STATE OF OHIO
DEPARTMENT OF INSURANCE

IN THE MATTER OF:	:	MARY TAYLOR
	:	LT. GOVERNOR/DIRECTOR
TARGETED MARKET CONDUCT EXAMINATION	:	
OF NEW YORK LIFE INSURANCE	:	
COMPANY, NEW YORK LIFE INSURANCE	:	
AND ANNUITY CORPORATION AND NYLIFE	:	ORDER ADOPTING REGULATORY
INSURANCE COMPANY OF ARIZONA	:	SETTLEMENT AGREEMENT

WHEREAS, the Ohio Department of Insurance has regulatory jurisdiction over the business of insurance transacted in this state, including the authority to conduct market conduct examinations pursuant to § 3901.011 of the Revised Code;

WHEREAS, the Departments of Insurance of California, Florida, Illinois, New Hampshire, North Dakota and Pennsylvania are the Lead States (the "Lead States") in the multistate targeted market conduct examination of New York Life Insurance Company, New York Life Insurance and Annuity Corporation and NYLife Insurance Company of Arizona (collectively, the "Company") called on May 11, 2011 (the "Multi-State Examination");

WHEREAS, the Multi-State Examination assessed the Company's settlement practices, procedures and policy administration relating to claims, and the use of the Social Security Death Master File or similar database or service ("DMF"), including the Company's efforts to identify the owners and beneficiaries of unclaimed proceeds;

WHEREAS, the Lead States identified concerns regarding the adequacy of the Company's policies and procedures to ensure that life insurance policies, annuities and retained asset accounts are timely paid to beneficiaries and are timely reported and remitted in accordance with applicable state unclaimed property laws and insurance laws; and

WHEREAS, the Company, the Lead States and the insurance departments executing a participating state adoption form (collectively, "Departments") have entered into a regulatory settlement agreement ("RSA") to resolve differences between the Company and the Departments as to the interpretation and enforcement of the Departments' insurance laws and all claims that the Departments have asserted or may assert with respect to the Company's claim settlement practices related to the use of the DMF.

NOW, THEREFORE, IT IS HEREBY ORDERED that the RSA is approved and adopted.

IT IS HEREBY FURTHER ORDERED that the Company shall initiate compliance with all terms and conditions of the RSA and follow all recommendations set forth in the RSA immediately upon the Effective Date of RSA.

Dated: 11/19/13

Mary Taylor
Lt. Governor/Director

REGULATORY SETTLEMENT AGREEMENT

This Regulatory Settlement Agreement ("**Agreement**") is entered into by and between the following insurance companies: **New York Life Insurance Company, New York Life Insurance and Annuity Corporation, and NYLife Insurance Company of Arizona** (collectively referred to herein as the "**Company**"), and the California Department of Insurance; Florida Office of Insurance Regulation; Illinois Department of Insurance; New Hampshire Insurance Department; North Dakota Insurance Department, and Pennsylvania Insurance Department as Lead States ("**Lead States**") in the multistate targeted market conduct examination of the Company called on May 20, 2011 (the "**Multi-State Examination**"), and the insurance departments executing a Participating State Adoption in the form set forth on Schedule B (the "**Participating States**"). The **Lead States and 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 conducted in their respective jurisdictions, including the authority to conduct market conduct examinations;

WHEREAS, the Departments, are the Lead and Participating States in the Multi-State Examination, that was called to assess the Company's settlement practices, procedures and policy administration relating to claims, and the use of the Social Security Death Master File ("**DMF**") or similar database or service, including the Company's efforts to identify the owners and beneficiaries of unclaimed Proceeds;

WHEREAS, based upon the information gathered to date, the Departments have identified concerns regarding the adequacy of the Company's policies and procedures to ensure that life insurance policies, annuities and Retained Asset Accounts are timely paid to Beneficiaries and are timely reported or remitted in accordance with the Unclaimed Property Laws and the Insurance 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 related to the use of the DMF;

WHEREAS, the Company represents that it has historically had policies and procedures in place to search for all individual life and annuity contracts on an individual for whom a notice of death was received;

