

## REGULATORY SETTLEMENT AGREEMENT

This Regulatory Settlement Agreement ("Agreement") is entered into by and between the following insurance companies: Hartford Life and Accident Insurance Company, Hartford Life Insurance Company, and Hartford Life and Annuity Insurance Company, and each of its predecessors, successors, and assigns, (collectively "Hartford" or "the Company"), and the Florida Office of Insurance Regulation, California Department of Insurance, Connecticut Insurance Department, New Hampshire Insurance Department, North Dakota Insurance Department and Pennsylvania Insurance Department as Lead Departments ("Lead Departments") in the multistate targeted market conduct examination of the Company called on December 13, 2012 (the "Multi-State Examination"), and the insurance departments executing a Participating Regulator Adoption form set forth on Schedule C (the "Participating States"). The Lead States and Participating States are collectively referred to as the "Departments". The Departments and the Company are collectively referred to herein as the "Parties".

### RECITALS

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

WHEREAS, the Departments, in each of their respective capacities, have undertaken a Multi-State Examination of the Company's settlement practices, procedures and policy administration relating to claims, including the Company's efforts to identify the owners and beneficiaries of unclaimed Proceeds;

WHEREAS, as part of the Multi-State Examination, the Departments have reviewed numerous documents and information obtained during the course of the Multi-State Examination;

WHEREAS, the Departments have identified concerns regarding the adequacy of the Company's policies and procedures to ensure that life insurance and endowment policies, annuities, Retained Asset Accounts and other funds are timely paid out to Beneficiaries, and are

timely reported or remitted in accordance with the Unclaimed Property Laws and the Insurance Laws;

WHEREAS, the Company has exited the individual life insurance business and annuity business in order to focus on its property and casualty, group benefits and mutual funds businesses, and in 2012 and 2013 sold its individual life insurance business to Prudential Financial Inc., sold its retirement plan business to Massachusetts Mutual Life Insurance Company, and put its annuity business into run-off. Moreover, the Company's annuity business did not institute a business practice of using the DMF until 2007;

WHEREAS, the Company represents that it has been implementing a process to compare 'Insured' information it stores in the Company's Records against the Social Security Administration's Death Master File ("DMF") and is using good faith efforts to locate insureds and beneficiaries in order to pay claims promptly;

WHEREAS, the Company represents that it has policies and procedures to ensure payment of valid claims to Beneficiaries or, in the event that the Company's search identifies no living Beneficiary, to report and remit unclaimed Proceeds to the appropriate states in accordance with the Unclaimed Property Laws;

WHEREAS, the Company denies any wrongdoing or activities that violate any Insurance Laws in the jurisdiction of each Department or any other applicable laws, but in view of the complex issues raised and the probability that long-term litigation and/or administrative proceedings would be required to resolve the disputes between the Parties hereto, the Company and the Departments desire to resolve the differences between the Parties as to the interpretation and enforcement of Insurance Laws and all claims that the Departments have asserted or may assert with respect to the Company's claim settlement practices;

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

NOW, THEREFORE, the Parties agree as follows:

1. **Defined Terms.** Solely for the purpose of this Agreement, those capitalized terms in this Agreement not otherwise defined in the text shall have the following meanings:

- a. **“Annuity Contract”** means a fixed or variable annuity contract or certificate, other than a fixed or variable annuity contract or certificate issued (1) in connection with an employment-based plan subject to the Employee Retirement Income Security Act of 1974 (“ERISA”) or (2) to fund an employment-based retirement plan or other employee-benefit plan, including any deferred compensation plan. In addition, the term “Annuity Contract” shall not include an annuity contract held within ERISA, a tax-qualified plan, an Individual Retirement Account, private placement variable annuity products where the company is in contact with the annuity contract owner, or any annuity contract transferred to Massachusetts Mutual Life Insurance Company (hereafter “Mass Mutual”) pursuant to the January 2013 transaction between Hartford and Mass Mutual under which Mass Mutual became the reinsurer and administrator of the said annuity contract.. 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, on state laws as applied to employment based plans.
- b. **“Annuity Contract Owner”** means the owner of an Annuity Contract.
- c. **“Accountholder”** means the owner of a “Retained Asset Account.”
- d. **“Beneficiary”** or **“Beneficiaries”** means the party or parties contingently entitled to receive death benefit Proceeds payable pursuant to a Policy, Annuity Contract or Retained Asset Account.
- e. **“Date of Death”** means the date on which an Insured has died.
- f. **“Date of Death Notice”** means the date the Company first has notice of the Date of Death of a Policyholder. For purposes of this Agreement and subject to

Schedule A hereto, notice shall include, but not be limited to, information provided in the DMF or an equivalent database containing the same information as the DMF, or any other source or record stored by the Company or located in the Company's records.

- g. **"Death Master File" or "DMF"** means a version of the United States Social Security Administration's Death Master File or any other database or service, that is at least as comprehensive as the United States Social Security Administration's Death Master File for determining that a person has reportedly died. The Death Master File must include at least one full version of the file (the "Complete DMF File") and should include all available update files (the "DMF Update File").
- h. **"Death Master File Match"** means a match of an Insured contained in the Company Records to a unique biological individual listed in the DMF under the criteria provided in the attached Schedule A.
- i. **"Dormancy Period"** means the three (3) year, five (5) year, or other period of time during which an Account Holder, Annuity Contract Owner, Policy owner, or Beneficiary, does not take action on their account, contract, policy, or Proceeds as defined by a jurisdiction's Unclaimed Property laws or regulations.
- j. **"Effective Date"** means the date this Agreement has been executed by the Company, and 20 Departments, including each of the Lead Departments.
- k. **"Exception"** means a fact situation described in subparagraphs i. – iii. below:
  - i. for death benefits under Life Insurance Policies, Annuity Contracts and Retained Asset Accounts: (a) the individual identified in the Date of Death Notice as the Insured is not dead or not the Insured; (b) the Policy was not in force at the Date of Death; (c) there is no death benefit due and payable upon death due to, among other things, (i) the application of a contestability period provision, (ii) the existence of an exclusionary event, or (iii) pending litigation; (d) the beneficiary is a minor and is unable to accept payment of the death benefit under the applicable Uniform Transfer to Minors Act, or the minor's legal guardian, custodian, or other representative of the minor is either unwilling or unable to comply with that jurisdiction's laws necessary

