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FILED
APR 17 2018
Department of Insurance
State of Idaho

BEFORE THE DIRECTOR OF THE DEPARTMENT OF INSURANCE

STATE OF IDAHO

In the Matter of:	Docket No. 18-3463-18
HCC LIFE INSURANCE COMPANY, NAIC No. 92711, Idaho Certificate of Authority No. 1455; HCC MEDICAL INSURANCE SERVICES, LLC, Idaho Nonresident Producer Agency License No. 150268; and HCC INSURANCE HOLDINGS, INC., NAIC No. 9849, unlicensed in Idaho.	**ORDER ADOPTING REGULATORY SETTLEMENT AGREEMENT**

On or about January 4, 2018, the Idaho Department of Insurance ("**Department**") received notice of a proposed regulatory settlement agreement involving HCC Life Insurance Company; HCC Medical Insurance Services, LLC; and HCC Insurance Holdings, Inc. (collectively, the "**Companies**"). The Director of the Department ("**Director**"), having reviewed the same, makes the following findings and conclusions:

1. The Director has jurisdiction in the state of Idaho over matters involving insurance regulation, pursuant to the Idaho Insurance Code, Idaho Code § 41-101 *et seq.*

2. HCC LIFE INSURANCE COMPANY ("**HCC Life**") is an Indiana-domiciled insurer holding Idaho Certificate of Authority No. 1455 and is authorized to transact insurance in the state of Idaho.

3. HCC MEDICAL INSURANCE SERVICES, LLC ("**HCC MIS**"), is an Indiana-domiciled entity holding Idaho Nonresident Producer Agency License No. 150268.

4. HCC INSURANCE HOLDINGS GROUP is the parent company of HCC Life and HCC MIS, and is not individually licensed in Idaho.

5. The insurance regulators for the states of Florida, Indiana, Kansas, and Utah (the "**Lead States**") undertook a multi-state market conduct examination of the HCC Life's writing, form filing, marketing, soliciting, and claims payment of short-term medical insurance products during the period March 23, 2010 through April 30, 2016.

6. HCC Life denies any wrongdoing or violations of law.

7. Based on a mutual desire to resolve the matters within the scope of the examination, the parties have entered into a Regulatory Settlement Agreement ("**Agreement**"), which is attached hereto as Exhibit 1.

8. The Director finds that the terms of the Agreement are appropriate and adoption of the Agreement is in the best interests of the state of Idaho.

9. The Director having signed the Subscribing State Adoption Form, attached hereto as Exhibit 2, on January 23, 2018, and the Agreement having become effective on April 2, 2018, based on its adoption by a requisite number of jurisdictions, the Director now wishes to memorialize the Agreement by entry of this order.

NOW, THEREFORE, in consideration of the premises,

IT IS HEREBY ORDERED that the Agreement is hereby approved, adopted, and fully incorporated herein by reference. The Companies shall comply with all terms and conditions of the Agreement in accordance with its provisions.

DATED this 16 day of April, 2018.

STATE OF IDAHO
DEPARTMENT OF INSURANCE

DEAN L. CAMERON
Director

NOTIFICATION OF RIGHTS

This Order constitutes a final order of the Director. Any party may file a motion for reconsideration of this final order within fourteen (14) days of the service date of this order. The Director will dispose of the petition for reconsideration within twenty-one (21) days of its receipt, or the petition will be considered denied by operation of law. *See*, Idaho Code § 67-5246(4).

Pursuant to Idaho Code §§ 67-5270 and 67-5272, any party aggrieved by this final order may appeal it by filing a petition for judicial review in the district court of the county in which: (1) the hearing was held; or (2) the final agency action was taken; or (3) the aggrieved party resides or operates its principal place of business in Idaho; or (4) the real property or personal property that was the subject of the agency decision is located. An appeal must be filed within twenty-eight (28) days of: (a) the service date of this final order; or (b) an order denying a petition for reconsideration; or (c) the failure within twenty-one (21) days to grant or deny a petition for reconsideration, whichever is later. *See*, Idaho Code § 67-5273. The filing of a petition for judicial review does not itself stay the effectiveness or enforcement of the order under appeal.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 17th day of April, 2018, I caused a true and correct copy of the foregoing ORDER ADOPTING REGULATORY SETTLEMENT AGREEMENT to be served upon the following by the designated means:

HCC Life Insurance Company 225 Townpark Drive, Suite 350 Kennesaw, GA 30144	☒ first class mail ☐ certified mail ☐ hand delivery ☐ via facsimile
HCC Medical Insurance Services, LLC 251 N. Illinois Street, Ste. 600 Indianapolis, IN 46204-1939	☒ first class mail ☐ certified mail ☐ hand delivery ☐ via facsimile
HCC Insurance Holdings Group 13403 Northwest Freeway Houston, TX 77040-6094	☒ first class mail ☐ certified mail ☐ hand delivery ☐ via facsimile
Florida Office of Insurance Regulation David Altmaier, Commissioner J. Edwin Larson Building 200 East Gaines Street, Rm. 101A Tallahassee, FL 32399-0305	☒ first class mail ☐ certified mail ☐ hand delivery ☐ via facsimile
Indiana Department of Insurance Stephen W. Robertson, Commissioner 311 W. Washington Street, Suite 103 Indianapolis, IN 46204-2787	☒ first class mail ☐ certified mail ☐ hand delivery ☐ via facsimile
Kansas Insurance Department Ken Selzer, Commissioner 420 SW 9th Street Topeka, KS 66612-1678	☒ first class mail ☐ certified mail ☐ hand delivery ☐ via facsimile

Utah Insurance Department Todd E. Kiser, Commissioner 3110 State Office Building Salt Lake City, UT 84114	☒ first class mail ☐ certified mail ☐ hand delivery ☐ via facsimile
Judy L. Geier Deputy Attorney General Idaho Department of Insurance 700 W. State Street, 3rd Floor P.O. Box 83720 Boise, ID 83720-0043 judy.geier@doi.idaho.gov	☐ first class mail ☐ certified mail ☐ hand delivery ☐ via facsimile ☒ via email

Pamela Murray

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 collections[1] 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: _____

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: 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: _____

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: 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

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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 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: Dean L. Cameron

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
111 Monument Circle, Suite 2700
Indianapolis, Indiana 46204
Phone: 317.684.5199
Fax: 317.223.0199
Email: cwalker@boselaw.com

EXHIBIT
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