WHEREAS, the Company represents that over two years ago the Company voluntarily

initiated a program to run "Insured" information against the Social Security Death Master File ("DMF") and used a good faith effort to locate insureds and beneficiaries. The Company further represents it has performed DMF searches of its in-force life insurance policies, annuity contracts, and retained asset accounts, and has also performed DMF searches for all such products that were in-force at any time since January 1, 1992;

WHEREAS, the Company represents that it now runs monthly cross checks of all of its lines of business against the DMF;

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

WHEREAS, the Company represents that it has voluntarily initiated a program to run "Insured" information against the DMF and use a good faith effort to locate Insureds and Beneficiaries.

NOW, THEREFORE, the Parties agree as follows:

1. **Defined Terms.** Those capitalized terms in this Agreement not otherwise defined in the text shall have the following meanings:

   a. "**Accountholder**" means the owner of a "Retained Asset Account."

   b. "**Annuity Contract**" means a fixed or variable annuity contract other than a fixed or variable annuity contract issued (1) in connection with an employment-based plan subject to the Employee Retirement Income Security Act of 1974, or (2) to fund an employment-based retirement plan, including any deferred compensation plan.

   c. "**Annuity Contract Owner**" means the owner of an Annuity Contract.

   d. "**Beneficiary**" or "**Beneficiaries**" means the party or parties entitled or contingently entitled to receive the benefits from a Policy, an Annuity Contract, or the proceeds of a Retained Asset Account.

   e. "**Company Records**" means in-force Policy, Annuity Contract and Retained Asset Account and lapsed Policy information maintained on the Company's 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. Company Records does not include lapsed Policies that have been compared against the DMF for eighteen (18) months following the lapse of the

applicable Policy.

f. **"Date of Death"** means the date on which an Insured has died.

g. **"Date of Death Notice"** means the date the Company first has notice of the Date of Death of an Insured. For purposes of this Agreement notice shall include, but not be limited to, information provided in the DMF or any other source or record maintained or located in Company Records.

h. **"DMF 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. **"Effective Date"** means the date this Agreement has been executed by the Company, each of the Departments of Insurance of California, Florida, Illinois, Pennsylvania, New Hampshire, and North Dakota (the "**Lead Departments**") and the Departments of at least thirteen (13) "Participating States".

j. **"Exception"** means a fact situation described in subparagraphs i. – iii. below which serves to exclude the Proceeds from payment to a beneficiary or escheatment to a state as a result of a DMF Match:

   i. for death benefits under a Policy, Annuity Contract and Retained Asset Account: (a) the individual identified in the Date of Death Notice as the Insured is either alive 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 provision, (ii) the existence of an exclusionary event or (iii) pending litigation; (d) the death benefit under an Annuity Contract is within the five (5) year deferral period under the Internal Revenue Code and the Company has documented contact with the Beneficiary subsequent to the date of death giving rise to the death benefit; (e) 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);

   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 of a Beneficiary, Annuity Contract Owner or annuitant; a non-automated request 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; and/or (e) 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, including 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 jurisdiction 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 jurisdiction(s).

k. **"Future Settlement Agreement"** means any agreement entered into by any other insurer and the Departments concerning the subject matter of this Agreement.

l. "**Insurance Laws**" means the insurance laws, rules and regulations in effect in each of the Department's jurisdictions and any official guidance issued pursuant to such laws, rules and regulations.

m. "**Insured**" means an individual identified in a Policy, Retained Asset Account or Annuity Contract whose death obligates the Company to pay "Proceeds".

n. **"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 as a result of (i) the Company's documented contact with the Annuity Contract Owner, or (ii) 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 Proceeds due, fund transfers, beneficiary changes, or payment of additional annuity considerations.

o. **"Policy"** means any individual life policy or endowment policy, or group life

insurance policy or certificate of life insurance for which the Company performs "Recordkeeping" services, and provides a death benefit. The term "Policy" shall not include credit or mortgage life insurance policies or certificates issued thereunder; other group life insurance policies or certificates issued thereunder where the Company does not perform Recordkeeping functions; or accidental death or health policies, riders, or certificates, including but not limited to disability and long term care policies, riders, or certificates.