for a Company to process a payment and under the applicable jurisdiction's laws, the Proceeds are therefore not escheatable; (e) the death benefit under an Annuity Contract is within the five (5) year deferral period under the Internal Revenue Code, and the Beneficiary has indicated an intent to defer, or the Company has documented contact with the Beneficiary subsequent to the date of death giving rise to the death benefit; (f) the death indicated was the first of two Insureds or Annuity Contract Owners to die under a second-to-die policy; (g) the Dormancy Period has not expired; (h) non-Recordkeeper group life insurance or group annuity contracts (including group life or group annuity certificates where the Company lacks and/or is unable to obtain sufficient information necessary to determine that a life insurance or annuity benefit is due or is unable to determine the benefit amount without contacting a third party); (i) any death benefit payable where the claim request was determined not to be in good order and the beneficiary and the company are actively working to resolve the good order issues in order to settle the claim; and/or (j) the full value of any benefits due and payable upon death has in fact been remitted to the Beneficiary or, in the case of an Annuity Contract, the Annuity Contract has been continued by the Beneficiary, or reported and remitted as Unclaimed Property to the affected jurisdiction(s); (k) all benefits payable upon death are due under a participating group life insurance policy subject to retrospective experience rating, so long as any premium stabilization reserve shall upon termination of such group insurance policy be payable by the Company to (1) the group customer for the benefit of the participants or (2) the plan..

- ii. for Annuities that have reached their Maturity Date: (a) there is no benefit due and payable on the Maturity Date; (b) documented contact has occurred with the Annuity Contract Owner including but not limited to a request by the Annuity Contract Owner to change the designation or address/contact information of a Beneficiary, Annuity Contract Owner or annuitant; a non-automated request to transfer funds or to reallocate the value of the Annuity Contract among variable investment options; or a non-automated request to renew or change a fixed interest guarantee period under the Annuity Contract; (c) the Annuity Contract Owner has taken action which is inconsistent with a desire to annuitize; (d) the value of the Proceeds payable upon Maturity Date is the subject of pending litigation; (e) the terms of the Annuity Contract provide for an immediate forced annuitization at the Maturity Date and the Annuity Contract has been annuitized or is in the process of being annuitized; and/or (f) the full value of any benefits due and payable upon the Maturity Date has in fact been remitted to the Annuity Contract Owner or Beneficiary or reported and remitted as Unclaimed Property to the affected jurisdiction(s);

- iii. for Retained Asset Accounts: (a) the Accountholder has taken affirmative action in respect to the Retained Asset Account that is inconsistent with abandonment (automatic financial or administrative transactions, other than automated deposits or withdrawals prearranged by the account owner, and/or the non-receipt by the Company of returned mail shall not constitute "affirmative action" for this purpose, except to the extent where the affected state specifically recognizes that such activity is sufficient to prevent property from being presumed abandoned); or (b) the full value of the Retained Asset Account has in fact been remitted to the Beneficiary or reported and remitted as Unclaimed Property to the affected state(s);
- l. **"Future Settlement Agreement"** means any settlement agreement entered into by any other insurer and the Departments concerning the subject matter of this Agreement.
- m. **"Hartford Records"**, also sometimes referred to herein as **"Company Records,"** means Policyholder information stored on Hartford's administrative systems or the administrative systems of any third-party retained by the Company concerning all of the Company's in-force Policies, Annuity Contracts, and Retained Asset Accounts, as well as those Policies that lapsed within the eighteen (18) month period prior to the date of a DMF comparison undertaken pursuant to Section 2. The term "Hartford Records" or "Company Records" does not include information maintained by a group life insurance customer or a third party retained by a group life insurance customer.
- n. **"Insurance Laws"** means the Insurance Code, Rules, and Regulations in effect in each Department's jurisdiction, and any official guidance issued by each Department.
- o. **"Insured"** means an individual identified as the insured under a Policy, Retained Asset Account or Annuity Contract whose death obligates the Company to pay proceeds.
- p. **"Maturity Date"** means the date in an Annuity Contract that annuity payments are scheduled to begin, unless the records of the Company indicate that the Maturity Date has been extended in accordance with the terms of the Annuity

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

- q. **"Policy"** means any individual life policy or endowment policy or group life policy or certificate of life insurance for which Hartford performs Recordkeeping services and that provides a death benefit. The term "Policy" shall not include: 1) any policy or certificate of life insurance that provides a death benefit under any Federal employee benefit program, including without limitation the Servicemembers' Group Life Insurance ("SGLI") and Veterans' Group Life Insurance "(VGLI") Programs; 2) group life insurance policies, or certificates issued thereunder, where Hartford does not perform Recordkeeping functions; 3) or corporate, bank or institutional owned policies where the beneficiary is the policy owner corporation, bank or institution, the Company is in contact with the said policy owner, and there are no individual beneficiaries; 4) accidental death and dismemberment insurance or any life insurance policy or certificate where payment of death benefits is contingent on the cause and manner of death; 5) any benefits payable under other health coverages, including but not limited to disability and long term care, arising from the reported death of an insured person under such coverages; 6) private placement variable universal life products where the company is in contact with the policy owner; 7) any policy, including any annuity rider or retained asset account associated with said policy, transferred to The Prudential Insurance Company of America or its affiliates (hereafter "Prudential") pursuant to the January 2013 transaction between Hartford and Prudential under which Prudential became the reinsurer and administrator of the

said policy; or (8) any credit or mortgage life insurance policies or certificates issued thereunder.

