMPANY

By: _____
Name: Christopher J. B. Williams

Title: Executive Vice President

Date: _____

HCC MEDICAL INSURANCE SERVICES, LLC

By: _____
Name: Christopher J. B. Williams

Title: Executive Vice President

Date: _____

HCC INSURANCE HOLDINGS, INC.

By: _____
Name: Christopher J. B. Williams

Title: Chief Executive Officer

Date: _____

2018- 5440

EXHIBIT A

PARTICIPATING STATES

1. Alabama
2. Alaska
3. Arizona
4. Arkansas
5. California
6. Colorado
7. Connecticut
8. District of Columbia
9. Florida*
10. Georgia
11. Idaho
12. Illinois
13. Indiana**
14. Iowa
15. Kansas*
16. Kentucky
17. Louisiana
18. Maine
19. Maryland
20. Michigan
21. Mississippi
22. Missouri
23. Nebraska
24. Nevada
25. New Jersey
26. New York
27. North Dakota
28. Ohio
29. Oklahoma
30. Pennsylvania
31. Rhode Island
32. South Carolina
33. South Dakota
34. Tennessee
35. Texas
36. Utah*
37. Vermont
38. Virginia
39. Washington
40. West Virginia
41. Wisconsin
42. Wyoming

* - Lead State

** - Managing Lead State

2018- 5440

EXHIBIT B

**Multistate Targeted Market Conduct Examination
of
HCC Life Insurance Company
Regulatory Settlement Agreement**

SUBSCRIBING STATE ADOPTION

On behalf of _____ [*Insert Name of Insurance Regulatory Agency*], I _____ [*Insert Name of Official Signing Below*], have received, reviewed and do hereby adopt, agree to and approve that certain Regulatory Settlement Agreement executed by HCC Life Insurance Company on the ___ day of _____, 2017.

[*Print Name of Insurance Regulatory Agency*]

By: _____

Printed: _____

Title: _____

Date: _____

Please provide the following information as to how your jurisdiction's allocation of the Multistate Payment should be made from HCC Life.

CONTACT NAME: _____

MAILING ADDRESS: _____

PAYMENT MADE TO: _____

IF APPLICABLE, PLEASE PROVIDE WIRING INSTRUCTIONS SEPARATELY.

Upon completion, please return this form to:

Chad T. Walker
Bose McKinney & Evans LLP
111 Monument Circle, Suite 2700
Indianapolis, Indiana 46204
Phone: 317.684.5199
Fax: 317.223.0199
Email: cwalker@boselaw.com

2018- 5440

Exhibit A

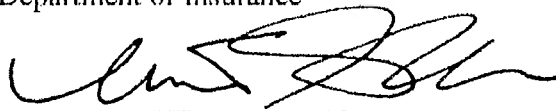
MULTISTATE TARGETED MARKET CONDUCT EXAMINATION
OF
HCC LIFE INSURANCE COMPANY
REGULATORY SETTLEMENT AGREEMENT

SUBSCRIBING STATE ADOPTION

On behalf of the Texas Department of Insurance (TDI), I, Kent C. Sullivan, hereby adopt, agree to, and approve the Regulatory Settlement Agreement, as amended in the Texas consent order.

Texas Department of Insurance

By:



Title:

Commissioner of Insurance

Date:

3/30/18

Please provide the following information as to how your jurisdiction's allocation of the Multi State Administrative Payment should be sent from Nationwide Mutual Insurance Company.

CONTACT NAME: Catherine Bell
MAILING ADDRESS: Texas Department of Insurance
Attn: Enforcement Section
Division 60851, MC 9999
P.O. Box 149104
Austin, Texas 78714-9104
PHONE NUMBER: 512-676-6327
EMAIL: Catherine.bell@tdi.texas.gov
PAYMENT MADE TO: Texas Department of Insurance

Please return this form to:

Chad T. Walker
Bose McKinney & Evans, LLP
111 Monument Circle, Suite 2700
Indianapolis, Indiana 46204
Phone: 317.684.5199
Fax: 317.223.0199
Email: cwalker@boselaw.com

Exhibit B

Multistate Targeted Market Conduct Examination
of
HCC Life Insurance Company
Regulatory Settlement Agreement

SUBSCRIBING STATE ADOPTION

On behalf of Utah Insurance Department, I, TODD E. KISER, have received, reviewed and do hereby adopt, agree to and approve that certain Regulatory Settlement Agreement executed by HCC Life Insurance Company on the 22 day of November, 2017.


UTAH INSURANCE DEPARTMENT

By:

Printed:

Title:

Date:



Todd Kiser
Commissioner, Utah Insurance Department
11.22.17

Please provide the following information as to how your jurisdiction's allocation of the Multistate Payment should be made from HCC Life.

CONTACT NAME: Patrick Lee
MAILING ADDRESS: STATE OFFICE BUILDING, ROOM 3110, 350 N. State Street,
Salt Lake City, UT 84114
PAYMENT MADE TO: Utah Insurance Department

Upon completion, please return this form to:

Chad T. Walker
Bose McKinney & Evans LLP
111 Monument Circle, Suite 2700
Indianapolis, Indiana 46204
Phone: 317 684-5199
Fax: 317 223-0199
Email: cwalker@boselaw.com

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

180230272

AT RICHMOND, FEBRUARY 27, 2018

HCC LIFE INSURANCE COMPANY
HCC MEDICAL INSURANCE SERVICES LLC
HCC INSURANCE HOLDINGS, INC.