p. "**Proceeds**" means the benefits payable under a Policy, Annuity Contract or Retained Asset Account of the Company.

q. **"Recordkeeping"** means the information contained in the Company's 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's information, including without limitation, the Beneficiary's full name, address, date of birth, telephone number and Social Security Number.

r. "**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 Company or an entity acting on behalf of the Company establishing an account with check or draft writing privileges, where those proceeds are retained by the Company, pursuant to a supplementary contract not involving annuity benefits.

s. "**Thorough Search**" means the minimum Company efforts to identify, locate and contact the Beneficiaries of a Policy, Retained Asset Account, or Annuity Contract after receiving a Date of Death Notice that indicates that the Insured has been reported as dead, which at a minimum, includes:

i. The Company shall use its best efforts, as described in paragraphs ii. through vii. below, to identify the Beneficiary and determine a current address for the Beneficiary based upon the Company Records, including, but not limited to, internal databases;

ii. The Company shall make at least two (2) attempts to contact the Beneficiary in writing at the address in (i) above; provided that, if such writing 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 at 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 at least two (2) times at the most current telephone number contained in the Company's Records if such a telephone number exists in the Company Records;

v. In the event that no response has been received to the attempted contacts described above, the Company shall attempt to contact the Beneficiary at the most current available email address, if available in the Company Records;

vi. In the event that the Company has a last known address, but no response has been received from the attempted contacts described above, the Company shall engage an online search or locator tool such as Lexis Nexis, Accurint or other comparable service to update addresses in order to check for a more current address for the Beneficiary and send a third and final letter to the Beneficiary at the address found by that database service by first class mail; and

vii. The Company shall maintain documentation of all its Thorough Search efforts.

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 or Beneficiaries by mail at the address indicated in the Company Records, or, if the Company Records do not identify a Beneficiary and address, may report and remit the funds to the affected jurisdiction(s) as Unclaimed Property.

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

t. "**Unclaimed Property**" means property subject to state Unclaimed Property Laws.

u. **"Unclaimed Property Audit Agreement"** means (i) the Global Resolution Agreement between the Company, Verus Financial, LLC and the Unclaimed Property regulators and (ii) the agreement between the Company and the Florida Department of Financial Services.

v. **"Unclaimed Property Laws"** means the Laws, Rules and Regulations regulating unclaimed property in each of the Departments' jurisdictions that apply to insurance companies.

2. **Specific Business Practices and Reforms.** The Company will hereby institute or continue the policies and procedures it has heretofore adopted, as the case may be:

a. The Company shall compare all Insureds in its Company Records at least monthly against any updates to the DMF and against the complete DMF at least annually. The Company shall have no responsibility for errors, omissions or delays in information contained in the DMF or any update files. The Company shall use the comparison criteria specified in Schedule A.

b. If the Company is not contacted by a Beneficiary within one hundred twenty (120) days from its receipt 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 Proceeds as Unclaimed Property to the affected jurisdiction(s) within three (3) or five (5) years, as applicable under Unclaimed Property Laws, from the Date of Death.

c. For the sole purpose of this Agreement, the Company 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 for Beneficiaries in accordance with Section 2(b) of this Agreement. Nothing herein is intended nor shall be deemed to waive or 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.

d. In the event that one of the Company's line of business conducts a search for matches of its Insureds against the DMF at intervals more frequent than those provided for in this Agreement and such DMF 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 Insured information among applicable lines of business.

e. In the event that the Company locates the Beneficiary following a Thorough Search, the Company shall provide the appropriate claim 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. The Company 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 the Company's right to maintain effective procedures and resources to deter and investigate fraudulent insurance acts as required by applicable law.