- r. **"Policyholder"** means, for ease of reference, an Insured, annuitant, certificate holder, Accountholder or Annuity Contract Owner whose death results in the payment of Proceeds. However, nothing in this definition shall be read to mean that an Annuity Contract is a Policy, or vice versa. A Policyholder may communicate with Hartford personally or through an authorized representative.
- s. **"Proceeds"** means the money payable under a Policy, Annuity Contract or Retained Asset Account of the Company.
- t. **"Recordkeeping"** means that insurance policy information contained in the Hartford Records necessary to process a claim, including without limitation, the insured's full name, address, date of birth, telephone number, Social Security Number, coverage eligibility, premium payment status, benefit amount, and Beneficiary information, including without limitation the Beneficiary's full name, address, date of birth, telephone number and Social Security Number, and is stored by the Company on its administrative systems or the administrative systems of any third-party retained by the Company, as opposed to such information being maintained by a group life insurance customer or some other third party retained by the group customer.
- u. **"Retained Asset Account"** means any mechanism whereby the settlement of proceeds payable under a Policy or individual Annuity Contract including, but not limited to, the payment of cash surrender value, is accomplished by the insurer or an entity acting on behalf of the insurer establishing an account with check or draft writing privileges, where those proceeds are retained by the insurer, pursuant to a supplementary contract not involving annuity benefits.
- v. **"Thorough Search"** means the minimum Company efforts to identify, locate and contact 1) the Beneficiaries of a Policy, Retained Asset Account, or Annuity Contract after receiving a Date of Death Notice that indicates that the

Policyholder has been reported as dead; 2) the Annuity Contract Owner when the Company has received returned mail pursuant to Section 2.g.(ii); or 3) the Accountholder when required pursuant to Section 2.h.(iii). The Company may utilize any methodology to locate a Beneficiary, Annuity Contract Owner or Accountholder that can be demonstrated by the Company to provide equivalent or better results than a Thorough Search. A Thorough Search will be completed the earlier of when (1) a Beneficiary, Annuity Contract Owner, or Accountholder has been located, or (2) the following steps, at a minimum, have been performed:

- (i) The Company shall use its best efforts, as described in paragraphs ii through vii below, to identify the Beneficiary, Annuity Contract Owner or Accountholder and determine a current address for the Beneficiary, Annuity Contract Owner or Accountholder based upon Hartford Records including, but not limited to, internal databases;
- (ii) The Company shall make at least two (2) attempts to contact the Beneficiary, Annuity Contract Owner or Accountholder in writing at the address in (i) above; provided that, if the first letter is returned as undeliverable, the Company will not be required to send any additional mailings to that address and will within thirty (30) days conduct research to locate a more updated or accurate address using online search or locator tools, such as Lexis Nexis Accurint or other comparable databases;
- (iii) If the Company obtains an updated address using online search or locator tools as described in (ii) above, the Company shall make at least two (2) attempts in writing to contact the Beneficiary, Annuity Contract Owner or Accountholder at that address; provided that, if the first such letter is returned as undeliverable, the Company will not be required to send any additional mailings to that address;
- (iv) In the event that no response is received to the writings sent pursuant to ii. and iii. above, or a writing sent pursuant to ii. and iii. above is returned as undeliverable, the Company shall attempt to contact the Beneficiary,

Annuity Contract Owner or Accountholder at least two (2) times at the most current telephone number contained in Hartford Records or obtained through the Company's use of online search or locator tools.

- (v) In the event that no response has been received to the attempted contacts described above, the Company shall attempt to contact the Beneficiary, Annuity Contract Owner or Accountholder at the most current available email address contained in Hartford Records, if any;
- (vi) Send a third and final letter to the Beneficiary, Annuity Contract Owner or Accountholder at the most current address available to the Company via certified mail; provided, however, that, subject to contrary state law requirements, such letter may be sent by first class mail if, at some point prior to sending it, the Company has accessed a commercially available database service, which is used to update addresses in order to check for a more current address for the Beneficiary, Annuity Contract Owner or Accountholder.
- (vii) For the avoidance of doubt, the Company is not required to attempt to contact the Beneficiaries at the same mailing addresses, telephone numbers or email addresses that it has already confirmed are not current. Furthermore, if the Company obtains multiple addresses for a beneficiary because the beneficiary has a common name, it is only required to attempt to contact the beneficiary at the most probable addresses, telephone numbers, or email addresses found.
- (viii) The Company shall maintain documentation of all attempts described in (i)-(vii) to contact the Beneficiary.

If the value of a policy, contract or account is *de minimis* (defined as \$100 or less), the Company may satisfy its obligations to conduct a Thorough Search by making at least one (1) attempt to contact the Beneficiary, Annuity Contract Owner or Accountholder by mail at the address indicated in the Company Records, or, if the Company Records do not identify a Beneficiary,

Annuity Contract Owner or Accountholder and address, may report and remit the funds to the affected jurisdiction(s) in accordance with the Unclaimed Property Laws.

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

- w. **"Unclaimed Property"** means property subject to the Unclaimed Property Laws.
- x. **"Unclaimed Property Audit Agreement"** means (i) the Global Resolution Agreement between Hartford, Verus Financial, LLC and the Unclaimed Property regulators and (ii) the agreement between Hartford and the Florida Department of Financial Services.
- y. **"Unclaimed Property Laws"** means the Laws, Rules and Regulations regulating unclaimed property in each of the Department's jurisdictions.

