

FLORIDA SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is entered into by and between the Florida Department of Legal Affairs, Office of the Attorney General (the “Attorney General”), the Florida Office of Insurance Regulation (“OIR”), the Florida Department of Financial Services (the “Department”)(collectively, the “State of Florida”) and The Prudential Insurance Company of America, Pruco Life Insurance Company, Pruco Life Insurance Company of New Jersey, Prudential Retirement Insurance and Annuity Company, and Prudential Annuities Life Assurance Corporation (formerly known as American Skandia Life Assurance Corporation), (collectively, “Prudential” or “the Company”) (collectively, “the Parties”).

A. WHEREAS, the Attorney General has authority under state and federal law to investigate and prosecute potential violations of laws related to certain business practices;

B. WHEREAS, OIR has regulatory jurisdiction over the insurance industry in the State of Florida;

C. WHEREAS, the Department, through its Bureau of Unclaimed Property, has jurisdiction over the administration and enforcement of Florida’s unclaimed property laws, under Chapter 717, Florida Statutes, and rules promulgated thereunder;

D. WHEREAS, commencing on or about March 25, 2009, the Department, through its Bureau of Unclaimed Property, initiated an audit of Prudential relating to the unclaimed property laws of Florida (the “Audit”);

E. WHEREAS, commencing on or about January 11, 2010, OIR initiated a market conduct examination of Prudential’s claims settlement, policy administration, and unclaimed property practices for compliance with Florida statutes;

F. WHEREAS, subsequently, OIR, the Department and the Attorney General jointly inquired into Prudential's claim settlement, policy administration and unclaimed property practices and administration ("Investigation");

G. WHEREAS, in or about July 2011, OIR, together with other state insurance regulators, initiated a multi-state examination of Prudential's claim settlement, policy administration and unclaimed property practices and administration ("Multi-State Examination");

H. WHEREAS, on January 27, 2012, the Multi-State Examination resulted in a Regulatory Settlement Agreement (the "RSA"), a copy of which is attached hereto and made part hereof as Exhibit 1;

I. WHEREAS, on February 2, 2012, the Audit resulted in a Settlement Agreement between the Department and the Company (the "Settlement Agreement"), a copy of which is attached hereto and made part hereof as Exhibit 2;

J. WHEREAS, the Company has fully cooperated with the State of Florida during the course of the Investigation;

K. WHEREAS, the Company maintains that it has policies and procedures to ensure payment of valid claims to Beneficiaries or, in the event that the Company's search identifies no living Beneficiary, to report and remit unclaimed Proceeds to the appropriate states in accordance with applicable law, including state unclaimed property laws;

L. WHEREAS, the Company denies any wrongdoing or activities that violate any applicable laws but in view of the complex issues raised and the probability that long-term litigation would be required to resolve the disputes between the Parties hereto, the Company and

the State of Florida desire to resolve differences between the Parties as to the interpretation and enforcement of applicable law;

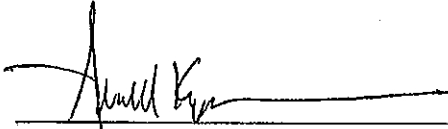
M. WHEREAS, as provided by the RSA and without admitting any liability whatsoever, the Company agrees to pay the State of Florida for the examination, compliance, monitoring and investigation costs associated with the Investigation, to be paid by the Company and allocated thereafter according to the RSA. The Company agrees that Florida's share, under the RSA, may be allocated among the Attorney General, the Department and OIR.

NOW, THEREFORE, the Parties agree as follows:

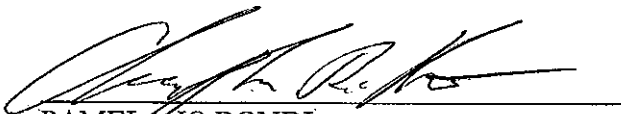
1. The RSA and Settlement Agreement are in the public interest;
2. Any future modification or termination of the RSA between the Company and insurance regulators under paragraph 4(b) of the RSA shall have no force and effect with respect to the Company's obligations to report and remit unclaimed property or to the Department's or the Attorney General's rights to enforce Florida's unclaimed property laws or any other applicable laws relating to the reporting and remitting of unclaimed property;
3. The State of Florida retains the right to enforce this Agreement, the RSA and Settlement Agreement as provided by applicable law;
4. This Agreement shall become effective on the date it is signed by the Parties;
5. This Agreement shall be governed by and interpreted according to the laws of the State of Florida and enforcement of this Agreement shall be in the Circuit Court in and for Leon County, Florida;

6. This Agreement may be signed in counterparts.

Executed this 2nd day of February, 2012



ANN M. KAPPLER
Vice President, Chief Legal Officer, Corporate Services
Prudential



PAMELA JO BONDI
Attorney General
PATRICIA A. CONNERS
Associate Deputy Attorney General
CHRISTOPHER R. HUNT
Assistant Attorney General, Antitrust Division



JEFF ATWATER
Chief Financial Officer
P.K. JAMESON
General Counsel
DENNIS SILVERMAN
Assistant Division Director, Legal Services