f. The Company confirms that it has already implemented policies and procedures for conducting a Thorough Search and the Company shall continue to do so for the term of this Agreement. The obligation to conduct a Thorough Search under the terms of this Agreement shall not abrogate the right of the Company to complete any due diligence within the timeframe required by any applicable law.

g. To the extent permitted under applicable law, the Company may disclose the minimum necessary personal information about an Insured or Beneficiary to a person whom the Company reasonably believes may be able to assist the Company locate the Insured 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 Proceeds due to Beneficiaries under its Policies, Annuity Contracts, or Retained Asset Accounts.

h. The Company shall conduct a Thorough Search for group life insurance policies, including group life insurance certificates issued thereunder, where a group life insurance claim is received for which the Company, from information in its administrative systems and/or the group policy claim form, is able to determine that a benefit is due and is able to determine the benefit amount, but the beneficiary cannot be identified and/or located.

i. Within six (6) months after the Effective Date of this Agreement the Company 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 Contract will be annuitized following the Maturity Date if no response is received, and identifying the options available to the Beneficiary (e.g., annuitization, extension of the Maturity Date; surrender of the 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 or authorized

representative shall 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 unless the Company was delayed in sending the letters due to extenuating circumstances involving the Annuity Contract, in which case annuitization shall begin no more than ninety (90) days following the mailing of the letters;

v. if a Thorough Search for the Annuity Contract Owner is unsuccessful, or if annuity payments for a contract that has been annuitized under subparagraph (iv) hereof are not deposited, the Proceeds will be reported and remitted as Unclaimed Property to the affected jurisdiction(s) in accordance with the applicable Unclaimed Property Laws.

j. The Company shall ensure that all Retained Asset Accounts are monitored for inactivity and each Accountholder is notified that the failure 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. The value of the Retained Asset Account(s) shall be the value of the account as of the date the property is paid to the Accountholder or reported and remitted to the affected jurisdiction(s).

k. A Thorough Search for a Beneficiary of a Retained Asset Account or an Accountholder, as appropriate, shall commence following the earlier of three (3) or five (5) years (subject to the Unclaimed Property Laws of the affected jurisdiction) after: (i) the date that the Accountholder last initiated a financial or administrative transaction or (ii) 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.

l. Within twelve (12) months after the Effective Date of this Agreement, the Company shall establish policies and procedures and shall submit all necessary state application filings to ensure that prior to the delivery of a Policy or Annuity Contract or establishment of a Retained Asset Account, and

upon any change of a Beneficiary, the Company shall request information sufficient to facilitate the payment of all Proceeds to Beneficiaries upon the death of the Insured and perfection of a claim, including, at a minimum, the name, address, date of birth, social security number, and telephone number of every Insured and Beneficiary of such Policy, Annuity Contract or Retained Asset Account, as applicable.

3. **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, the Company 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. Copies of these reports will also be made available to a Department's designated examiner, upon reasonable request, to allow it to assist the Departments in monitoring compliance with the requirements of this Agreement.

b. Thirty-Nine (39) months following the Effective Date the Lead Departments shall conduct a Multi-State Examination of Company's compliance with the requirements of this Agreement. The Lead Departments shall provide a report summarizing the results of that examination to Company and Departments. The examination shall be performed with the cost of the examination to be borne by 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 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; (ii) that a Future Settlement Agreement with a company possessing substantial market share is more favorable than this Agreement; or (iii) by three (3) years from the Effective Date of this Agreement, Future Settlement Agreements have not been entered into with companies possessing substantial market share. A Department shall 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 termination of this Agreement.

d. In addition to the payments set forth in Paragraph 5, 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 as costs of the Multi-State Examination.

e. If the jurisdiction of any Department adopts any Insurance Law addressing insurance companies' use of the DMF (or its equivalent) in connection with insurance companies' procedures concerning the payment of Proceeds to Beneficiaries, then the Company'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 DMF; and (ii) for the purposes of compliance herewith for that jurisdiction alone.

f. The monitoring of the Company for compliance with the terms of this Agreement constitutes an ongoing examination by each of the Departments in accordance with the laws of its jurisdiction. 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.

g. 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 thereafter. This submission shall be made to the Lead Departments six (6) calendar months prior to the Termination Date.