2. **Business Reforms.** In accordance with the implementation schedule described in Schedule B, Hartford shall compare, using the comparison criteria specified in Schedule A, all Hartford Records against the DMF Update File quarterly and against the Complete DMF File at least annually, to identify Death Master File Matches for potential unclaimed death benefits. Hartford shall have no responsibility for errors, omissions or delays in information contained in the Death Master File. Furthermore:

- a. Subject to Schedule B, if the Company is not contacted by a Beneficiary within one hundred twenty (120) days of the Date of Death Notice, the Company shall promptly commence a Thorough Search, which shall be completed within one (1) year from the Date of Death Notice. If (i) the Beneficiary cannot be located by a Thorough Search and (ii) the Company is unable to establish an Exception, it shall report and remit the death benefit proceeds as Unclaimed Property to the affected jurisdiction in accordance with the applicable Unclaimed Property Laws .

- b. For the sole purpose of this Agreement, the Company, within the time period in Schedule B, shall implement policies and procedures to establish that a DMF Match shall require the Company to initiate its death claims process and conduct a Thorough Search in accordance with Section 2(a) of this Agreement. Nothing in this Agreement is intended nor shall be deemed to determine the requirements for establishing proof of death for any other purpose, or to confer any rights on any party other than the Company and the Departments.
- c. In the event that a line of business conducts checks of its Policyholders against the DMF for Death Master File Matches at intervals more frequent than those provided for in this Agreement and such Death Master File Match results in action being taken with respect to a Policy, Annuity Contract, or Retained Asset Account, then that line of business shall share the relevant Policyholder information among applicable lines of business.
- d. In the event that Hartford locates the Beneficiary following a Thorough Search, Hartford shall provide the appropriate claims forms or instructions, if required, to the Beneficiary to make a claim, including instructions as to the need to provide an official death certificate if consistent with law and the Policy, Annuity Contract, or Retained Asset Account. Hartford reserves the right to require satisfactory confirmation of death, including a death certificate, as due proof of death, before Proceeds are paid to a Beneficiary or a Beneficiary's legal representative if consistent with law and the Policy, Annuity Contract, or Retained Asset Account. Nothing in this Agreement shall be construed to supersede Hartford's obligation to maintain effective procedures and resources to deter and investigate fraudulent insurance acts as required by applicable law.
- e. Hartford shall implement policies and procedures for conducting a Thorough Search. That obligation shall not abrogate the right of the Company to complete any unclaimed property law due diligence requirements within the timeframe required by any applicable law.

- f. To the extent permitted under applicable law, Hartford may disclose the minimum necessary personal information about a Policyholder or Beneficiary to a person whom Hartford reasonably believes may be able to assist Hartford to locate the Policyholder or Beneficiary or a person otherwise entitled to payment of the claims Proceeds, provided however, the Company shall not implement policies or practices that will or may diminish the rights of, or amounts of benefits due to, Beneficiaries under the terms of its Policies, Annuity Contracts, or Retained Asset Accounts.
- g. Hartford shall establish policies and procedures to ensure that:
- i. commencing no later than forty-five (45) days prior to the Maturity Date of an Annuity Contract for which the Company is unable to establish an Exception, at least two (2) letters are sent to an Annuity Contract Owner notifying the owner of the upcoming Maturity Date, stating that the Annuity Contract will be annuitized following the Maturity Date if no response is received, and identifying any alternatives to annuitization available under the Annuity Contract (e.g., extension of the Maturity Date; surrender of the Annuity Contract).
  - ii. the Company shall immediately commence a Thorough Search for the Annuity Contract Owner if the letters described in subparagraph i. hereof are returned as undeliverable;
  - iii. an affirmative request by an Annuity Contract Owner, in accordance with the terms of the Annuity Contract, will be required by the Company before a Maturity Date is extended, and such request will be recorded in the Company's books and records;
  - iv. the Annuity Contract is annuitized as soon as practicable, but in no event more than forty-five (45) days following the Maturity Date, if the Company has a valid address for the Annuity Contract Owner and no response is received to the letters described in subparagraph i. hereof;
  - v. if a Thorough Search for the Annuity Contract Owner is unsuccessful, or if annuity payments for an Annuity Contract that has been annuitized under paragraph (iv) above are not negotiated within one (1) year, the Company may, at that time, advise the Unclaimed Property Agency that it in good faith has reason to believe that the proceeds will be reportable in the future as unclaimed property, show the agency the Company's efforts to locate the owner, show that it has complied with the appropriate Unclaimed Property Laws necessary to

report and remit the proceeds, and remit them. If the Unclaimed Property Agency fails to assume the liability of the proceeds and release the Company of all liability to the extent provided by the appropriate Unclaimed Property Laws, the Company shall remit the proceeds to the affected State(s) following the expiration of the Dormancy Period as measured from the Maturity Date or from the date of an annuitization payment. If the Company does not so advise the Unclaimed Property Agency, it shall report and remit the Proceeds to the affected jurisdiction(s) following the expiration of the Dormancy Period as measured from the Maturity Date or date of annuitization payment, as appropriate.

- h. Hartford shall apply the following Business Reforms to the use of Retained Asset Accounts:
- (i) Ensure that all Retained Asset Accounts are monitored for inactivity and each is notified that the failure of an Accountholder to make a withdrawal from the account or to respond to communications from the Company may cause the account to be declared dormant and subject to escheat based on the last documented contact with the Accountholder or the Accountholder's authorized representative, subject to Schedule B.
  - (ii) The value of the Retained Asset Account(s) shall be the value of the account as of the date the property is (1) paid to the party determined to be the owner of the account or (2) reported and remitted to the affected jurisdiction(s).
  - (iii) Subject to Schedule B, a Thorough Search for a Beneficiary of a Retained Asset Account or an Accountholder, as appropriate, shall commence no later than one year before the end of the Dormancy Period measured from the later of (i) the date that the Accountholder last initiated a financial or administrative transaction, or (ii) the date of the last Accountholder-authenticated response to the Company that is documented on the Company's books and records. In the event that the Company is unable to locate a Beneficiary or Accountholder and is unable to establish an Exception within one (1) year after the commencement of the Thorough Search, it shall report and remit the Proceeds of the Retained Asset Account as Unclaimed Property to the affected jurisdiction(s) in accordance with the Unclaimed Property Laws following the expiration of the Dormancy Period measured from (i) the date that the Accountholder last initiated a financial or administrative transaction, or (ii) the date of the last Accountholder-authenticated response to the Company that is documented on the Company's books and records.

