FILED
SEP 17 2020
Department of Insurance
State of Idaho

BEFORE THE DIRECTOR OF THE DEPARTMENT OF INSURANCE

STATE OF IDAHO

In the Matter of:	Docket No. 18-3813-20
INDEPENDENCE AMERICAN INSURANCE COMPANY NAIC No. 26581 Idaho Certificate of Authority No. 3314	**ORDER ADOPTING REGULATORY SETTLEMENT AGREEMENT**

On or about July 22, 2020, the Idaho Department of Insurance ("**Department**") received notice of a proposed regulatory settlement agreement involving Independence American Insurance Company ("**Independence American**"). 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. Independence American is a Delaware-domiciled insurer and is authorized to transact insurance in the state of Idaho, pursuant to Idaho Certificate of Authority No. 3314.

3. The insurance regulators for the District of Columbia and the states of Delaware, Kansas, South Dakota, and Wisconsin (the "**Lead States**") undertook a multi-state targeted market conduct examination of Independence American's activities relating to short-term medical, limited medical, and fixed indemnity insurance products with regard to certain areas of operation, for the

period from January 1, 2014, through September 30, 2017. The Lead States' examination identified a number of exceptions and concerns.

4. Independence American denies any wrongdoing or violations of law.

5. Based on a mutual desire to resolve the examination and any claims the Lead States have asserted or may assert with respect to the above-described examination of Independence American, the parties have entered into a Regulatory Settlement Agreement ("**Agreement**"), which is attached hereto as Exhibit 1.

6. 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.

7. The Director having signed the Subscribing Jurisdiction Adoption Form, attached hereto as Exhibit 2, on August 14, 2020, and the Agreement having become effective on September 4, 2020, 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. Independence American shall comply with all terms and conditions of the Agreement in accordance with its provisions.

DATED this 16th day of September, 2020.

STATE OF IDAHO
DEPARTMENT OF INSURANCE

DEAN L. CAMERON
Director

NOTIFICATION OF RIGHTS

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

Any such motion for reconsideration shall be served on the Director of the Idaho Department of Insurance, addressed as follows:

Dean L. Cameron, Director
Idaho Department of Insurance
700 W. State Street, 3rd Floor
P.O. Box 83720
Boise, ID 83720-0043

Pursuant to Idaho Code §§ 67-5270 and 67-5272, any party aggrieved by this final order or orders previously issued in this case may file a petition for judicial review in the district court of the county in which:

i. A hearing was held;

ii. The final agency action was taken;

iii. The party seeking review of the order resides, or operates its principal place of business in Idaho; or

iv. The real property or personal property that was the subject of the agency action is located.

A petition for judicial review must be filed within twenty-eight (28) days of: (a) the service date of this final order, (b) the service of an order denying motion for reconsideration, or (c) the failure within twenty-one (21) days to grant or deny a motion 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. Idaho Code § 67-5274.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 17th day of September, 2020, 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:

Independence American Insurance Company 485 Madison Avenue, 14th Floor New York, NY 10022-5872	☒ first class mail ☐ certified mail ☐ hand delivery
District of Columbia Department of Insurance, Securities & Banking Karima Woods, Commissioner 1050 First Street NE, Suite 801 Washington DC 20002	☒ first class mail ☐ certified mail ☐ hand delivery
Delaware Department of Insurance Trinidad Navarro, Commissioner 1351 West North Street, Suite 101 Dover, DE 19904	☒ first class mail ☐ certified mail ☐ hand delivery
Kansas Insurance Department Vicki Schmidt, Commissioner 1300 SW Arrowhead Road Topeka, KS 66604	☒ first class mail ☐ certified mail ☐ hand delivery
Wisconsin Office of the Commissioner of Insurance Mark Afable, Commissioner P.O. Box 7873 Madison, WI 53707-7873	☒ first class mail ☐ certified mail ☐ hand delivery
South Dakota Department of Labor and Regulation Division of Insurance Larry D. Deiter, Director 124 S. Euclid Avenue, 2nd Floor Pierre, SD 57501	☒ first class mail ☐ certified mail ☐ hand delivery

Edith L. Pacillo
Deputy Attorney General
Idaho Department of Insurance
700 W. State Street, 3rd Floor
P.O. Box 83720
Boise, ID 83720-0043
edith.pacillo@doi.idaho.gov