CASE NO. INS-2018-00029

Ex Parte: In the matter of Approval of a
Multi-State Regulatory Settlement Agreement
between HCC Life Insurance Company, HCC Medical
Insurance Services LLC, HCC Insurance Holdings, Inc.,
and the State of Indiana Department of Insurance,
State of Florida Office of Insurance Regulation,
State of Kansas Insurance Department, and State of
Utah Insurance Department for and on behalf of the
Virginia Bureau of Insurance

SCC-CLERK'S OFFICE
DOCUMENT CONTROL CENTER
2018 FEB 26 P 3:36

ORDER APPROVING SETTLEMENT AGREEMENT

ON THIS DAY came the Bureau of Insurance ("Bureau"), by counsel, and requested:

- (i) State Corporation Commission ("Commission") approval and acceptance of a multi-state Regulatory Settlement Agreement ("Agreement"), dated December 19, 2017, a copy of which is attached hereto and made a part hereof, by and between the commissioners of insurance for the States of Indiana, Florida, Kansas, and Utah, and HCC Life Insurance Company,¹ an Indiana company licensed to transact the business of insurance in the Commonwealth of Virginia, and
- (ii) authority to execute any documents attendant to the Agreement necessary to evidence the Commission's acceptance of the Agreement.

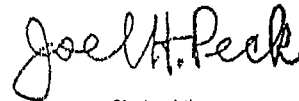
NOW THE COMMISSION, having considered the terms of the Agreement together with the recommendation of the Bureau that the Commission approve and accept the Agreement, is of the opinion, finds, and ORDERS that: (i) the Agreement hereby is APPROVED AND

¹ The Agreement also includes HCC Medical Insurance Services LLC and HCC Insurance Holdings, Inc. HCC Medical Insurance Services LLC, and HCC Insurance Holdings, Inc., are not licensed to transact the business of insurance in Virginia; therefore, this order does not include these companies.

ACCEPTED and (ii) the Commissioner of Insurance hereby is authorized to execute any attendant documents necessary to evidence the Commission's approval and acceptance of the Agreement.

AN ATTESTED COPY hereof shall be sent by the Clerk of the Commission to: T. Ark Monroe, III, Esquire, and Rick Campbell, Esquire, Mitchell Williams, Selig, Gates & Woodyard, P.L.L.C, 425 W. Capitol Avenue, Suite 1800, Little Rock, Arkansas 72201; and a copy shall be delivered to the Commission's Office of General Counsel and the Bureau of Insurance in care of Deputy Commissioner Julie S. Blauvelt.

A True Copy
Teste:



Clerk of the
State Corporation Commission

Commonwealth of Virginia
STATE CORPORATION COMMISSION

IN THE MATTER OF:

HCC Life Insurance Company
HCC Medical Insurance Services LLC, and
HCC Insurance Holdings, Inc.

CASE NO. INS-2018-00029

PARTICIPATING REGULATOR ADOPTION


ON THIS DAY this matter came before the Virginia Bureau of Insurance, State Corporation Commission ("Bureau") for consideration, and, upon consideration thereof, the Commissioner of Insurance finds:

1. HCC Life Insurance Company is licensed to transact the business of insurance in the Commonwealth of Virginia.¹ As affecting the Commonwealth of Virginia, the Bureau has jurisdiction over the subject matter of this proceeding and the Company;
2. On May 13, 2016, regulators from the Florida Office of Insurance Regulation, the Indiana Department of Insurance, the Kansas Insurance Department, and the Utah Insurance Department (collectively, "Lead Regulators"), called a multi-state market conduct examination of HCC Life Insurance Company, HCC Medical Insurance Services LLC, and HCC Insurance Holdings, Inc. (collectively, the "Companies"). The review focused on the Companies' writing, form filing, marketing, soliciting and claims payment of (short-term) medical insurance plans in the Participating States during the period of March 23, 2010 through April 30, 2016, as well as a review of HCC Life Insurance Company's contractual relationship with Health Insurance Innovations, among other things;
3. A settlement has been presented to the Bureau, the terms of which are set forth in a Regulatory Settlement Agreement ("Agreement") which has been signed by the Companies and the Lead Regulators. The Companies understand that they have a right to a hearing in this matter, and have agreed to waive such rights, in accordance with the Agreement.
4. The Bureau expressly adopts, agrees and approves this Agreement as a fair and proper disposition of the matters addressed herein.

¹ The Agreement also includes HCC Medical Insurance Services LLC, and HCC Insurance Holdings, Inc. HCC Medical Insurance Services LLC, and HCC Insurance Holdings, Inc. are not licensed to transact the business of insurance in Virginia; therefore, this order does not include these companies.

THEREFORE, IT IS DIRECTED that the Agreement dated, December 19, 2017, and attached hereto as "Exhibit A" be, and is hereby, approved, adopted, and fully incorporated herein by reference. The Company shall initiate compliance with all terms and conditions of the Agreement as incorporated herein, including payment of a multi-state payment of \$5,000,000, of which \$118,592.14 is allocable to the Commonwealth of Virginia. All terms and conditions of the Agreement be, and they are hereby, further directed.

A COPY hereof shall be filed with the Clerk of the Commission and thereby placed in Case No. INS-2018-00029.