- i. Prior to the issuance of a Policy (except for a group life insurance policy as to which Hartford does not perform Recordkeeping) or Annuity Contract or establishment of a Retained Asset Account, and upon any change of a Policyholder or Beneficiary, the Company shall request information sufficient to ensure that all benefits are paid to Beneficiaries upon the death of the Policyholder, including, at a minimum, the name, address, social security number, and telephone number of every Policyholder and Beneficiary of such Policy, Annuity Contract or Retained Asset Account, as applicable.

3. **Multi-State Examination Payment.** Without admitting any liability whatsoever, the Company agrees to pay the Departments the amount of \$2,100,000.00 (the "Payment") for the examination, compliance, and monitoring costs associated with the Multi-State Examination, or for any other purpose permitted by law. The Lead Departments shall be responsible for allocating the Payment to the Departments. The Company agrees to make Payment within ten (10) days after the Effective Date and the receipt of the allocation from the Departments, which will extinguish the Company's financial obligation to the Departments arising from the Multi-State Examination, except as set forth below in paragraphs 4(c) and 4(d). This Payment shall be in addition to the Company's obligation to pay the New Hampshire Insurance Department's reasonable examination-related expenses, including its expenses for consultants, incurred on or before the effective date of this Agreement, in connection with the Department's role in this Multi-State Examination..

4. **Regulatory Oversight.** Each of the Departments shall maintain independent regulatory oversight over the Company's compliance with the terms of this Agreement and in furtherance thereof, Hartford agrees to the following:

- a. For a period of thirty-six (36) months following the Effective Date, the Company shall provide to the Lead Departments quarterly reports on the implementation and execution of the requirements of this Agreement. Each report shall be delivered to each of the Lead Departments within forty five (45) days following the end of the applicable reporting period.
- b. Thirty-Nine (39) months following the Effective Date the Lead Departments shall conduct a Multi-State Examination of the Company's compliance with the requirements of this Agreement. The Lead Departments shall provide a report

summarizing the results of that examination to the Company and the other Departments. The examination shall be performed with the cost of the examination to be borne by the Company in accordance with the Lead Departments' respective laws.

- c. The Company may petition a Department to terminate or modify this Agreement in that jurisdiction. Such a petition may include, but not be limited to, the following grounds: (i) the Agreement's terms, in whole or in part, are inconsistent with the statutes, rules or regulations then in effect in that jurisdiction; or (ii) that a Future Settlement Agreement with a company possessing substantial market share is more favorable than the Agreement. A Department will not unreasonably withhold its consent to the relief requested by the Company in its petition. Once made by the Company, the Multi-State Examination Payment, as allocated to each Department, is final and non-recoverable under any circumstances including the termination of this Agreement.
- d. In addition to the payments set forth in Section 3, the reasonable costs and expenses of the Departments related to the monitoring of the Company's compliance with the Agreement, including the costs and expenses of conducting any reviews or examinations permitted by the Agreement, as well as participating in any meetings, presentations or discussions with the Company, shall be borne by the Company.
- e. The monitoring of Company for compliance with the terms of this Agreement constitutes an ongoing examination by each of the Departments pursuant to each of their respective state laws. Consistent with applicable law, each Department shall accord confidential treatment to the work papers, recorded information, documents, copies of work papers, and documents produced by, obtained by or disclosed by Company.

**5. Company Covenants.** The Company covenants and agrees with each of the Departments that it shall comply in all respects with the following terms and conditions:

- a. Proceeds under a Policy shall be determined in accordance with the Policy terms.
- b. Proceeds under Annuity Contracts shall be determined in accordance with the Annuity Contract terms.
- c. The value of a Retained Asset Account shall be the value of the account as of the date the Proceeds are paid to the Beneficiary.
- d. Hartford, its agents or contracted third-parties, shall not charge Beneficiaries for any fees or costs associated with a search or verification conducted pursuant to this Agreement.
- e. The Company shall comply with the Unclaimed Property Audit Agreement. Nothing in this Agreement shall abrogate the obligations of the Company under the Unclaimed Property Audit Agreement.

**6. Miscellaneous.**

- a. This Agreement shall not confer any rights upon any persons or entities other than the parties to it and is not intended to be used for any other purpose. Nor shall the Agreement be deemed to create any intended or incidental third party beneficiaries, and the matters addressed herein shall remain within the sole and exclusive jurisdiction of the Departments.
- b. This Agreement does not impair, restrict, suspend, or disqualify Hartford from engaging in any lawful business in any jurisdiction based upon, or arising out of, the Multi-State Examination regarding any alleged act or omission of Hartford.
- c. The Parties agree that this Agreement contains the entire agreement between them with regard to the Company's claims settlement practices, procedures and policy administration relating to the matching of Policyholders against the DMF or any similar database and that there are no other understandings or agreements, verbal or otherwise, between the Parties, except as set forth herein. There have been no representations not set forth herein that any Party has relied upon in entering into this Agreement.

