

## ANCILLARY SETTLEMENT AGREEMENT

This Ancillary Agreement (this "Agreement") is entered into by and between: Aviva Life and Annuity Company and Aviva Life and Annuity Company of New York (collectively, the "Aviva Insurers"); First Allmerica Financial Life Insurance Company ("FAFLIC") and Presidential Life Insurance Company – USA (PLIC-USA and collectively with FAFLIC, the "Global Atlantic Insurers"); the California Department of Insurance, the Florida Office of Insurance Regulation, the Illinois Department of Insurance, the Iowa Insurance Division, the New Hampshire Insurance Department, the North Dakota Insurance Department and the Pennsylvania Insurance Department as lead states (the "Lead States") in the multistate targeted market conduct examination of the Aviva Insurers called on November 29, 2012 (the "Multi-State Examination"); and the insurance departments executing a participating state adoption in the form set forth on Schedule B (the "Participating States"). The Lead States and the Participating States are collectively referred to in this Agreement as the "Departments", and the Departments, the Aviva Insurers and the Global Atlantic Insurers are collectively referred to in this Agreement as the "Parties".

### RECITALS

- A. As part of the resolution of the Multi-State Examination, the Aviva Insurers and the Departments are entering into a Regulatory Settlement Agreement dated the date of this Agreement (the "RSA"), a copy of which is attached as Schedule A.
- B. Aviva plc has agreed to sell all of the common stock of Aviva USA Corporation ("Aviva USA"), the owner of the Aviva Insurers, to Athene Holding Ltd. ("Athene").
- C. In connection with the sale of Aviva USA to Athene, Commonwealth Annuity and Life Insurance Company ("Commonwealth") has agreed to acquire all of the common stock of PLIC-USA from Athene.
- D. Promptly after Commonwealth's acquisition of the common stock of PLIC-USA from Athene, PLIC-USA and FAFLIC will together reinsure all of the life insurance business of the Aviva Insurers (the "Aviva Life Business") in a bulk reinsurance transaction (the "Life Reinsurance Transaction").
- E. During a transitional period following the completion of the Life Reinsurance Transaction (the "Transition Period"), Aviva USA and its affiliates will continue to administer the Aviva Life Business.
- F. When the Transition Period ends, PLIC-USA and FAFLIC will assume responsibility for providing the Aviva Insurers with all necessary and appropriate administrative and other services to operate the Aviva Life Business.

G. After the Transition Period ends, and after all relevant legal requirements are satisfied, a portion of the in-force life insurance policies of the Aviva Insurers will be novated either to PLIC-USA or to FAFLIC (the “Novation Transaction”).

H. In light of the Life Reinsurance Transaction and the Novation Transaction, the Parties wish to clarify the extent of the rights and obligations of the Global Atlantic Insurers under the RSA.

The Parties agree as follows:

1. Defined Terms. Capitalized terms used in this Agreement without definition have the meanings assigned to them in the RSA.
2. Effective Date. The date on which this Agreement takes effect (the “Effective Date”) shall be the same date on which the RSA takes effect in accordance with its terms.
3. Compliance with the RSA. Following the Transition Period, in the course of performing their respective obligations under the transaction agreements that govern the Life Reinsurance Transaction and the Novation Transaction, each of the Global Atlantic Insurers assumes all rights and obligations set forth in the RSA, including but not limited to those listed below in Section 4 of this Agreement, insofar as such obligations relate to the Aviva Life Business; provided that the Global Atlantic Insurers assume no responsibility for satisfying any of the payment obligations set forth in Section 5 of the RSA.
4. Regulatory Oversight.
  - a. The Departments acknowledge that, following the Transition Period, when PLIC-USA and FAFLIC assume responsibility under the transaction agreements governing the Life Reinsurance Transaction for providing all necessary and appropriate administrative and other services to operate the Aviva Life Business, PLIC-USA and FAFLIC will be completely and solely responsible for complying with the RSA insofar as it relates to the Aviva Life Business. The Departments further acknowledge that the Aviva Insurers shall have no obligations under the RSA for any Aviva Life Business following the Transition Period. The Parties acknowledge that the length of the Transition Period for each particular product type that is included in the Aviva Life Business may be different. The Transition Period for a particular product type will end once the preparation and other work required in order for PLIC-USA or FAFLIC to administer the product type has been completed. The Lead States will be notified in writing by the Aviva Insurers and the Global Atlantic Insurers when the Transition Period for a particular product type has ended.