4. **Company Covenants**. The Company covenants and agrees with each of the Departments as follows:

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 contract terms.

c. The value of a Retained Asset Account shall be the value of the account as of the date the Proceeds are removed from the Retained Asset Account to be paid to the Beneficiary.

d. Beneficiaries shall not be charged 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.

5. **Multi-State Examination Payment.** Without admitting any liability whatsoever, the Company agrees to pay the Departments the sum of Fifteen Million Dollars ($15,000,000) (the "Payment") for the examination, compliance and monitoring costs incurred by the Departments associated with the Multi-State Examination. The Lead Departments shall be responsible for allocating the Payment among the Departments. The Company agrees to remit the Payment within ten (10) days after the later of the Effective Date or the receipt of the allocation from the Lead Departments. Upon the receipt of the Payment, as allocated by each of the Departments, the Company's financial obligations incurred by the Departments arising out of the Multi-State Examination will be fully satisfied, except as set forth in Paragraph 3(d). The Payment shall be in addition to the Company's obligation to reimburse the Lead Departments for reasonable third-party expenses, including expenses for consultants, incurred in connection with the Lead Department's role in the Multi-State Examination.

6. **Miscellaneous.**

a. This Agreement is an agreement solely between the named Parties as defined above, and no other person or entity shall be deemed to obtain or possess any enforceable rights against the Company as a third party beneficiary or otherwise as a result of this Agreement. 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.

b. This Agreement does not impair, restrict, suspend, or disqualify the Company 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 the Company, and all matters set forth in this Agreement shall remain within the sole and exclusive jurisdiction of the Departments.

c. This Agreement contains the entire agreement between the Parties with respect to the matters referenced herein, including the Company's claims settlement practices, procedures, policy administration relating to the matching of Insureds against the DMF or any similar database and there are no other understandings or agreements, verbal or otherwise, between the Parties with respect to the matters set forth herein. In entering into this Agreement, no Party has relied on a representation not set forth herein. No amendment or modification of any provision of this Agreement, or consent to any departure from this Agreement, shall be effective unless in writing and signed by the Party to be charged therewith, and then such modification or consent shall be effective only in the specific instance and for the specific purpose for which given.

d. 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 Company with respect to the subject matter of the Multi-State Examination.

e. Subject to the Company's performance of and compliance with the terms and conditions in this Agreement and Schedules, each Department hereby releases the Company from any and all claims, demands, interest, penalties, actions or causes of action that each Department may have by reason of any matter, cause or thing whatsoever, regarding or relating to the subject matter of the Multi-State Examination; provided, however, that nothing herein shall preclude the Lead Departments from conducting subsequent Multi-State Examinations to assess the Company's compliance with this Agreement.

f. In the event that any portion of this Agreement is enjoined or held invalid under the laws of a Department's jurisdiction, such enjoined or invalid portion shall be deemed to be severed only for the duration of the injunction, if applicable, and only with respect to that Department and its jurisdiction, and all remaining provisions of this Agreement shall be given full force and effect and shall not in any way be affected thereby.

g. Nothing in this Agreement shall be construed as an admission of any party's position as to the preemptive effect of the Employee Retirement Income Security Act of 1974, as periodically amended, or the law of the jurisdiction as applied to employment based plans.

h. This Agreement shall not be construed to allow or require the Company to implement policies or practices that will or may diminish the rights or the Proceeds due to Beneficiaries under the terms of its Policies, Annuity Contracts, or Retained Asset Accounts.

i. To the extent that any laws, rules, or regulations are adopted by any Department, or a regulatory agency of a Department that conflict with any of the terms and conditions of this Agreement, then the application of those affected terms and conditions shall be superseded by such laws, rules or regulations as it applies to that Department, provided that all other unaffected terms and conditions of the Agreement shall remain in full force and effect.

j. Nothing in this Agreement shall abrogate the obligations of the Company under the Unclaimed Property Audit Agreement.

k. 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.