- d. Neither this Agreement, nor any act performed or document executed pursuant to or in furtherance of this Agreement, is now or may be deemed in the future to be an admission of or evidence of liability or any wrongdoing by the Company.
- e. 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.
- f. Each Department agrees to release the Company from 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 Company's claims settlement practices as they relate to matching Policyholders against the DMF or any similar database. Nothing in this Agreement shall preclude the Lead Departments from conducting a Multi-State Examination to assess the Company's compliance with this Agreement. In addition to the payments set forth in Section 3, the cost of such an examination shall be borne by the Company in accordance with the Lead Departments' respective Insurance Law.
- g. If the jurisdiction of any Department adopts any Insurance Law addressing insurance companies' use of the Death Master File (or its equivalent) in connection with insurance companies' procedures concerning the payment of Proceeds to Beneficiaries, then Hartford's compliance with the terms of such Insurance Law of that jurisdiction after the Effective Date of this Agreement shall be deemed to comply with those terms of this Agreement (i) which relate solely to the use of the Death Master File, and (ii) for the purposes of compliance herewith for that jurisdiction alone.
- h. In the event that any portion of this Agreement is enjoined or held invalid under a 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.

- i. No later than five years following the Effective Date, the Lead Departments will complete the Multi-State Examination with a final review concerning the Company's compliance with the Agreement. If that review confirms that the Company has fulfilled its obligations under the Agreement, the Multi-State Examination will be closed. The Agreement will terminate eight years following the Effective Date (the "Termination Date"), contingent upon closure of the Multi-State Examination and the Company's submission of its prospective policies and procedures for DMF matching and beneficiary outreach, to be used after the Agreement ends. This submission shall be made to the Lead Departments of Insurance six calendar months prior to the Termination Date.
- j. 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, on the laws of any jurisdiction as applied to employment based plans.
- k. This Agreement may be executed in counterparts.
- l. The Company agrees that the Departments may adopt, agree to, and approve this Agreement through the issuance of an order, provided that it contains no provisions other than those set forth in this Agreement.

7. **Enforcement.** The failure to comply with any provision of this Agreement shall constitute a breach of the Agreement and a violation of an Order of each Department, and shall subject the Company to such administrative and enforcement actions and penalties as each Department deems appropriate, consistent with each Department's respective laws. The Company will not be in violation of the Agreement solely on the basis that the SSA denies the Company access to the DMF, on a temporary or permanent basis.

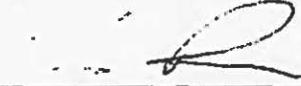
***/SIGNATURE PAGES IMMEDIATELY FOLLOW***



**HARTFORD COMPANIES**

**In Witnesses Whereof**, the parties to this Regulatory Settlement Agreement have each caused their signatures to be set forth below on the date first set forth below.

HARTFORD LIFE AND ACCIDENT INSURANCE COMPANY

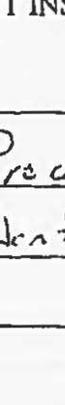
BY: 

PRINTED NAME: LISA Proch

TITLE: Vice President

DATED: 6-30-16

HARTFORD LIFE INSURANCE COMPANY

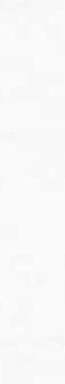
BY: 

PRINTED NAME: LISA Proch

TITLE: Vice President

DATED: 6-30-16

HARTFORD LIFE AND ANNUITY INSURANCE COMPANY

BY: 