- b. Any of the Global Atlantic Insurers may petition a Department to terminate or modify this Agreement in that jurisdiction. Such petition may include, but not be limited to, the grounds that the Agreement's terms, in whole or in part, are inconsistent with the statutes, rules or regulations then in effect in that jurisdiction. A Department shall not unreasonably withhold its consent to the relief requested by any of the Global Atlantic Insurers in the petition.
- c. If the jurisdiction of any Department adopts any Insurance Law addressing insurance companies' use of the DMF (or its equivalent) in connection with insurance companies' procedures concerning the payment of Proceeds to Beneficiaries, then the Global Atlantic Insurers' compliance with the terms of such Insurance Law of that jurisdiction after the Effective Date shall be deemed to comply with those terms of this Agreement (i) which relate solely to the use of the DMF; and (ii) for the purposes of compliance herewith for that jurisdiction alone.
- d. To the extent permitted by applicable law, each Department shall accord confidential treatment as to the work papers, recorded information, documents, copies of work papers, and documents produced by, obtained by or disclosed by the Global Atlantic Insurers or the Aviva Insurers, and to the information contained therein.

5. Miscellaneous.

- a. 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 Aviva Insurers or the Global Atlantic Insurers 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 a private right of action to any person or entity not a Party to this Agreement, nor shall this 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 Departments.
- b. This Agreement contains the entire agreement between the Parties regarding the claims settlement practices, procedures, policy administration relating to the matching of Insureds included in the Aviva Life Business against the DMF or any similar database. There are no other understandings or agreements, verbal or otherwise, between the Parties with respect to the subject matter of the Multi-State Examination, this Agreement or the RSA, except as set forth herein. In entering into this

Agreement, no Party has relied on a representation not set forth herein.

- c. 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 Aviva Insurers, the Global Atlantic Insurers or any of their respective current or former affiliates, subsidiaries, officers, directors, employees, agents or representatives with respect to the subject matter of the Multi-State Examination.
- d. Subject to the Global Atlantic Insurers' performance of and compliance with this Agreement, each Department hereby releases the Global Atlantic Insurers from any and all claims, demands, interest, penalties, actions or causes of action that each Department may have by reason of any matter, cause or thing whatsoever, regarding or relating to the subject matter of the Multi-State Examination insofar as it relates to the Aviva Life Business; provided, however, that nothing herein shall preclude the Lead States from conducting subsequent Multi-State Examinations to assess the Global Atlantic Insurers' compliance with this Agreement.
- e. In the event that any portion of this Agreement is enjoined or held invalid under the laws of a Department's jurisdiction, such enjoined or invalid portion shall be deemed to be severed only for the duration of the injunction, if applicable, and only with respect to that Department and its jurisdiction, and all remaining provisions of this Agreement shall be given full force and effect and shall not in any way be affected thereby.
- f. Nothing in this Agreement shall be construed as an admission of any Party's position as to the preemptive effect of the Employee Retirement Income Security Act of 1974, as periodically amended, or the law of the jurisdiction as applied to employment based plans.
- g. To the extent that any laws, rules or regulations are adopted by any Department, or a regulatory agency of a Department that conflict with any of the terms and conditions of this Agreement or the RSA, then the application of those affected terms and conditions shall be superseded by such laws, rules or regulations as it applies to that Department, provided that all other unaffected terms and conditions of this Agreement shall remain in full force and effect.
- h. The Parties represent and warrant that the person executing this Agreement on behalf of each Party has the legal authority to bind the Party to the terms of this Agreement.

- i. This Agreement may be executed in counterparts. A true and correct copy of this Agreement shall be enforceable the same as an original.

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

*Signature pages immediately follow.*

AVIVA INSURERS SIGNATURE PAGE

AVIVA LIFE AND ANNUITY COMPANY

By: 

Name: Richard C. Cohan, Jr.

Title: EVP – General Counsel & Corp. Secretary

Dated: 9-30-13

AVIVA LIFE AND ANNUITY COMPANY OF NEW YORK

By: 


Name: Richard C. Cohan, Jr.

Title: EVP – General Counsel & Corp. Secretary


Dated: 9-30-13

GLOBAL ATLANTIC INSURERS SIGNATURE PAGE

FIRST ALLMERICA FINANCIAL  
LIFE INSURANCE COMPANY

By:   
Name: Scott D. Silverman  
Title: SVP, General Counsel & Secy  
Dated: 9/30/13

PRESIDENTIAL LIFE INSURANCE COMPANY - USA

By:   
Name: Scott D. Silverman  
Title: SVP, General Counsel & Secy  
Dated: 9/30/13

Lead States Signature Page

FLORIDA OFFICE OF INSURANCE REGULATION

BY: 