☐ first class mail
☐ certified mail
☐ hand delivery
☒ email

Pamela Murray

DocuSign Envelope ID: 28E9F8DB-2FA0-4AA3-B73F-1B9EF0E2B7F3

REGULATORY SETTLEMENT AGREEMENT

This Regulatory Settlement Agreement (the "Agreement") is entered into this_____day of June, 2020 by and among (i) INDEPENDENCE AMERICAN INSURANCE COMPANY ("**the Company**"); (ii) the District of Columbia, Department of Insurance, Securities and Banking ("**DISB**"); (iii) the Delaware Department of Insurance ("**DE**") (DISB & DE are collectively referred to herein as the "**Managing Lead States**"); (iv) the Kansas Insurance Department ("**KS**"); (v) the Wisconsin Office of the Commissioner of Insurance ("**WI**"); (vi) the South Dakota Department of Labor and Regulation, Division of Insurance ("**SD**") (and collectively with the Managing Lead States, KS, SD and WI referred to herein as the "**Lead States**"); and (vii) the insurance related regulatory bodies of such other jurisdictions choosing to adopt, agree to and approve this Agreement pursuant to the terms hereof ("**the Participating States**", the Lead States and the Participating States collectively referred to herein as the "**Settling Jurisdictions**"). The Settling Jurisdictions and the Company are each referred to herein as a "**Party/Parties**".

RECITALS

WHEREAS, the Managing Lead States issued an examination warrant dated September 12, 2017 under Authority number 26581-17-729 (the "**Warrant**") calling for a multistate targeted market conduct examination of Independence American Insurance Company and the examination focused on the Company's short-term medical, limited medical and fixed indemnity business (collectively referred to as "**Limited Medical Business**") in the following areas of operation: Company Operations and Management; Complaints, Appeals and Grievances Handling; Marketing and Sales; Producer Licensing and Terminations; and Claims Handling ("**Examination Scope**"). The examination period was January 1, 2014 through September 30, 2017 ("**Examination Period**") (The multistate market conduct examination as called by the Warrant with respect to the Examination Scope and the Examination Period shall be referred to as the "**Examination**").

WHEREAS, there are presently forty-one (41) jurisdictions participating in the Examination, including five (5) Lead States and thirty-six (36) Participating States, a list of which may be found on **Exhibit A**, attached hereto and by reference incorporated herein;

WHEREAS, through the Company's network of call centers, independent agents and direct to consumer websites, the Company sold or contracted for the sale of Limited Medical Business to consumers in the Settling Jurisdictions;

WHEREAS, the EIC (defined below) has presented to the Company and to the Lead States preliminary findings and concerns based on information gathered to date;

WHEREAS, based upon communication with the Lead States and the Company, the Company agrees not to contest the findings of the examination report as approved by the Lead States, to the conditions of this Agreement and the resolution of those matters within the Examination Scope during the Examination Period.

EXHIBIT
1
exhibitsticker.com

WHEREAS, the Company has cooperated with the EIC in the course of the Examination by making its books and records available for examination, responding to questions from and meeting on multiple occasions with the EIC, and making its personnel available to assist the EIC in its conduct of the Examination as requested by the EIC;

WHEREAS, the Company represents to the Settling Jurisdictions that at all times relevant to this Agreement, the Company and its officers, directors, employees, agents and representatives acted in good faith; and have fully, completely, and truthfully responded to all questions, interrogatories, and requests of the EIC and the Lead States;

WHEREAS, in view of the foregoing facts and circumstances, the complicated 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 Parties have agreed to resolve all issues relating to the Examination and the regulatory issues through this Agreement;

WHEREAS, the Parties execute this Agreement knowingly and voluntarily, and the Parties acknowledge that this Agreement is in the public interest; and

WHEREAS, the Company denies any wrongdoing or violation of any applicable 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 the Company of any wrongdoing or liability whatsoever;

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 Agreement.