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

7. **Enforcement.** The failure to comply with any provision of this Agreement shall constitute a breach of the Agreement, a violation of an Order of the Departments and a violation of Company's Agreement with the Departments, and shall subject Company to such administrative and enforcement actions and penalties as each Department deems appropriate, consistent with each Department's respective laws.

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

[*SIGNATURE PAGES IMMEDIATELY FOLLOW*]

COMPANIES SIGNATURE PAGE

New York Life Insurance Company, New York Life Insurance and Annuity Corporation, and NYLife Insurance Company of Arizona

By: _____

Dated: 10/17/13

Lead Departments Signature Page

FLORIDA OFFICE OF INSURANCE REGULATION

BY:_____
KEVIN M. McCARTY, COMMISSIONER

DATE_____

NORTH DAKOTA INSURANCE DEPARTMENT

BY:_____
ADAM HAMM, COMMISSIONER

DATE_____

CALIFORNIA DEPARTMENT OF INSURANCE

BY: Dave Jones
DAVE JONES, COMMISSIONER

DATE 10/17/2013

PENNSYLVANIA INSURANCE DEPARTMENT

BY:_____
MICHAEL F. CONSEDINE, COMMISSIONER

DATE_____

ILLINOIS DEPARTMENT OF INSURANCE

BY:_____
ANDREW BORON, DIRECTOR

DATE_____

NEW HAMPSHIRE INSURANCE DEPARTMENT

BY:_____
ROGER A.SEVIGNY, COMMISSIONER

DATE_____

Lead Departments Signature Page

FLORIDA OFFICE OF INSURANCE REGULATION

BY: _____
KEVIN M. McCARTY, COMMISSIONER

DATE 10/22/13

NORTH DAKOTA INSURANCE DEPARTMENT

BY: _____
ADAM HAMM, COMMISSIONER

DATE _____

CALIFORNIA DEPARTMENT OF INSURANCE

BY: _____
DAVE JONES, COMMISSIONER

DATE _____

PENNSYLVANIA INSURANCE DEPARTMENT

BY: _____
MICHAEL F. CONSEDINE, COMMISSIONER

DATE _____

ILLINOIS DEPARTMENT OF INSURANCE

BY: _____
ANDREW BORON, DIRECTOR

DATE _____

NEW HAMPSHIRE INSURANCE DEPARTMENT

BY: _____
ROGER A.SEVIGNY, COMMISSIONER

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Lead Departments Signature Page