KEVIN M. McCARTY, COMMISSIONER

DATE

10/9/13

NORTH DAKOTA INSURANCE DEPARTMENT

BY: \_\_\_\_\_

ADAM HAMM, COMMISSIONER

DATE \_\_\_\_\_

CALIFORNIA DEPARTMENT OF INSURANCE

BY: \_\_\_\_\_

DAVE JONES, COMMISSIONER

DATE \_\_\_\_\_

PENNSYLVANIA INSURANCE DEPARTMENT

BY: \_\_\_\_\_

MICHAEL F. CONDSINEDINE, COMMISSIONER

DATE \_\_\_\_\_

ILLINOIS DEPARTMENT OF INSURANCE

BY: \_\_\_\_\_

ANDREW BORON, DIRECTOR

DATE \_\_\_\_\_

NEW HAMPSHIRE INSURANCE DEPARTMENT

BY: \_\_\_\_\_

ROGER A. SEVIGNY, COMMISSIONER

DATE \_\_\_\_\_

IOWA INSURANCE DIVISION

BY: \_\_\_\_\_

NICK GERHART, COMMISSIONER

DATE \_\_\_\_\_



Lead States Signature Page

FLORIDA OFFICE OF INSURANCE REGULATION

BY: \_\_\_\_\_

KEVIN M. McCARTY, COMMISSIONER

DATE \_\_\_\_\_

NORTH DAKOTA INSURANCE DEPARTMENT

BY: \_\_\_\_\_

ADAM HAMM, COMMISSIONER

DATE 10/3/2013

CALIFORNIA DEPARTMENT OF INSURANCE

BY: \_\_\_\_\_

DAVE JONES, COMMISSIONER

DATE \_\_\_\_\_

PENNSYLVANIA INSURANCE DEPARTMENT

BY: \_\_\_\_\_

MICHAEL F. CONDSEDINE, COMMISSIONER

DATE \_\_\_\_\_

ILLINOIS DEPARTMENT OF INSURANCE

BY: \_\_\_\_\_

ANDREW BORON, DIRECTOR

DATE \_\_\_\_\_

NEW HAMPSHIRE INSURANCE DEPARTMENT

BY: \_\_\_\_\_

ROGER A. SEVIGNY, COMMISSIONER

DATE \_\_\_\_\_

IOWA INSURANCE DIVISION

BY: \_\_\_\_\_

NICK GERHART, COMMISSIONER

DATE \_\_\_\_\_

Lead States Signature Page

FLORIDA OFFICE OF INSURANCE REGULATION

NORTH DAKOTA INSURANCE DEPARTMENT

BY: \_\_\_\_\_

BY: \_\_\_\_\_

KEVIN M. McCARTY, COMMISSIONER

ADAM HAMM, COMMISSIONER

DATE \_\_\_\_\_

DATE \_\_\_\_\_

CALIFORNIA DEPARTMENT OF INSURANCE

PENNSYLVANIA INSURANCE DEPARTMENT

BY:  \_\_\_\_\_

BY: \_\_\_\_\_

DAVE JONES, COMMISSIONER

MICHAEL F. CONDSSEDINE, COMMISSIONER

DATE 9-30-13

DATE \_\_\_\_\_

ILLINOIS DEPARTMENT OF INSURANCE

NEW HAMPSHIRE INSURANCE DEPARTMENT

BY: \_\_\_\_\_

BY: \_\_\_\_\_

ANDREW BORON, DIRECTOR

ROGER A. SEVIGNY, COMMISSIONER

DATE \_\_\_\_\_

DATE \_\_\_\_\_

IOWA INSURANCE DIVISION

BY: \_\_\_\_\_

NICK GERHART, COMMISSIONER

DATE \_\_\_\_\_

Lead States Signature Page

FLORIDA OFFICE OF INSURANCE REGULATION

NORTH DAKOTA INSURANCE DEPARTMENT

BY: \_\_\_\_\_

BY: \_\_\_\_\_

KEVIN M. McCARTY, COMMISSIONER

ADAM HAMM, COMMISSIONER

DATE \_\_\_\_\_

DATE \_\_\_\_\_

CALIFORNIA DEPARTMENT OF INSURANCE

PENNSYLVANIA INSURANCE DEPARTMENT

BY: \_\_\_\_\_

BY: 