PRINTED NAME: LISA Proch

TITLE: Vice President

DATED: 6-30-16

FLORIDA OFFICE OF  
INSURANCE REGULATION

BY: David Altmaier

DAVID ALTMAIER  
COMMISSIONER

DATE 6/30/16

CALIFORNIA DEPARTMENT  
OF INSURANCE

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

DAVE JONES  
COMMISSIONER

DATE \_\_\_\_\_

NEW HAMPSHIRE INSURANCE  
DEPARTMENT

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

ROGER A. SEVIGNY  
COMMISSIONER

DATE \_\_\_\_\_

NORTH DAKOTA INSURANCE  
DEPARTMENT

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

ADAM HAMM  
COMMISSIONER

DATE \_\_\_\_\_

PENNSYLVANIA INSURANCE  
DEPARTMENT

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

TERESA MILLER  
COMMISSIONER

DATE \_\_\_\_\_

CONNECTICUT INSURANCE  
DEPARTMENT

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

KATHARINE L. WADE  
COMMISSIONER

DATE: \_\_\_\_\_

FLORIDA OFFICE OF  
INSURANCE REGULATION

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

DAVID ALTMAIER  
COMMISSIONER

DATE \_\_\_\_\_

CALIFORNIA DEPARTMENT  
OF INSURANCE

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

DAVE JONES  
COMMISSIONER

DATE \_\_\_\_\_

NEW HAMPSHIRE INSURANCE  
DEPARTMENT

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

ROGER A. SEVIGNY  
COMMISSIONER

DATE \_\_\_\_\_

NORTH DAKOTA INSURANCE  
DEPARTMENT

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

ADAM HAMM  
COMMISSIONER

DATE June 30, 2016

PENNSYLVANIA INSURANCE  
DEPARTMENT

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

TERESA MILLER  
COMMISSIONER

DATE \_\_\_\_\_

CONNECTICUT INSURANCE  
DEPARTMENT

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

KATHARINE L. WADE  
COMMISSIONER

DATE: \_\_\_\_\_

FLORIDA OFFICE OF  
INSURANCE REGULATION

NORTH DAKOTA INSURANCE  
DEPARTMENT

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

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

DAVID ALTMAIER  
COMMISSIONER

ADAM HAMM  
COMMISSIONER

DATE \_\_\_\_\_

DATE \_\_\_\_\_

CALIFORNIA DEPARTMENT  
OF INSURANCE

PENNSYLVANIA INSURANCE  
DEPARTMENT

BY: *Dave Jones*

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

DAVE JONES  
COMMISSIONER

TERESA MILLER  
COMMISSIONER

DATE 7/11/2016

DATE \_\_\_\_\_

NEW HAMPSHIRE INSURANCE  
DEPARTMENT

CONNECTICUT INSURANCE  
DEPARTMENT

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

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

ROGER A. SEVIGNY  
COMMISSIONER

KATHARINE L. WADE  
COMMISSIONER

DATE \_\_\_\_\_

DATE: \_\_\_\_\_

FLORIDA OFFICE OF  
INSURANCE REGULATION

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

DAVID ALTMAIER  
COMMISSIONER

DATE \_\_\_\_\_

CALIFORNIA DEPARTMENT  
OF INSURANCE

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

DAVE JONES  
COMMISSIONER

DATE \_\_\_\_\_

NEW HAMPSHIRE INSURANCE  
DEPARTMENT

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

ROGER A. SEVIGNY  
COMMISSIONER

DATE \_\_\_\_\_

NORTH DAKOTA INSURANCE  
DEPARTMENT

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

ADAM HAMM  
COMMISSIONER

DATE \_\_\_\_\_

PENNSYLVANIA INSURANCE  
DEPARTMENT

BY: *Teresa Miller*

TERESA MILLER  
COMMISSIONER

DATE 6/30/16

CONNECTICUT INSURANCE  
DEPARTMENT

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

KATHARINE L. WADE  
COMMISSIONER

DATE: \_\_\_\_\_

FLORIDA OFFICE OF  
INSURANCE REGULATION

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

DAVID ALTMAIER  
COMMISSIONER

DATE \_\_\_\_\_

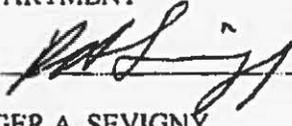
CALIFORNIA DEPARTMENT  
OF INSURANCE

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

DAVE JONES  
COMMISSIONER

DATE \_\_\_\_\_

NEW HAMPSHIRE INSURANCE  
DEPARTMENT

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

ROGER A. SEVIGNY  
COMMISSIONER

DATE June 30, 2016 \_\_\_\_\_

NORTH DAKOTA INSURANCE  
DEPARTMENT

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

ADAM HAMM  
COMMISSIONER

DATE \_\_\_\_\_

PENNSYLVANIA INSURANCE  
DEPARTMENT

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

TERESA MILLER  
COMMISSIONER

DATE \_\_\_\_\_

CONNECTICUT INSURANCE  
DEPARTMENT

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

KATHARINE L. WADE  
COMMISSIONER

DATE: \_\_\_\_\_

FLORIDA OFFICE OF  
INSURANCE REGULATION

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

DAVID ALTMAIER  
COMMISSIONER

DATE \_\_\_\_\_

CALIFORNIA DEPARTMENT  
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DAVE JONES  
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DATE \_\_\_\_\_

NEW HAMPSHIRE INSURANCE  
DEPARTMENT

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

ROGER A. SEVIGNY  
COMMISSIONER

DATE \_\_\_\_\_

NORTH DAKOTA INSURANCE  
DEPARTMENT

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

ADAM HAMM  
COMMISSIONER

DATE \_\_\_\_\_

PENNSYLVANIA INSURANCE  
DEPARTMENT

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

TERESA MILLER  
COMMISSIONER

DATE \_\_\_\_\_

CONNECTICUT INSURANCE  
DEPARTMENT

BY: Katharine L. Wade

KATHARINE L. WADE  
COMMISSIONER

DATE: 7-6-16

**SCHEDULE A**  
**RULES FOR IDENTIFYING DEATH MATCHES.**

In comparing Hartford Records against the DMF, the Company shall use the methodology below as the minimum standard for determining what constitutes a match. The Company shall use the same match rules for Annuity Contracts, Policies and Retained Asset Accounts.

**Category 1:** "Exact Social Security Number Match" occurs when the Social Security Number contained in the data found in the Company's records matches exactly to the Social Security Number contained in the DMF.

**Category 2:** "Non-Social Security Number Match" occurs in any of the following circumstances:

1. The Social Security Number contained in the data found in the Company's records matches in accordance with the Fuzzy Match Criteria listed below to the Social Security Number contained in the DMF, the First and Last Names match either exactly or in accordance with the Fuzzy Match Criteria listed below and the Date of Birth matches exactly.
2. The Company's records do not include a Social Security Number or where the Social Security Number is incomplete (less than 7 digits) or otherwise invalid (i.e. 1 1 1 1 1 1 1 1, 999999999, 123456789), and there is a First Name, Last Name, and Date of Birth combination in the data produced by the Company that is a match against the data contained in the DMF where the First and Last Names match either exactly or in accordance with the Fuzzy Match Criteria listed below and the Date of Birth matches exactly.
3. If there is more than one potentially matched individual returned as a result of the process described in paragraphs 1 and 2, immediately above, or if both the Social Security Number and Date of Birth found in the Company's Records match in accordance with the Fuzzy Match Criteria listed below, then the Company shall run

the Social Security Numbers obtained from the DMF for the potential matched individuals against Accurint for Insurance or an equivalent database. If a search of those databases shows that the Social Security Number is listed at the address in the Company's records for the insured, then a non-Social Security Number Match will be considered to have been made only for individuals with a matching address.

**Date of Birth "Exact Match"**

**For purposes of Category 2 above:**

1. If the Company's systems contain a partial "Date of Birth," then a "Date of Birth" exact match will be found to exist where the data that is available on the Company's systems does not conflict with the data contained in the DMF. By way of example, if the Company's systems only contain a month and year of birth, an exact "Date of Birth" match will exist if the DMF record contains the same month and year of birth.
2. If the Company's systems only contain a year of birth or contain a complete date of birth that includes a month and day of 1/1 (e.g., January 1) followed by a year of birth, the Date of Birth will be deemed to match exactly where the First and Last Name match exactly and where the year of birth in the data that is available on the Company's systems is within one (1) year of the year of birth listed in the DMF. By way of example, if the First and Last Name match exactly and the Company's systems contain 1/1/1934, an "exact" Date of Birth match will exist if the DMF record contains a year of birth of 1933, 1934 or 1935.