2/14/18

Scott A. White,
Commissioner of Insurance
Bureau of Insurance
State Corporation Commission
Commonwealth of Virginia

Date

REGULATORY SETTLEMENT AGREEMENT

This REGULATORY SETTLEMENT AGREEMENT (the "**Agreement**") is entered into this 19th day of **December, 2017** by and among: (i) HCC LIFE INSURANCE COMPANY ("**HCC Life**"); (ii) HCC MEDICAL INSURANCE SERVICES, LLC ("**HCC MIS**") ; (iii) HCC INSURANCE HOLDINGS, INC. ("**Holdings**") (HCC Life, HCC MIS and Holdings, together with their respective Affiliates, collectively referred to herein as the "**HCC Group**"); (iii) the FLORIDA OFFICE OF INSURANCE REGULATION ("**FOIR**"); (iv) the INDIANA DEPARTMENT OF INSURANCE ("**IDOI**"); (v) the KANSAS INSURANCE DEPARTMENT ("**KID**"); (vi) UTAH INSURANCE DEPARTMENT ("**UID**") (FOIR, IDOI, KID and UID collectively referred to herein as the "**Lead States**"); and (vii) the insurance-related regulatory bodies of such other jurisdictions as choose to adopt, agree to and approve this Agreement (the "**Subscribing States**") (Subscribing States and Lead States collectively referred to herein as the "**Settling States**") (the Settling States and HCC Life are collectively referred to herein as the "**Parties**").

RECITALS

WHEREAS, Holdings is the parent company of HCC Life and of HCC MIS;

WHEREAS, HCC MIS was established in Indianapolis, Indiana in 1998;

WHEREAS, during the Examination Period, HCC Life (NAIC #92711) marketed and sold short-term medical insurance products ("STM Products" as defined in Section 2 below) throughout the United States;

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

WHEREAS, the IDOI, as managing Lead State, advised HCC Life on May 13, 2016, that a multistate market conduct examination (the "**Examination**") had been called regarding HCC Life's writing, form filing, marketing, soliciting and claims payment of STM Products during the period March 23, 2010 through April 30, 2016 (the "**Examination Period**");

WHEREAS, there are presently forty-two (42) jurisdictions participating in the Examination, of which STM Products were sold by HCC Life in thirty-nine (39) (the "**Participating States**") including the four (4) Lead States and thirty-eight (38) Participating States, a list of which may be found on **Exhibit A**, attached hereto and by reference incorporated herein;

WHEREAS, the Examination was conducted in conjunction with a separate multistate examination of third parties, Health Insurance Innovations, Inc. (ORG # 118438), Health Plan Intermediaries, LLC, and their parent companies and Affiliates (collectively, "**HII**"). Through HII's network of agents and call centers, HII marketed, sold and collected premium for HCC Life's STM Product (as defined in Section 2 below). The multistate examination of HII (the "**HII Examination**") continues;

WHEREAS, the Examiner-in-Charge has presented to HCC Life and the Lead States a preliminary statement based on information gathered to date;

WHEREAS, HCC Life denies any wrongdoing or activities that violate any applicable insurance laws or regulations, and nothing contained herein, or the execution and performance of this Agreement

shall be deemed or construed as evidence, or an admission or acknowledgment by HCC Life of any wrongdoing or liability whatsoever;

WHEREAS, based upon the review and analysis of the preliminary statement presented by the Examiner-in-Charge, HCC Life agrees to the conditions of this Agreement and the resolution of those matters within the scope of the Examination as set forth in the April 26, 2016 Examination Warrant, which scope remains unchanged, (the "**Examination Scope**") all as more particularly provided herein;

WHEREAS, in view of the foregoing facts and circumstances, the Settling States find it to be in the public interest and are willing to accept this Agreement to settle all insurance regulatory matters within the Examination Scope;

WHEREAS, effective June 1, 2017, HCC Life no longer markets or sells STM Products in the Settling States;

WHEREAS, HCC Life has cooperated with the Examiner-in-Charge in the course of the Examination by making its books and records available for examination, and its personnel and agents available to assist as requested by the Examiner-in-Charge;

WHEREAS, HCC Life represents that at all times relevant to this Agreement, HCC Life and its officers, directors, employees, agents and representatives acted in good faith; and

WHEREAS, HCC Life and the Settling States execute this RSA knowingly and voluntarily, and the Parties acknowledge that this Agreement is in the public interest and desire to end the Examination.

NOW, THEREFORE, in consideration of the Recitals, the mutual covenants and agreements herein, and each act performed and to be performed hereunder, the Parties agree as follows:

1. **Incorporation of Recitals**. The above and foregoing Recitals, including, without limitation, all capitalized terms defined therein, are hereby incorporated into and made a part of this Agreement as if more fully set forth in the body of this instrument.
2. **Definitions**. The terms listed below shall have either the meaning given in this section or the definition given elsewhere in the Agreement.
 - a. "**Affiliate**" shall mean a person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the person specified.
 - b. "**Agreement**" shall have the meaning set forth in the first paragraph of page 1.
 - c. "**Agreement Date**" shall be the date first written in the first paragraph of this Agreement.
 - d. "**Audit Procedures**" shall have the meaning set forth in Section 4e. of this Agreement.
 - e. "**Business Practice Audit**" shall have the meaning set forth in Section 4c. of this Agreement.
 - f. "**Claims Audit**" shall have the meaning set forth in Section 4b. of this Agreement.
 - g. "**Conditional Effective Date**" shall be the date on which this Agreement has been signed by HCC Life and adopted by each of the four (4) Lead States.