DAVE JONES, COMMISSIONER

MICHAEL F. CONDSEDINE, COMMISSIONER

DATE \_\_\_\_\_

DATE 10/11/13

ILLINOIS DEPARTMENT OF INSURANCE

NEW HAMPSHIRE INSURANCE DEPARTMENT

BY: \_\_\_\_\_

BY: \_\_\_\_\_

ANDREW BORON, DIRECTOR

ROGER A. SEVIGNY, COMMISSIONER

DATE \_\_\_\_\_

DATE \_\_\_\_\_

IOWA INSURANCE DIVISION

BY: \_\_\_\_\_

NICK GERHART, COMMISSIONER

DATE \_\_\_\_\_

**Lead States Signature Page**

FLORIDA OFFICE OF INSURANCE REGULATION

BY: \_\_\_\_\_

KEVIN M. McCARTY, COMMISSIONER

DATE \_\_\_\_\_

NORTH DAKOTA INSURANCE DEPARTMENT

BY: \_\_\_\_\_

ADAM HAMM, COMMISSIONER

DATE \_\_\_\_\_

CALIFORNIA DEPARTMENT OF INSURANCE

BY: \_\_\_\_\_

DAVE JONES, COMMISSIONER

DATE \_\_\_\_\_

PENNSYLVANIA INSURANCE DEPARTMENT

BY: \_\_\_\_\_

MICHAEL F. CONDSINEDINE, COMMISSIONER

DATE \_\_\_\_\_

ILLINOIS DEPARTMENT OF INSURANCE

BY: Andrew Boron

ANDREW BORON, DIRECTOR

DATE October 1, 2013

NEW HAMPSHIRE INSURANCE DEPARTMENT

BY: \_\_\_\_\_

ROGER A. SEVIGNY, COMMISSIONER

DATE \_\_\_\_\_

IOWA INSURANCE DIVISION

BY: \_\_\_\_\_

NICK GERHART, COMMISSIONER

DATE \_\_\_\_\_

Lead States Signature Page

FLORIDA OFFICE OF INSURANCE REGULATION

BY: \_\_\_\_\_

KEVIN M. McCARTY, COMMISSIONER

DATE \_\_\_\_\_

NORTH DAKOTA INSURANCE DEPARTMENT

BY: \_\_\_\_\_

ADAM HAMM, COMMISSIONER

DATE \_\_\_\_\_

CALIFORNIA DEPARTMENT OF INSURANCE

BY: \_\_\_\_\_

DAVE JONES, COMMISSIONER

DATE \_\_\_\_\_

PENNSYLVANIA INSURANCE DEPARTMENT

BY: \_\_\_\_\_

MICHAEL F. CONDESDINE, COMMISSIONER

DATE \_\_\_\_\_

ILLINOIS DEPARTMENT OF INSURANCE

BY: \_\_\_\_\_

ANDREW BORON, DIRECTOR

DATE \_\_\_\_\_

NEW HAMPSHIRE INSURANCE DEPARTMENT

BY:  \_\_\_\_\_

ROGER A. SEVIGNY, COMMISSIONER

DATE 10-1-13

IOWA INSURANCE DIVISION

BY: \_\_\_\_\_

NICK GERHART, COMMISSIONER

DATE \_\_\_\_\_

Lead States Signature Page

FLORIDA OFFICE OF INSURANCE REGULATION

NORTH DAKOTA INSURANCE DEPARTMENT

BY: \_\_\_\_\_

BY: \_\_\_\_\_

KEVIN M. McCARTY, COMMISSIONER

ADAM HAMM, COMMISSIONER

DATE \_\_\_\_\_

DATE \_\_\_\_\_

CALIFORNIA DEPARTMENT OF INSURANCE

PENNSYLVANIA INSURANCE DEPARTMENT

BY: \_\_\_\_\_

BY: \_\_\_\_\_

DAVE JONES, COMMISSIONER

MICHAEL F. CONDSINEDINE, COMMISSIONER

DATE \_\_\_\_\_

DATE \_\_\_\_\_

ILLINOIS DEPARTMENT OF INSURANCE

NEW HAMPSHIRE INSURANCE DEPARTMENT

BY: \_\_\_\_\_

BY: \_\_\_\_\_

ANDREW BORON, DIRECTOR

ROGER A. SEVIGNY, COMMISSIONER

DATE \_\_\_\_\_

DATE \_\_\_\_\_

IOWA INSURANCE DIVISION

BY:  \_\_\_\_\_

NICK GERHART, COMMISSIONER

DATE 10/3/13 \_\_\_\_\_

SCHEDULE A  
COPY OF THE RSA

*[To be inserted.]*

**SCHEDULE B  
PARTICIPATING REGULATOR ADOPTION**

**GLOBAL ATLANTIC ANCILLARY SETTLEMENT AGREEMENT**

On behalf of Alaska, I, Mardy Hester,  
(Jurisdiction) (Chief Insurance Regulator)  
hereby adopt, agree, and approve this Agreement.

BY: [Signature]  
(Signature)

JURISDICTION: Alaska

TITLE: Acting Director

DATE: 1.3.14

Please return this form to:

Debbie Hammond  
Market Conduct  
Illinois Department of Insurance  
320 W. Washington Street  
Springfield, IL 62767-0001  
Phone: 217.524.5037  
Fax: 217.557.8494  
Email: DOI.MarketRegulation@illinois.gov