2. Definitions. The terms listed below shall have either the meaning given in this section or the definition given elsewhere in this Agreement:

   a. **Affiliate** shall mean a person or entity that directly, or indirectly, through one or more intermediaries, controls or is controlled by, or is under common control with, the person or entity specified.

   b. **Agreement** shall have the meaning set forth in the first paragraph of page1.

   c. **Association** shall mean an association formed and maintained in good faith for purposes other than obtaining insurance meeting the requirements of applicable Insurance Law.

   d. **Company** shall have the meaning set forth in the first paragraph of page1.

e. **Company Related Parties** shall mean the Affiliates, parents, subsidiaries and assigns of each of the entities within the definition of the Company including, without limitation, Standard Security Life Insurance Company of New York and Madison National Life Insurance Company, Inc.

f. **Conditional Effective Date** shall be the date on which this Agreement has been signed by the Company and adopted by each of the five (5) LeadStates.

g. **DE** shall have the meaning set forth in the first paragraph of page1.

h. **DE Director** shall mean the Director of Market Conduct and Consumer Services Division of the Delaware Department ofInsurance.

i. **DISB** shall have the meaning set forth in the first paragraph of page1.

j. **EIC** shall mean the Examiner-in-Charge, Frank Kyazze, Delaware Department of Insurance.

k. **Examination Monitoring Cost** shall have the meaning set forth in Section5.d.

l. **Examination** shall have the meaning set forth in the first Recital on page1.

m. **Examination Period** shall have the meaning set forth in the first Recital on page 1.

n. **Examination Scope** shall have the meaning set forth in the first Recital on page1.

o. **Final Effective Date** shall have the meaning set forth in Section 8.b.

p. **Insurance Laws** shall mean the insurance statutes, rules, regulations and case law in effect in each Settling Jurisdiction, together with any other statutes, rules, regulations and case law relating to or otherwise affecting the sale, marketing, provision, servicing of the Limited Medical Business and other services or benefits provided to consumers by or through, directly or indirectly, Company or Company Related Parties. For purposes of illustration only and not limitation, Insurance Laws shall include unfair trade practice laws, and prompt payment of insurance claims laws. For purposes of this Agreement, the term shall also include bulletins, notices and official interpretations of law in effect in a Settling Jurisdiction unless reliance on such bulletins, notices or official interpretations is prohibited by a Settling Jurisdiction's laws.

q. **KS** shall have the meaning set forth in the first paragraph of page1.

r. **Lead States** shall have the meaning set forth in the first paragraph of page1.

s. **Limited Medical Business** shall have the meaning set forth in the first Recital on page 1.

t. **Managing Lead States** shall have the meaning set forth in the first paragraph of page 1.

u. **Monitoring** shall have the meaning set forth in Section 5.e.

v. **Monitoring Period** shall be a period of the 12 calendar months following the Final Effective Date, with the option of expanding an additional 12 months dependent on Company compliance with this Agreement.

w. **Multistate Payment** shall have the meaning set forth in Section 4.a.

x. **Participating States** shall have the meaning set forth in the first paragraph of page 1.

y. **Party/Parties** shall have the meaning set forth in the first paragraph of page 1.

aa. **Response Letter** shall have the meaning set forth in Section 3.b.i.

bb. **SD** shall have the meaning set forth in the first paragraph of page 1.

cc. **Settling Jurisdictions** shall have the meaning set forth in the first paragraph of page 1.

dd. **Subscribing Jurisdiction Adoption Form** shall be that instrument attached hereto as Exhibit B.

ee. **TPA** shall mean Third-Party Administrators.

ff. **Target Completion Date** shall have the meaning set forth in Section 3.b.i.

gg. **Warrant** shall have the meaning set forth in the first Recital on page 1.

hh. **WI** shall have the meaning set forth in the first paragraph of page 1.

3. Specific Business Practices and Reforms.

a. *Third Party Administrator (TPA) Application.* As of the Final Effective Date and during the Monitoring Period, with respect to its Limited Medical Business:

i. Company shall ensure that all TPAs doing business with the Company are duly licensed in all applicable jurisdictions.

ii. Company shall undertake commercial best efforts to do business only with TPAs that maintain all required TPA licenses in good standing at all times relevant to the Company's business practices in accordance with the applicable licensing jurisdiction's Insurance Laws;

iii. Company shall submit for review to the DE Director all new TPA agreements or contracts for approval prior to full execution of said agreements;

iv. Company shall ensure that each Association with which it does business provides proof that it holds a valid Certificate of Authority in the jurisdictions where it performs business;

v. Company shall ensure that it obtains necessary regulatory approval for all plans of its Limited Medical Business offered in accordance with each Settling Jurisdiction's Insurance Laws; and

vi. The Company will be allowed to continue to use its current filings in the District of Columbia so as not to disrupt their existing customers so as long as the Company executes its business transition plan outlined under **vii**.