- h. "**Examination**" shall have the meaning set forth in the first paragraph of page 1.
- i. "**Examination Scope**" shall have the meaning set forth in the tenth clause of the Recitals.
- j. "**Examiner-in-Charge**" shall mean Chad T. Walker of the law firm Bose McKinney & Evans LLP.
- k. "**Final Effective Date**" shall have the meaning set forth in Section 10.
- l. "**FOIR**" shall have the meaning set forth in the first paragraph of page 1.
- m. "**HCC**" shall have the meaning set forth in the first paragraph of page 1.
- n. "**HCC Life**" shall have the meaning set forth in the first paragraph of page 1.
- o. "**HCC MIS**" shall have the meaning set forth in the first paragraph of page 1.
- p. "**HCC Third Party Audit**" shall have the meaning set forth in Section 4d. of this Agreement.
- q. "**HCC Life STM Policies**" shall mean any STM Products sold, marketed, underwritten or issued by HCC Life, either directly or indirectly through third parties, including, without limitation, HII.
- r. "**HII**" shall have the meaning set forth in the sixth clause of the Recitals.
- s. "**HII Examination**" shall have the meaning set forth in the sixth clause of the Recitals.
- t. "**Holdings**" shall have the meaning set forth in the first paragraph of page 1.
- u. "**IDOI**" shall have the meaning set forth in the first paragraph of page 1.
- v. "**KID**" shall have the meaning set forth in the first paragraph of page 1.
- w. "**Lead States**" shall have the meaning set forth in the first paragraph of page 1.
- x. "**Multistate Payment**" shall have the meaning set forth in Section 5a. of this Agreement.
- y. "**Participating States**" shall have the meaning set forth in the fifth clause of the Recitals.
- z. "**Parties**" shall have the meaning set forth in the first paragraph of page 1.
- aa. "**Settling States**" shall have the meaning set forth in the first paragraph of page 1.
- bb. "**STM Products**" shall mean the approved short-term medical insurance policies as filed by HCC Life and sold to individuals, either directly or through a group, with limited coverage periods as determined by applicable state laws and regulations.
- cc. "**Subscribing States**" shall have the meaning set forth in the first paragraph of page 1.
- dd. "**UID**" shall have the meaning set forth in the first paragraph of page 1.

3. Short Term Medical Business. HCC Life represents to the Settling States that, effective June 1, 2017, it ceased the sale, marketing and underwriting and premium collections¹ of all STM Products directly or indirectly offered or underwritten by HCC Life, except as otherwise required in order to conduct the run-off of its STM business in accordance with applicable laws and regulations. HCC Life covenants and agrees that it shall not directly or indirectly enter into the sale of short-term medical insurance within any of the Settling States for a period of five (5) years from the Final Effective Date. In the event HCC Life commences the sale or marketing of STM Products in any Settling State following such period, HCC Life shall file forms and rates as required by applicable laws and regulations.
4. Specific Business Practices and Reforms.
 - a. HCC Life shall administer and adjudicate any and all claims filed in relationship to HCC Life STM Policies in a timely fashion and in strict compliance with the terms and conditions of the policies and any and all applicable laws, rules, and regulations.
 - b. Within one hundred twenty (120) days of the Final Effective Date, the Examiner-in-Charge shall commence a preliminary audit (in accordance with the NAIC Market Regulation Handbook) of HCC Life's claims handling practices for the STM Products for the period of June 1, 2017 through the date of the commencement of such examination (the "**Claims Audit**"). Upon completion of the Claims Audit, the Examiner-in-Charge shall present his preliminary findings to the Lead States. The Claims Audit covers a period of time beyond the scope of the original Examination, and, therefore, the Lead States reserve the right to additional examination(s) of HCC Life as a result of the Claims Audit together with the right to impose financial, regulatory, and performance sanctions with respect thereto. HCC Life shall be responsible for the full, complete, and prompt payment of all fees and expenses of the Examiner-in-Charge in conducting and reporting on the Claims Audit in compliance with the laws of the State of Indiana. Upon the request of a Participating State, the Examiner-in-Charge shall provide any final reports regarding the Claims Audit previously provided to Lead States to such Participating State.
 - c. Within ninety (90) days of the Final Effective Date, the Examiner-in-Charge shall commence a preliminary audit (in accordance with the NAIC Market Regulation Handbook) of HCC Life's business practices for the STM Products to include, without limitation, writing, form filing, marketing, soliciting, claims payment, licensing and appointments (the "**Business Practice Audit**"). Upon completion of the Business Practice Audit, the Examiner-in-Charge shall present his preliminary findings to the Lead States. The Lead States reserve the right to additional examination(s) of HCC Life as a result of the Business Practice Audit together with the right to impose financial, regulatory, and performance sanctions with respect thereto. HCC Life shall be responsible for the full, complete, and prompt payment of all fees and expenses of the Examiner-in-Charge in conducting and reporting on the Business Practice Audit in compliance with the laws of the State of Indiana. Upon the request of a Participating State, the Examiner-in-Charge shall provide any final reports regarding the Business Practice Audit previously provided to Lead States to such Participating State.

¹ The Parties acknowledge that HCC Life continues to collect premiums on in-force business at the time of withdrawal from the applicable market.