FLORIDA OFFICE OF INSURANCE REGULATION

BY:_____
KEVIN M. McCARTY, COMMISSIONER

DATE_____

NORTH DAKOTA INSURANCE DEPARTMENT

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ADAM HAMM, COMMISSIONER

DATE _____

CALIFORNIA DEPARTMENT OF INSURANCE

BY:_____
DAVE JONES, COMMISSIONER

DATE_____

PENNSYLVANIA INSURANCE DEPARTMENT

BY:_____
MICHAEL F. CONSEDINE, COMMISSIONER

DATE_____

ILLINOIS DEPARTMENT OF INSURANCE

BY: Andrew Boron
ANDREW BORON, DIRECTOR

DATE October 17, 2013

NEW HAMPSHIRE INSURANCE DEPARTMENT

BY:_____
ROGER A.SEVIGNY, COMMISSIONER

DATE_____

Lead Departments Signature Page

FLORIDA OFFICE OF INSURANCE REGULATION

BY:_____
KEVIN M. McCARTY, COMMISSIONER

DATE_____

CALIFORNIA DEPARTMENT OF INSURANCE

BY:_____
DAVE JONES, COMMISSIONER

DATE_____

ILLINOIS DEPARTMENT OF INSURANCE

BY:_____
ANDREW BORON, DIRECTOR

DATE_____

NEW HAMPSHIRE INSURANCE DEPARTMENT

BY:_____
ROGER A.SEVIGNY, COMMISSIONER

DATE_____

NORTH DAKOTA INSURANCE DEPARTMENT

BY:_____
ADAM HAMM, COMMISSIONER

DATE_____

PENNSYLVANIA INSURANCE DEPARTMENT

BY: Michael Consedine
MICHAEL F. CONSEDINE, COMMISSIONER

DATE 10/18/13

Lead Departments Signature Page

FLORIDA OFFICE OF INSURANCE REGULATION

BY:_____
KEVIN M. McCARTY, COMMISSIONER

DATE_____

NORTH DAKOTA INSURANCE DEPARTMENT

BY:_____
ADAM HAMM, COMMISSIONER

DATE 10/18/13

CALIFORNIA DEPARTMENT OF INSURANCE

BY:_____
DAVE JONES, COMMISSIONER

DATE_____

PENNSYLVANIA INSURANCE DEPARTMENT

BY:_____
MICHAEL F. CONSEDINE, COMMISSIONER

DATE_____

ILLINOIS DEPARTMENT OF INSURANCE

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ANDREW BORON, DIRECTOR

DATE_____

NEW HAMPSHIRE INSURANCE DEPARTMENT

BY:_____
ROGER A.SEVIGNY, COMMISSIONER

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DAVE JONES, COMMISSIONER

DATE_____

PENNSYLVANIA INSURANCE DEPARTMENT

BY:_____
MICHAEL F. CONSEDINE, COMMISSIONER

DATE_____

ILLINOIS DEPARTMENT OF INSURANCE

BY:_____
ANDREW BORON, DIRECTOR

DATE_____

NEW HAMPSHIRE INSURANCE DEPARTMENT

BY:_____
ROGER A.SEVIGNY, COMMISSIONER

DATE 10-21-13

SCHEDULE A
RULES FOR IDENTIFYING DEATH MATCHES

In comparing Company's records of its insured's, annuitants, Annuity Contract owners, and retained asset account owners against the DMF, 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. In comparing the Company's records of its insured's, annuitants, Annuity Contract owners, and retained asset account holders against the DMF, Matches can be found within the three categories in accordance with the rules set forth below.

Category 1: "Exact" Match

A Category 1 Match occurs in any of the following circumstances:

1. There is a four-way exact match of the First Name, Last Name, Date of Birth, and Social Security Number contained in a Company record against data contained in the DMF.

2. The First Name matches in accordance with the Fuzzy Match Criteria listed below and the Last Name, Date of Birth, and Social Security Number match exactly.

Category 2: SSN Match

A Category 2 Match occurs when:

1. There is a four-way match of the First Name, Last Name, Date of Birth, and Social Security Number such that the Social Security Number contained in a Company record matches exactly to the Social Security Number contained in the DMF, and the First Name, Last Name, and Date of Birth match either exactly or in accordance with the Fuzzy Match Criteria listed below.

Category 3: Non-SSN Match

A Category 3 Match occurs in any of the following circumstances:

1. The Social Security Number contained in a Company record matches in accordance with the Fuzzy Match Criteria listed below to the Social Security Number contained in the DMF, and the First and Last Names, and Date of Birth match either exactly or in accordance with the Fuzzy Match Criteria listed below.

2. A Company record does not include a Social Security Number or where the Social Security Number is incomplete (less than 7 digits) or otherwise invalid

(e.g., 000000000, 999999999, 000006789), and there is a First Name, Last Name, and Date of Birth combination in a Company record 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, subject to paragraph a. immediately below.

a. If there is more than one potentially matched individual returned as a result of the process described in paragraph 2 above, 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 a Company record for the insured, then a Category 3 Match will be considered to have been made.