**Fuzzy Match Criteria:**

1. "First Name" fuzzy match includes one or more of the following:
  - a. "First Name" "Nick Names:" "JIM" and "JAMES." the Company shall use the pd Nickname database from Peacock Data, Inc. or an equivalent database, to identify matching First Names where a nickname is used on one or both sides of the match.

- b. "Initial" instead of full first name: "J FOX" and "JAMES FOX"
  - c. "Metaphone" (a recognized and accepted phonetic name matching algorithm created by Lawrence Philips and originally published in 1990): "BUDDY" and "BUDDIE."
  - d. Data entry mistakes with a maximum difference of one character with at least five characters in length: "HARRIETTA" and "HARRIETA"
  - e. If First Name is provided together with Last Name in a "Full Name" format and "First Name" and "Last Name" can't be reliably distinguished from one another: "ROBERT JOSEPH," \_ Both "JOSEPH ROBERT" and "ROBERT JOSEPH"
  - f. Use of interchanged "First Name" and "Middle Name:": "ALBERT E GILBERT" and "EARL A GILBERT"
  - g. Compound "First Name:": "SARAH JANE" and "SARAH," or "MARY ANN" and "MARY"
  - h. Use of "MRS." + "HUSBAND'S First Name + Last Name:": "MRS DAVID KOOPER" and "BERTHA KOOPER" where the "Date of Birth" and "Social Security Number" match exactly and the Last Name matches exactly or in accordance with the Fuzzy Match Criteria listed herein.
2. A "Last Name" fuzzy match includes one or more of the following:
- a. "Anglicized" forms of last names: "MACDONALD" and "MCDONALD."
  - b. Compound last name: "SMITH" and "SMITH-JONES"
  - c. Blank spaces in last name: "VON HAUSEN" and "VONHAUSEN"
  - d. "Metaphone" (a recognized and accepted phonetic name matching algorithm created by Lawrence Philips and originally published in 1990): "GONZALEZ" and "GONZALES."

- e. If First Name is provided together with Last Name in a "Full Name" format and "First Name" and "Last Name" cannot be reliably distinguished from one another: "ROBERT JOSEPH," Both "JOSEPH ROBERT" and "ROBERT. "
  - f. Use of apostrophe or other punctuation characters in "Last Name:" "O'NEAL" and "ONEAL"
  - g. Data entry mistakes with a maximum difference of one character for last name with at least eight characters in length: "MACHIABELLI" and "MACHIAVELI"
  - h. Last Name Cut-off: A match will be considered to have been made where due to the length of the Last Name, some of the last letters were not saved in the database. Examples include: "Brezzinnows" and "Brezzinnowski" and "Tohightower"and "Tohightowers."
  - i. Married Female "Last Name" Variations: A fuzzy "Last Name" match will be considered to have been made even though the data does not match on the Last Name of a female, if the "Date of Birth" and "Social Security Number" matches exactly and the First Name matches exactly or in accordance with the Fuzzy Match Criteria listed herein.
3. "Social Security Number" fuzzy match includes one of the following:
- a. Two Social Security Numbers with a maximum of two digits in difference, any number position: "123456789" and "123466781"
  - b. Two consecutive numbers are transposed: "123456789" and "123457689"
  - c. If a Social Security Number is less than nine digits in length (with a minimum of seven digits) and is entirely embedded within the other Social Security Number: "12345678" and "012345678."

#### **4. Match Validation**

In comparing Company's records of its insureds, annuitants, Annuity Contract owners and retained asset account owners against the DMF and any updates thereto, the governing principle to be followed shall be establishing whether or not a unique biological individual identified within the Company's data is the same as a unique biological individual identified on the DMF in a case where a benefit is due and payable. Notwithstanding the fact that a policy is listed as a match in accordance with the foregoing rules, there will not be a reportable match if the Company is able to produce competent evidence to establish that the unique biological individual identified in the Company's data is not the same as a unique biological individual identified on the DMF or such individual is not dead.

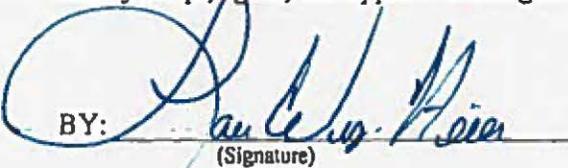
## **SCHEDULE B**

The Company's implementation of Business Reforms involving the frequency and use of, the matching methodology described in Schedule A, shall proceed in the following manner:

Within 12 months of the effective date of the Agreement, the Company shall fully implement the Business Reforms outlined in Section 2 as they relate to all annuity contracts, individual life insurance policies, and retained asset accounts. Within 18 months of the Effective Date of the Agreement, the Company shall fully implement all the Business Reforms outlined in Section 2 as they relate to Group Life Insurance Policies and group certificates issued thereunder.

**SCHEDULE C  
PARTICIPATING REGULATOR ADOPTION  
HARTFORD  
REGULATORY SETTLEMENT AGREEMENT**

On behalf of the State of Alaska, I, Lori Wing-Heier,  
(State) (Chief Insurance Regulator)  
hereby adopt, agree, and approve this Agreement.

BY:   
(Signature)

STATE: Alaska

TITLE: Director

DATE: August 9, 2016

Please provide the following information as to how your state's allocation of the Multi-State Examination Payment should be sent from Hartford.

CONTACT NAME: Chip Wagoner

MAILING ADDRESS: State of Alaska

Division of Insurance

PO Box 110805

Juneau, AK 99811-0805

PAYMENT MADE TO: State of Alaska

Please return this form to:

Karen Embry  
Florida Office of Insurance Regulation  
200 East Gaines Street  
Suite 647C  
Tallahassee, FL 32399-4206  
850.413.5002  
850.922.2543 (FAX)  
Karen.Embry@floir.com