- d. HCC Life shall regularly audit the business practices of its producers, third party administrators, managing general agents, and contractors across all lines of its business, and make commercially reasonable efforts to ensure compliance with all applicable laws, rules and regulations and operate in a sound fashion (the "**HCC Life Third Party Audit**").
 - e. Within 180 days of the Final Effective Date, HCC Life shall, to the extent it deems necessary, establish, document, and provide to the Examiner-in-Charge standards and procedures to conduct regular audits of its internal and third-party operations across all lines of business (the "**Audit Procedures**"). Such Audit Procedures shall include review of controls in place to ensure compliance with filed rating plans, form usage, licensing, appointments, marketing, claims handling, sales, and premiums are in compliance with applicable laws, rules and regulations. Upon receipt of Audit Procedures, the Examiner-in-Charge shall provide the Audit Procedures to the Lead States, who in turn shall review and either approve or return to Company with directions for further revision. Alternatively, at the discretion of the Lead States, the Lead States may direct the Examiner-in-Charge to review the Audit Procedures and provide the Lead States with a summary of such Audit Procedures and the findings, if any, of the Examiner-in-Charge. Any review of such Audit Procedures by the Examiner-in-Charge shall be at the expense of HCC Life.
5. Multistate Payment & Release.
- a. HCC Life shall pay a total of \$5,000,000 to the Settling States for the examination, administrative costs and compliance in connection with the Examination (the "**Multistate Payment**"). This payment shall be allocated among the Settling States as they agree.
 - b. Except as otherwise specifically provided herein, and provided HCC Life's full and complete compliance with this Agreement, the Multistate Payment shall be the sole amount charged, assessed or collected by the Settling States on HCC Life with respect to the Examination Scope during the Examination Period.
 - c. Within ten (10) days of the Final Effective Date, the Examiner-in-Charge shall provide HCC Life a document reflecting how the Multistate Payment is to be allocated among the Settling States.
 - d. HCC Life acknowledges the validity and legitimacy of the Multistate Payment and shall pay the Multistate Payment within 30 days of the Final Effective Date. Once paid by HCC Life, the Multistate Payment is final and non-recoverable under any circumstances, including without limitation termination of this Agreement. However, HCC Life reserves all rights to pursue a private cause of action against third parties, and the Settling States agree that nothing in this Agreement precludes HCC Life from exercising any such rights.
6. Cooperation with HII Examination. HCC Life shall continue to fully and completely cooperate with the Lead States and the Examiner-in-Charge with respect to the continuing HII Examination. HCC Life shall voluntarily (without service of subpoena) provide any and all unprivileged books, records, documents, instruments, writings, data or other tangible evidence available and requested by the Examiner-in-Charge and shall make HCC Life personnel available as requested by the Examiner-in-Charge as such information and personnel relate to the HII Examination.

7. Regulatory Oversight. The Lead States shall maintain regulatory authority and oversight over HCC Life's compliance with the terms of this Agreement. With respect to such continuing oversight, HCC Life agrees as follows:
- a. For a period of twenty-four (24) months following the Final Effective Date, HCC Life shall provide to the Examiner-in-Charge semi-annual reports on the implementation and execution of the requirements of this Agreement. Each report shall be delivered to the Examiner-in-Charge within 45 days following the end of the applicable reporting period (e.g. _____ [insert due dates based on execution date]). Copies of these reports will be provided to the Lead States as well as to the Participating States' respective designated examiners, upon their request.
 - b. Twenty-Four (24) months following the Final Effective Date, the Lead States, through the Examiner-in-Charge, shall conduct a preliminary audit in accordance with the NAIC Market Regulation Handbook) multistate examination on their own behalf and that of the Settling States of HCC Life's compliance with the requirements of this Agreement. The Lead States shall provide a report summarizing the results of that examination to HCC Life and the Settling States. HCC Life shall be responsible for the full, complete and prompt payment of all fees and expenses of the additional audit(s) and of Examiner-in-Charge in conducting and reporting the additional audit(s) in compliance with the laws of the State of Indiana.
 - c. In addition to any payments otherwise provided in this Agreement, the costs of the Settling States related to the monitoring of HCC Life's compliance with the Agreement, including costs and expenses of conducting any reviews or examinations permitted herein, the costs and expenses of the Examiner-in-Charge as it relates to his obligations hereunder, as well as participating in any meetings, presentations or discussions with HCC Life and the costs of any third-party examiner(s), shall be the full and sole responsibility of HCC Life as costs of the Examination.
8. Release. Subject to HCC Life's full and complete performance of and compliance with the terms and conditions in this Agreement, each Participating State hereby releases the HCC Group from any and all claims, demands, interest, penalties, actions or causes of action that each Participating State may have or could have alleged by reason of any matter, cause or thing whatsoever, regarding or relating to the subject matter of the Examination within the Examination Period; provided, however, that nothing herein shall preclude the Lead States from conducting subsequent examinations to assess HCC Life's compliance with this Agreement or such other examinations or audits as expressly provided herein.
9. Default.
- a. HCC Life's failure to comply with any material provision of this Agreement shall constitute a breach of the Agreement, a violation of an order of the Settling States and a violation of HCC Life's Agreement with the Settling States, and shall subject HCC Life to such administrative and enforcement actions and penalties as each Participating State deems appropriate, consistent with each Participating State's respective laws.
 - b. Any agreement on the part of any party hereto to any extension or waiver shall be valid only if in writing signed by the party granting such waiver or extension and, unless it expressly provides otherwise, shall be a one-time waiver or extension only, and any such waiver or extension or any other failure to insist on strict compliance with any duty or

obligation herein shall not operate as a waiver or extension of, or estoppel with respect to, any continuing, subsequent, or other failure to comply with this Agreement.

- c. If a Settling State believes that the Company has breached a provision of this Agreement, that Settling State shall provide written notice of the alleged breach to HCC Life and will also notify the Lead States that the alleged breach has occurred. HCC Life shall have the opportunity, within thirty (30) days of receipt of such notice, to present evidence in writing and through appearance before the complaining state insurance regulator in an attempt to rebut the allegation(s) or to seek an extension to address the alleged breach. A Settling State shall not pursue any enforcement action as set forth in Section 9.a. against HCC Life until the 30-day response period described above has expired.

10. Effectiveness.

- a. This Agreement shall be finally effective on the date in which the Examiner-in-Charge provides HCC Life with a copy of this Agreement adopted, agreed to, and approved by the first to occur of (i) twenty-five Settling States or; (ii) sixty percent (60%) of the gross premium written during the Examination Period, as identified by the Examiner-in-Charge (the "Final Effective Date"). Except as provided in Subsection c of this Section 10, the Final Effective Date shall be 90 days after the Conditional Effective Date.
- b. The Examiner-in-Charge shall arrange to deliver this Agreement within seven (7) calendar days following the Conditional Effective Date to the Participating States. Participating States may adopt, agree to, or approve the Agreement by means of the Subscribing State Adoption Form attached as Exhibit B and by reference herein incorporated.
- c. The Lead States and HCC Life may agree in writing to extend the initial Final Effective Date and each extended Final Effective Date thereafter in writing, in which case the Examiner-in-Charge shall notify the Participating States who may then choose whether to participate hereunder on or before the date of the extended Final Effective Date.
- d. If the Final Effective Date does not occur by the initial Final Effective Date provided in Subsection a. of this Section 10, or such extended Final Effective Date thereafter as provided in Subsection c. of this Section 10, this Agreement shall be deemed null and void and of no further force or effect.