vii. The Company will cease selling any policy including Hospital Indemnity policy (HIP) issued to an association in the District of Columbia by March 31, 2021 or upon approval and implementation of its new policies, including the Hospital Indemnity policy filed in 44 states whichever is sooner. Current certificate holders will continue to maintain coverage under policies issued to the association in the District of Columbia until they either cancel or cease paying premium.

b. *Compliance Plan.*

i. In a response letter dated February 8, 2019 (the "**Response Letter**") the Company provided a list of changes and improvements to its systems, practices and procedures that will be implemented by the Company according to the various scheduled dates as noted in the Response Letter. The status of the various projects was updated through a letter by the Company dated January 24, 2020. As per the updated Company schedule, the majority of the requested improvements were materially complete by March 31, 2020 (the "**Target Completion Date**"). The lead states accept that five specific issues noted in the January 24th letter will be completed by December 31, 2020 except for the requirements as noted in sections 3(a)(vi) and (vii) noted above

ii. During the Monitoring Period, the Company shall submit all new TPA agreements relating to Limited Medical Business to the DE Director for review and approval prior to final implementation. Such TPA agreements shall be deemed approved unless the Company receives comments from the DE Director within forty-five (45) calendar days of submission;

iii. During the Monitoring Period, the Company shall submit a listing of all newly developed advertising materials relating to Limited Medical Business to the DE Director. From that listing a sample will be selected for review. This process will occur every six months during the Monitoring Period; and

iv. Twelve months from the Conditional Effective Date, the Managing Lead States will conduct a targeted examination relating to Limited Medical

Business on the Company with the intention of ensuring all system and procedure changes designed to address the concerns and exceptions noted in this examination report have been fully implemented.

4. Multistate Payment.

a. The Company shall pay a total of Six Hundred and Fourteen Thousand and Five Hundred and no/100 Dollars ($614,500) to the Settling Jurisdictions for compliance with the Examination (the "**Multistate Payment**"). The Multistate Payment shall be allocated among the Settling Jurisdictions that sign the Subscribing Jurisdiction Adoption Form;

b. Except as otherwise specifically provided in this Agreement, and except for the ongoing costs of the Examination, and provided Company's full and complete compliance with this Agreement, the Multistate Payment shall be the sole amount charged, assessed or collected by the Settling Jurisdictions with respect to this Examination Scope during the Examination Period. However, should the Company fail to materially comply with any part of this Agreement, an additional charge of Five Hundred Thousand and no/100 Dollars ($500,000) may be assessed. This will be determined at the conclusion of the Monitoring Period noted in the Regulatory Oversight section below after discussion with the Company;

c. Within ten (10) business days of the Final Effective Date, the DE Director shall provide the Company a document reflecting how the Multistate Payment shall be allocated among the Settling Jurisdictions, along with necessary payment information provided by the Settling Jurisdictions; and

d. The Company acknowledges the validity and legitimacy of the Multistate Payment and shall pay the Multistate Payment in accordance with the DE Director's instructions within thirty (30) calendar days of the Final Effective Date. Once paid by the Company, the Multistate Payment is final and non-recoverable under any circumstances, including without limitation, termination of this Agreement.

5. Regulatory Oversight. The Lead States shall maintain regulatory authority and oversight over the Company's compliance with the terms of this Agreement. With respect to such continuing oversight, the Company agrees as follows:

a. During the Monitoring Period, the Company shall provide to the DE Director a report detailing the Company's compliance with and/or to its obligations under Subsection b. of Section 3 of this Agreement. This report is due six (6) months and twelve (12) months from the Final Effective Date. The logistics of the submission of such data will be resolved between the Company and the DE Director;

b. During the Monitoring Period, the Managing Lead States shall review and monitor the Company's developed advertisements and any new TPA agreements relating to Limited Medical Business as submitted by the Company as detailed in Subsection