Fuzzy Match Criteria:

1. A "First Name" fuzzy match includes <u>one or more</u> of the following:
   a. First Name nicknames: "JIM" and "JAMES."
   b. Initial instead of full First Name: "J FOX" and "JAMES FOX."
   c. Data entry mistakes with a maximum difference of one character for a First Name at least five characters in length: "HARRIETTA" and "HARRIETA."
   d. 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 JOSEPH."
   e. Use of interchanged First Name and "Middle Name": "ALBERT E GILBERT" and "EARL A GILBERT."
   f. Compound First Name: "SARAH JANE" and "SARAH," or "MARY ANN" and "MARY."
   g. 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 <u>one or more</u> 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. 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 JOSEPH."

e. Use of apostrophe or other punctuation characters in Last Name: "O'NEAL" and "ONEAL."

f. Data entry mistakes with a maximum difference of one character for Last Name: "MACHIAVELLI" and "MACHIAVELI."

g. 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: "Brezzinnows" and "Brezzinnowski" and "Tohightower" and "Tohightowers."

h. 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 match exactly and the First Name matches exactly or in accordance with the Fuzzy Match Criteria listed herein.

3. A "Date Of Birth" fuzzy match includes <u>one</u> of the following:

a. Two dates with a maximum of 1 digit in difference: "03/27/19**45**" and "03/27/19**46**."

i. NOTE: "03/27/19**49**" and "03/27/19**50**" are not a match under Rule 3(a).

ii. Only 1 entry mistake per full date is allowable: "03/**27**/19**45**" and "03/**28**/19**46**" are not a match under Rule 3(a).

b. Transposition of month and day portion of the Date of Birth: "**05/11**/1935" and "**11/05**/1935."

c. If either the Company's systems or the DMF does not contain a complete 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.

d. If the First and Last Name on a Company record match, either exactly or in accordance with the Fuzzy Match Criteria listed herein, and the Social Security Number on a Company record matches exactly against the DMF, then the Date of Birth will be a fuzzy match if the Date of Birth on a Company record is within 2 years either before or after the DMF listed Date of Birth.

e. If the First and Last Name on a Company record match exactly and there is an inaccurate, missing or incomplete Social Security Number, a match will be considered made if:

i. The Date of Birth on a Company record is a default Date of Birth (e.g., 01/01/1915) and the DMF year of birth is either an exact match or the DMF Date of Birth is within 1 year either before or after the Company provided Date of Birth (e.g., 01/01/1915 & 02/25/1915 or 01/01/1915 & 02/25/1916);

ii. The Date of Birth on a Company record matches exactly with the DMF month and day of birth and the DMF year of birth is within 5 years either before or after the Date of Birth on a Company record (e.g., 02/25/1915 & 02/25/1913 or 02/25/1915 & 02/25/1916);

iii. The Date of Birth on a Company record matches exactly with the DMF month and year and the DMF day of birth is not a match (e.g., 02/25/1915 & 02/15/1915 or 02/25/1915 & 02/7/1915); or

iv. The DMF Date of Birth is within 5 years either before or after the Date of Birth on a Company record and a search of that individual's First and Last Name and Social Security Number (listed on the DMF) in Accurint for Insurance or an equivalent database results in an address matching an address on a Company record for that policy, contract or account.

4. A "Social Security Number" fuzzy match includes <u>one</u> of the following:
   a. Two Social Security Numbers with a maximum of 2 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 9 digits in length (with a minimum of 7 digits) and is entirely embedded within the other Social Security Number: "1234567" and "0123456789".

SCHEDULE B
PARTICIPATING REGULATOR ADOPTION
NEW YORK LIFE

EXAMINATION RESOLUTION AGREEMENT

On behalf of _____,
(Jurisdiction)

I, _____,
(Chief Insurance Regulator)
hereby adopt, agree, and approve this Agreement.

BY: _____
(Signature)

JURISDICTION: _____

TITLE: _____

DATE: _____

Please provide the following information as to how your jurisdiction's allocation of the Multi-State Examination Payment should be sent from the New York Life companies.

CONTACT NAME: _____

MAILING ADDRESS: _____

_____

PAYMENT MADE TO: _____

_____

Please return this form to:

Raquel Cano, Assistant to the General Counsel
Legal Division Office
California Department of Insurance
45 Fremont Street, 23rd Floor
San Francisco, California 94105
Phone: 415-538-4372
Fax: 415-904-5889
Email: Raquel.Cano@insurance.ca.gov