11. Additional Terms.

- a. *No Admission.* This Agreement represents a compromise of disputed matters between the Parties. 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 HCC Group or any of its current or former affiliates, subsidiaries, officers, directors, employees, agents or representatives with respect to the subject matter of the Examination or the Examination Scope.
- b. *Third Party Reliance.* This Agreement is an agreement solely between the named Parties as defined above, and no other person or entity shall be deemed to obtain or possess any enforceable rights against the HCC Group as a third party beneficiary or otherwise as a result of this Agreement. The Parties agree that this Agreement is not intended to and

shall not confer any rights upon any other person or entity and shall not be used for any other purpose. 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, and the matters herein shall remain within the sole and exclusive jurisdiction of the Settling States.

- c. *HII Examination.* Nothing in this Agreement shall prevent or otherwise restrict a Participating State or the Examiner-in-Charge from continuing the HII Examination or from otherwise examining the conduct of HII in any manner, including, without limitation, HII's contractual relationship and dealings with the HCC Group. Additionally, nothing in this Agreement shall prevent or otherwise restrict the HCC Group from otherwise pursuing a private right of action against a third party for such third party's failure to comply with the terms and conditions of a contractual agreement by and between HCC Life and such third party.
- d. *Exhibits.* The following exhibits are attached hereto and incorporated herein:
- | | |
|-----------|---------------------------------|
| Exhibit A | Participating States |
| Exhibit B | Subscribing State Adoption Form |
- e. *Time of the Essence.* The Parties hereby agree that time shall be of the essence with respect to the performance of this Agreement.
- f. *Rights and Remedies.* Except as otherwise provided in this Agreement, the rights, powers, remedies and privileges provided in this Agreement are cumulative and not exclusive of any rights, powers, remedies and privileges provided by applicable law.
- g. *Settling State Authority.* Each person signing on behalf of each of the Settling States gives his or her express assurance that under applicable state laws, regulations, and judicial rulings, he or she has authority to enter into this Agreement.
- h. *HCC Life Authority.* HCC Life expressly represents and warrants as of the date of its execution of this Agreement that: (i) it is duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation or organization and has the absolute, unrestricted right, power, authority and capacity to execute and deliver this Agreement and to perform its obligations arising hereunder, without any further consent or approval being required from any individual person, parent company or other organization or entity; (ii) it has obtained all necessary authorizations, approvals, or consents of any governmental entity required in connection with the execution, delivery, or performance by it of this Agreement; (iii) it has conducted all investigations it deems appropriate and necessary to determine whether to enter into this Agreement; and (iv) it has read this Settlement Agreement, enters into it knowingly and voluntarily and has been advised by its legal counsel as to the legal effect of this Agreement.
- i. *Choice of Law.* This Agreement and any disputes or conflicts which may arise in connection with the interpretation or enforcement of this Agreement, and the rights and obligations of the Parties, shall be governed by the laws of the State of Indiana without regard or reference to choice or conflict of law rules. The HCC Group and the Settling States consent to the exclusive jurisdiction of the United States District Court for the Southern District of Indiana or the Superior Court for Marion County, Indiana for the purposes of interpreting and enforcing this Agreement.

- j. *Joint Preparation.* This Agreement, exclusive of any statements or findings, preliminary or otherwise, of the Examiner-in-Charge, shall be deemed to have been prepared jointly by the Parties hereto. Any ambiguity herein shall not be interpreted against any Party hereto and shall be interpreted as if each of the Parties hereto had prepared this Agreement.
- k. *Interpretation.* Titles and headings to sections herein are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement. Whenever the context requires in this Agreement, the singular shall include the plural, and vice versa.
- l. *Invalidity.* In the event that any portion of this Agreement is enjoined or held invalid under the laws of a Participating State'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 Participating State 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.
- m. *Entire Understanding; Modification.* This Agreement represents the entire understanding between the Parties with respect to the subject matter hereof and supersedes any and all prior understandings, agreements, plans, and negotiations, whether written or oral, with respect to the subject matter hereof. All modifications to this Agreement must be in writing and signed by each of the Parties hereto.
- n. *Counterparts.* This Agreement may be executed in one or more counterparts, any of which shall be deemed an original and all of which taken together shall constitute one and the same Agreement. Execution and delivery of this Agreement may be evidenced by facsimile or electronic mail transmission.

[SIGNATURES ON FOLLOWING PAGE]

SIGNATURE PAGE TO REGULATORY SETTLEMENT AGREEMENT

"LEAD STATES"

**FLORIDA OFFICE OF INSURANCE
REGULATION**

By: David Altmaier
David Altmaier
Commissioner

Date: 11/29/17

INDIANA DEPARTMENT OF INSURANCE

By: _____
Stephen W. Robertson
Commissioner

Date: _____

KANSAS INSURANCE DEPARTMENT

By: _____
Ken Selzer
Commissioner

Date: _____

UTAH INSURANCE DEPARTMENT

By: _____
Todd E. Kiser
Commissioner

Date: _____

"HCC LIFE"

HCC LIFE INSURANCE COMPANY

By: [Signature]
Name: Christopher J.B. Williams

Title: Executive Vice President

Date: _____

HCC MEDICAL INSURANCE SERVICES, LLC

By: [Signature]
Name: Christopher J.B. Williams

Title: Executive Vice President

Date: _____

HCC INSURANCE HOLDINGS, INC.