of Section 3. The logistics of the submission of such data will be resolved between the Company and the DE Director;

c. At the completion of the Monitoring Period, the Managing Lead States will conduct a targeted examination relating to Limited Medical Business in accordance with the NAIC Market Regulation Handbook to determine full, complete and satisfactory completion of all terms of this Agreement; upon completion, the Managing Lead States shall provide a report summarizing the results of the findings to the Parties;

d. In addition to any payments otherwise provided in this Agreement, the costs of the Settling Jurisdictions related to the compliance with this Agreement, including without limitation this Section 5, and including without limitation the costs and expenses of conducting any future audits, reviews, or examinations permitted herein, the costs of participating in any meetings, presentations, or discussions with the Company, the Company's Related Parties, the Lead States and/or the Settling Jurisdictions and other necessary parties, together with the costs and expenses of any third-party examiners(s) (collectively, the "**Examination Monitoring Cost**") shall be the full and sole responsibility of the Company as costs of the Examination; and

e. The ongoing monitoring during the Monitoring Period as provided by this Agreement (the "**Monitoring**)" constitutes an ongoing examination by each of the Settling Jurisdictions pursuant to each of their respective jurisdiction's Insurance Laws; to the extent permitted by each Settling Jurisdiction's laws, all audit reports, statistical reports, work papers, documents and any other information produced, obtained or disclosed in connection with the Examination and any follow-up examination or Monitoring contemplated under this Agreement, regardless of the manner of production or disclosure, shall be treated as confidential and privileged. Nothing in this Agreement is intended to, nor shall it, preclude Settling Jurisdiction(s) from sharing records and other information relating to the Examination, or this Agreement, or disclosing the results of compliance with the Agreement to other governmental or law enforcement entities.

6. Release. Subject to the Company's full and complete performance of and compliance with the terms and conditions of this Agreement, each Settling Jurisdiction hereby releases the Company from any and all claims, demands, interest, penalties, actions, or causes of action that each Settling Jurisdiction may have or could have alleged against the Company by reason of any matter, cause or thing whatsoever, regarding or relating to those matters within the Examination Scope within the Examination Period; provided, however, that nothing herein shall preclude the Lead States from conducting subsequent examinations, audits and reviews to assess the Company's compliance with this Agreement; and provided further that this Release shall not limit in any way a Settling Jurisdiction's right to conduct subsequent examinations or other regulatory review of any entities or persons other than the Company.

7. Default.

a. Company's failure to substantially comply with any provisions of this Agreement shall be deemed a breach by the Lead States, together with any determination by a Lead State that the Company has made a misrepresentation in this Agreement or in the conduct of the Examination, shall constitute a breach of this Agreement, a violation of an order of the Settling Jurisdictions, and a violation of the Company's agreement with the Settling Jurisdictions and shall subject the Company to such administrative and enforcement actions and penalties as each Settling Jurisdiction deems appropriate, consistent with each Settling Jurisdiction's respective Insurance Laws;

b. If a Settling Jurisdiction believes that the Company has breached a provision of this Agreement or that the Company has made a misrepresentation in this Agreement or during the conduct of the Examination, such Settling Jurisdiction shall provide written notice of the alleged breach to the Company and the Managing Lead States that the breach has occurred. The Company shall have the opportunity, within twenty-one (21) calendar days of receipt of such notice to present evidence in writing and through appearance before the complaining jurisdiction's regulator in an attempt to rebut the allegations(s) or to seek an extension and to present a proposed action plan to address the alleged breach. A Settling Jurisdiction shall not pursue any enforcement action as set forth in this Section 7.a. against the Company until the twenty-one (21) calendar day response period described above has expired. If the Lead States accept the Company's method and/or action plan to correct the identified deficiencies, the Lead States will define the time by which the Company must fulfill its corrective obligations. At its discretion, the Lead States may reject in writing the Company's proposed action plan and proceed with the original administrative and enforcement actions and penalties as each Settling Jurisdiction deems appropriate.

c. 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 expressly provided 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; and