By: [Signature]
Name: Christopher J.B. Williams

Title: Chief Executive Officer

Date: _____

SIGNATURE PAGE TO REGULATORY SETTLEMENT AGREEMENT

"LEAD STATES"

**FLORIDA OFFICE OF INSURANCE
REGULATION**

By: _____
David Altmaier
Commissioner

Date: _____

INDIANA DEPARTMENT OF INSURANCE

By: *Stephen W. Robertson*
Stephen W. Robertson
Commissioner

Date: *November 22, 2017*

KANSAS INSURANCE DEPARTMENT

By: _____
Ken Selzer
Commissioner

Date: _____

UTAH INSURANCE DEPARTMENT

By: _____
Todd E. Kiser
Commissioner

Date: _____

"HCC LIFE"

HCC LIFE INSURANCE COMPANY

By: *[Signature]*
Name: *Christopher J. B. Williams*

Title: *Executive Vice President*

Date: _____

HCC MEDICAL INSURANCE SERVICES, LLC

By: *[Signature]*
Name: *Christopher J. B. Williams*

Title: *Executive Vice President*

Date: _____

HCC INSURANCE HOLDINGS, INC.

By: *[Signature]*
Name: *Christopher J. B. Williams*

Title: *Chief Executive Officer*

Date: _____

SIGNATURE PAGE TO REGULATORY SETTLEMENT AGREEMENT

"LEAD STATES"

**FLORIDA OFFICE OF INSURANCE
REGULATION**

By: _____
David Altmaier
Commissioner

Date: _____

INDIANA DEPARTMENT OF INSURANCE

By: _____
Stephen W. Robertson
Commissioner

Date: _____

KANSAS INSURANCE DEPARTMENT

By: _____
Ken Selzer
Commissioner

Date: 12-19-2017

UTAH INSURANCE DEPARTMENT

By: _____
Todd E. Kiser
Commissioner

Date: _____

"HCC LIFE"

HCC LIFE INSURANCE COMPANY

By: _____
Name: Christopher J. B. Williams
Title: Executive Vice President

Date: _____

HCC MEDICAL INSURANCE SERVICES, LLC

By: _____
Name: Christopher J. B. Williams
Title: Executive Vice President

Date: _____

HCC INSURANCE HOLDINGS, INC.

By: _____
Name: Christopher J. B. Williams
Title: Chief Executive Officer

Date: _____

SIGNATURE PAGE TO REGULATORY SETTLEMENT AGREEMENT

"LEAD STATES"

FLORIDA OFFICE OF INSURANCE
REGULATION

By: _____
David Altmaier
Commissioner

Date: _____

INDIANA DEPARTMENT OF INSURANCE

By: _____
Stephen W. Robertson
Commissioner

Date: _____

KANSAS INSURANCE DEPARTMENT

By: _____
Ken Selzer
Commissioner

Date: _____

UTAH INSURANCE DEPARTMENT

By: _____
Todd E. Kiser
Commissioner

Date: 11.22.17

"HCC LIFE"

HCC LIFE INSURANCE COMPANY

By: _____
Name: Christopher J. B. Williams

Title: Executive Vice President

Date: _____

HCC MEDICAL INSURANCE SERVICES, LLC

By: _____
Name: Christopher J. B. Williams

Title: Executive Vice President

Date: _____

HCC INSURANCE HOLDINGS, INC.

By: _____
Name: Christopher J. B. Williams

Title: Chief Executive Officer

Date: _____

EXHIBIT A
PARTICIPATING STATES

1. Alabama
2. Alaska
3. Arizona
4. Arkansas
5. California
6. Colorado
7. Connecticut
8. District of Columbia
9. Florida*
10. Georgia
11. Idaho
12. Illinois
13. Indiana**
14. Iowa
15. Kansas*
16. Kentucky
17. Louisiana
18. Maine
19. Maryland
20. Michigan
21. Mississippi
22. Missouri
23. Nebraska
24. Nevada
25. New Jersey
26. New York
27. North Dakota
28. Ohio
29. Oklahoma
30. Pennsylvania
31. Rhode Island
32. South Carolina
33. South Dakota
34. Tennessee
35. Texas
36. Utah*
37. Vermont
38. Virginia
39. Washington
40. West Virginia
41. Wisconsin
42. Wyoming

* - Lead State

** - Managing Lead State

EXHIBIT B

**Multistate Targeted Market Conduct Examination
of
HCC Life Insurance Company
Regulatory Settlement Agreement**

SUBSCRIBING STATE ADOPTION

On behalf of Virginia, I, Scott A. White, have received, reviewed and do hereby adopt, agree to and approve that certain Regulatory Settlement Agreement executed by HCC Life Insurance Company on the 14 day of February, 2018.

State Corporation Commission Bureau of Insurance
[Print Name of Insurance Regulatory Agency]

By: 

Printed: Scott A. White

Title: Commissioner of Insurance

Date: February 14, 2018

Please provide the following information as to how your jurisdiction's allocation of the Multistate Payment should be made from HCC Life.

CONTACT NAME: Marie Cox

MAILING ADDRESS: 1300 East Main Street P O. Box 1197 Richmond, VA 23219

PAYMENT MADE TO: Treasurer of Virginia

IF APPLICABLE, PLEASE PROVIDE WIRING INSTRUCTIONS SEPARATELY.