8. Effectiveness.

a. The DE Director shall arrange to deliver this Agreement within seven (7) calendar days following the Conditional Effective Date to the Settling Jurisdictions. The Settling Jurisdictions may adopt, agree to, or approve the Agreement by means of the Subscribing Jurisdiction Adoption Form attached as **Exhibit B** and by reference herein incorporated;

b. This Agreement shall be finally effective on the date the DE Director provides the Company with a copy of this Agreement adopted, agreed to, and approved by 30 jurisdictions included in the Settling Jurisdictions (the **Final Effective Date**).

c. The Lead States and the Company may agree in writing to extend the initial Final Effective Date and each extended Final Effective Date thereafter in writing, in which case the DE Director shall notify the Participating States who may then choose whether to participate hereunder on or before the extended Final Effective Date; and

d. If the Final Effective Date does not occur by the initial Final Effective Date, as may be extended pursuant to the terms of this Agreement, this Agreement shall be deemed null and void and of no further force or effect.

9. 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 including during the Examination, nor any actions taken or documents executed in connection with this Agreement or the Examination, is now or may be deemed in the future to be an admission or evidence of any liability or wrongdoing by the Company or any of its current or former Company Related Parties and their respective officers, directors, employees, agents or representatives with respect to the subject matter of the Examination or Examination Scope.

b. *Third Party Reliance.* This Agreement is an agreement solely among the named Parties, and no other person or entity shall be deemed to obtain or possess any enforceable rights against the Company as a third-party beneficiary or otherwise as a result of this Agreement. 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 this Agreement be admissible in any private suit. 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 Jurisdictions. Nothing contained herein shall affect any rights that the Company or any Company Related Party might have against third parties.

c. *Exhibits.* The following exhibits are attached hereto and incorporated herein:

i. *Exhibit A* – Settling Jurisdictions

ii. *Exhibit B* – Subscribing Jurisdiction Adoption Form

d. *Time of the Essence.* The Parties hereby agree that time shall be of the essence with respect to the performance of this Agreement.

e. *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 by applicable law.

f. *Settling Jurisdiction Authority.* Each person signing on behalf of each of the Settling Jurisdiction gives his or her express assurance that under applicable laws, regulations, and judicial rulings, he or she has authority to enter into this Agreement.

g. *Company Authority.* The Company 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 Agreement, enters into it knowingly and voluntarily, and has been advised by its legal counsel as to the legal effect of this Agreement.

h. *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 Delaware without regard or reference to choice or conflict of law rules. The Parties consent to the exclusive jurisdiction of the United States District Court for the State of Delaware or the State of Delaware Superior Court for the purposes of interpreting and enforcing this Agreement. Nothing in this Subsection g. of this Section 9 however, shall limit the rights of a Settling Jurisdiction to pursue administrative and enforcement actions and penalties consistent with such Settling Jurisdiction's laws, rules and regulations as provided in Section 7 of this Agreement.

i. *Subsequent Law.* If a Settling Jurisdiction adopts an Insurance Law relating to or conflicting with any provision of this Agreement, then application of such provision of this Agreement shall be superseded by such Insurance Law as it applies in that Settling Jurisdiction, and all other unaffected terms and conditions of the Agreement shall remain in full force and effect.

j. *Joint Preparation.* This Agreement, exclusive of any statements or findings, preliminary or otherwise, of the DE Director, 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 Settling 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 Settling Jurisdiction 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 *Full and Final Agreement.* This Agreement, including any exhibits hereto, constitutes the entire understanding between the Company and the Settling Jurisdictions with respect to the subject matter contained herein and supersedes any and all prior or existing understandings, agreements, plans, and negotiations, whether written or oral, between the Company and any Settling Jurisdiction. 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 PAGES]

DocuSign Envelope ID: 28E9F8DB-2FA0-4AA3-B73F-1B9EF0E2B7F3

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.

INDEPENDENCE AMERICAN INSURANCE COMPANY

DocuSigned by:
BY: David T. Kettig
63F209642B774F2...

Name: David T. Kettig

Title: President

Date: 6/25/2020

DISTRICT OF COLUMBIA DEPARTMENT OF INSURANCE, SECURITIES, AND BANKING

BY: Karima Woods Digitally signed by Karima Woods Date: 2020.07.09 16:06:35 -04'00'

THE HONORABLE KARIMA WOODS
ACTING COMMISSIONER OF THE DEPARTMENT OF INSURANCE, SECURITIES AND BANKING

DATE: _____

DELAWARE DEPARTMENT OF INSURANCE

BY: _____

THE HONORABLE TRINIDAD NAVARRO
COMMISSIONER OF INSURANCE

DATE: _____

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.

INDEPENDENCE AMERICAN INSURANCE COMPANY

DocuSigned by:

BY: David T. Kettig
63F609642B774F2...

Name: David T. Kettig

Title: President

Date: 6/25/2020

DISTRICT OF COLUMBIA DEPARTMENT OF INSURANCE, SECURITIES, AND BANKING

BY: _____

THE HONORABLE KARIMA WOODS
ACTING COMMISSIONER OF THE DEPARTMENT OF INSURANCE, SECURITIES AND BANKING

DATE: _____

DELAWARE DEPARTMENT OF INSURANCE

BY: Trinidad J. Navarro

THE HONORABLE TRINIDAD NAVARRO
COMMISSIONER OF INSURANCE

DATE: 7/2/20

KANSAS INSURANCE DEPARTMENT

BY: Vicki Schmidt

THE HONORABLE VICKI SCHMIDT
COMMISSIONER OF INSURANCE

DATE: July 1, 2020

Kansas Insurance Department
Legal Division / Approved by:
Date: 7/1/2020

SOUTH DAKOTA DIVISION OF INSURANCE

BY: _____

THE HONORABLE LARRY DEITER
DIRECTOR OF INSURANCE

DATE: _____

WISCONSIN OFFICE OF THE COMMISSIONER OF INSURANCE

BY: _____

THE HONORABLE MARK V. AFABLE
COMMISSIONER OF INSURANCE

DATE: _____

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KANSAS INSURANCE DEPARTMENT

BY: _____

THE HONORABLE VICKI SCHMIDT
COMMISSIONER OF INSURANCE

DATE: _____

SOUTH DAKOTA DIVISION OF INSURANCE

BY: _____

THE HONORABLE LARRY DEITER
DIRECTOR OF INSURANCE

DATE: 7/7/20

WISCONSIN OFFICE OF THE COMMISSIONER OF INSURANCE

BY: _____

THE HONORABLE MARK V. AFABLE
COMMISSIONER OF INSURANCE

DATE: _____

DocuSign Envelope ID: 28E9F8DB-2FA0-4AA3-B73F-1B9EF0E2B7F3

KANSAS INSURANCE DEPARTMENT

BY: _____

THE HONORABLE VICKI SCHMIDT
COMMISSIONER OF INSURANCE

DATE: _____

SOUTH DAKOTA DIVISION OF INSURANCE

BY: _____

THE HONORABLE LARRY DEITER
DIRECTOR OF INSURANCE

DATE: _____

WISCONSIN OFFICE OF THE COMMISSIONER OF INSURANCE

BY: Mark V Afable

THE HONORABLE MARK V. AFABLE
COMMISSIONER OF INSURANCE

DATE: _____

EXHIBIT A

Settling Jurisdictions

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

* Lead State
** Managing Lead State

EXHIBIT B

Multistate Targeted Market Conduct Examination
Of
Independence American Insurance Company
Regulatory Settlement Agreement

SUBSCRIBING JURISDICTION ADOPTION FORM

On behalf of Idaho Department of Insurance. I Dean L. Cameron, Director, have received, reviewed and do hereby adopt, agree to and approve the Regulatory Settlement Agreement executed by the IHC Group, and the Managing Lead States of Delaware and the District of Columbia and the three lead states of Kansas, South Dakota, and Wisconsin on the 25th day of June 2020.

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

By: _____

Printed: *Dean L. Cameron*

Title: *Director*

Date: 8/14/20

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

CONTACT NAME: October Nickel (October.nickel@doi.idaho.gov)

MAILING ADDRESS: 700 W. State Street Boise Idaho 83720

PAYMENT MADE TO: Idaho Department of Insurance

If applicable, please provide wiring instructions separately.

Upon completion, please return this form to:
Sharon Shipp, Deputy Commissioner of Market Compliance
District of Columbia, Department of Insurance, Securities and Banking
1050 First Street, NE, Washington, DC 20002
Email: Sharon.Shipp@dc.gov
Ph: (202) 442-7810 Fax: (202) 442-8472

EXHIBIT
2
exhibitsticker.com