Upon completion, please return this form to:

Chad T. Walker
Bose McKinney & Evans LLP
111 Monument Circle, Suite 2700
Indianapolis, Indiana 46204
Phone: 317.684.5199
Fax: 317.223.0199
Email: cwalker@boselaw.com

EXHIBIT B

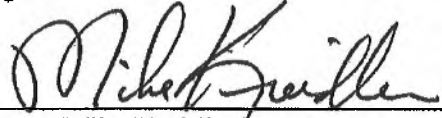
**Multistate Targeted Market Conduct Examination
of
HCC Life Insurance Company
Regulatory Settlement Agreement**

SUBSCRIBING STATE ADOPTION

On behalf of Washington State Office of Insurance Commissioner, I, Mike Kreidler as Insurance Commissioner, have received, reviewed and do hereby adopt, agree to and approve that certain Regulatory Settlement Agreement executed by HCC Life Insurance Company on the 19th day of December, 2017.

Washington State Office of Insurance Commissioner

By:



Mike Kreidler

Title: Insurance Commissioner, Washington State

Date: January 1 25 / 2018

Please provide the following information as to how your jurisdiction's allocation of the Multi-State Payment should be made from HCC Life.

CONTACT NAME: John Haworth, Market Conduct Oversight Manager

CONTACT PHONE: (360) 725-7223

MAILING ADDRESS: PO Box 40255, Olympia, WA 98504-0255

PAYMENT MADE TO: Office of Insurance Commissioner

IF APPLICABLE, PLEASE PROVIDE WIRING INSTRUCTIONS SEPARATELY.

Upon completion, please return this form to:

Chad T. Walker
Bose McKinney & Evans LLP
111 Monument Circle, Suite 2700
Indianapolis, Indiana 46204
Phone: 317.684.5199
Fax: 317.223.0199
Email: cwalker@boselaw.com

EXHIBIT B

**Multistate Targeted Market Conduct Examination
of
HCC Life Insurance Company
Regulatory Settlement Agreement**

SUBSCRIBING STATE ADOPTION

On behalf of West Virginia Offices of the Insurance Commissioner, I Allan L. McVey, have received, reviewed and do hereby adopt, agree to and approve that certain Regulatory Settlement Agreement executed by HCC Life Insurance Company on the 19th day of December, 2017.

State of West Virginia
Offices of the Insurance Commissioner

By: 

Printed: Allan L. McVey

Title: Insurance Commissioner

Date: 1-12-2018

Please provide the following information as to how your jurisdiction's allocation of the Multistate Payment should be made from HCC Life.

CONTACT NAME: Mark A. Hooker

Mark.A.Hooker@wv.gov

MAILING ADDRESS: P.O. Box 50540

Charleston, WV 25305-0540

PAYMENT MADE TO: WV Offices of the Insurance Commissioner

IF APPLICABLE, PLEASE PROVIDE WIRING INSTRUCTIONS SEPARATELY.

Upon completion, please return this form to:

Chad T. Walker
Bose McKinney & Evans LLP
111 Monument Circle, Suite 2700
Indianapolis, Indiana 46204
Phone: 317.684.5199
Fax: 317.223.0199
Email: cwalker@boselaw.com

EXHIBIT B

**Multistate Targeted Market Conduct Examination
of
HCC Life Insurance Company
Regulatory Settlement Agreement**

SUBSCRIBING STATE ADOPTION

On behalf of the Wisconsin Office of the Commissioner of Insurance, I Theodore K. Nickel, have received, reviewed and do hereby adopt, agree to and approve that certain Regulatory Settlement Agreement executed by HCC Life Insurance Company on the 19th day of December, 2017.

Wisconsin Office of the Commissioner of Insurance

By: 

Printed: THEODORE KARL NICKEL

Title: COMMISSIONER

Date: 20 January 2018

Please provide the following information as to how your jurisdiction's allocation of the Multistate Payment should be made from HCC Life.

CONTACT NAME: Richard B. Wicka

MAILING ADDRESS: 125 S. Webster St., P.O. Box 7873, Madison, WI 53707

PAYMENT MADE TO: Wisconsin Office of the Commissioner of Insurance

IF APPLICABLE, PLEASE PROVIDE WIRING INSTRUCTIONS SEPARATELY.

Upon completion, please return this form to:

Chad T. Walker
Bose McKinney & Evans LLP
111 Monument Circle, Suite 2700
Indianapolis, Indiana 46204
Phone: 317.684.5199
Fax: 317.223.0199
Email: cwalker@boselaw.com

EXHIBIT B

**Multistate Targeted Market Conduct Examination
of
HCC Life Insurance Company
Regulatory Settlement Agreement**

SUBSCRIBING STATE ADOPTION

On behalf of the Wyoming Department of Insurance, I, Tom Glause, have received, reviewed and do hereby adopt, agree to and approve that certain Regulatory Settlement Agreement executed by HCC Life Insurance Company on the ____ day of _____, 2017.

Wyoming Department of Insurance

By:  _____

Printed: Tom Glause

Title: Insurance Commissioner

Date: 2-8-2018

Please provide the following information as to how your jurisdiction's allocation of the Multistate Payment should be made from HCC Life.

CONTACT NAME: Becky McFarland

MAILING ADDRESS: 106 E. 6th Avenue, Cheyenne, WY 82001

PAYMENT MADE TO: Wyoming State Treasurer

IF APPLICABLE, PLEASE PROVIDE WIRING INSTRUCTIONS SEPARATELY.

Upon completion, please return this form to:

Chad T. Walker
Bose McKinney & Evans LLP
111 Monument Circle, Suite 2700
Indianapolis, Indiana 46204
Phone: 317.684.5199
Fax: 317.223.0199
Email: cwalker@boselaw.com