KEVIN MCCARTY
Commissioner Office of Insurance Regulation
BELINDA MILLER
General Counsel
ANOUSH BRANGACCIO
Chief Assistant General Counsel

REGULATORY SETTLEMENT AGREEMENT

This Regulatory Settlement Agreement ("**Agreement**") is entered into by and between those state insurance Departments whose signatures are shown on the signature page of this agreement (collectively referred to herein as the "**Departments**"), and The Prudential Insurance Company of America, Pruco Life Insurance Company, Pruco Life Insurance Company of New Jersey, Prudential Retirement Insurance and Annuity Company, and Prudential Annuities Life Assurance Corporation (formerly known as American Skandia Life Assurance Corporation), (collectively ("**Prudential**" or "**the Company**") (the Departments and Company are collectively referred to herein as the ("**Parties**") as of this 27th day of January 2012.

RECITALS

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

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

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

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

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

WHEREAS, the Company has fully cooperated with the Departments 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 Prudential represents that at all times relevant to this Agreement, the Company and its officers, directors, employees, agents, and representatives acted in good faith and in a manner they believed to be in the best interest of the Company's Policyholders;

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

WHEREAS, Prudential represents that, in anticipation of a potential demutualization, the Company undertook efforts beginning in 1998 to update Policyholder information to provide Policyholders with notice of the potential reorganization and, in furtherance of those efforts, hired a vendor to conduct an extensive address research project through which the addresses for Prudential's intermediate and weekly policies ("IWP") were updated by reference to the Social Security Death Master File ("DMF"), and ultimately 26,000 deceased IWP policyholders were identified, and Prudential paid \$49 million in previously unpaid death benefits;

WHEREAS, beginning in 2002, Prudential represents that it undertook an initiative to systematically check its in-force individual life and individual annuity files against the DMF, and created the Prudential claim file for quarterly cross-checks of claims-made against its various lines of business, resulting in the discovery of over 107,000 previously unclaimed individual life and annuity death benefits and the payment or remittance of approximately \$370 million in death benefits and interest;

WHEREAS, beginning in 2003, Prudential represents that it began periodic checks against the DMF annual updates of its group life insurance files for which it provided Recordkeeping services;

WHEREAS, as a result of the audit currently being conducted by Verus on behalf of several state departments or divisions of unclaimed property, Prudential represents it is undertaking efforts to match records within the scope of that audit against the DMF;

WHEREAS, Prudential represents that it has continued to perform periodic checks, no less than annually, of its individual life insurance files, individual annuity files, and group life insurance files for which Prudential provides Recordkeeping services, against the DMF annual updates, resulting in the discovery and payment or remittance of certain death benefits for which no claim had been made previously and;

WHEREAS, the Company denies any wrongdoing or activities that violate any Insurance Laws in the state 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 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:

NOW, THEREFORE, the Parties agree as follows:

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

- a. **"Agreement"** means this Regulatory Settlement Agreement entered into among the Departments and Prudential.
- b. **"Annuity Contract"** means a fixed or variable annuity contract, other than a fixed or variable annuity contract issued to fund an employment-based retirement plan where Prudential is not committed by the terms of the annuity

contract to pay death benefits to the beneficiaries of specific plan participants.

- c. **“Beneficiary”** or **“Beneficiaries”** means the party or parties entitled to receive Proceeds payable pursuant to a Policy, Annuity Contract or Retained Asset Account.
- d. **“Death Master File”** or **“DMF”** means a version of the United States Social Security Administration’s Death Master File or any other database or service that is at least as comprehensive as the United States Social Security Administration’s Death Master File for determining that a person has reportedly died. The Death Master File must include at least one full version of the file and may include update files.
- e. **“Date of Death”** means the date on which a Policyholder identified by the DMF or any other source or record maintained by or located in the Company’s records has died.
- f. **“Date of Death Notice”** means the date the Company first has actual notice of the Date of Death of a Policyholder. For purposes of this Agreement and subject to Schedule A hereto, actual notice shall include, but not be limited to, information provided in the DMF or an equivalent database containing the same information as the DMF, or any other source or record maintained by or located in the Company’s records.
- g. **“Death Master File Match”** means a search of the Death Master File that results in a match of a unique biological individual under the criteria provided in the attached Schedule A.
- h. **“Effective Date”** means the date this Agreement has been executed by the Company, and 20 Departments, including each of the Lead Departments.
- i. **“Future Settlement Agreement”** means any settlement agreement entered into by any other insurer and the Departments concerning the subject matter of this

Agreement.

- j. **“Insurance Laws”** means the Insurance Code, Rules, and Regulations in effect in each Department’s state, and any official guidance issued by each Department.
- k. **“Lead Departments”** means the Departments of California, Florida, Illinois, New Hampshire, New Jersey, North Dakota and Pennsylvania.
- l. **“Maturity Age”** means the age of maturity or age of endowment set forth in the terms of a Policy. If a Policy does not specify an age of maturity or age of endowment, Maturity Age shall mean the limiting age under the Policy. The limiting age of the Policy is the terminal age of the mortality table specified in the Policy for calculating reserves and/or non-forfeiture values, or, if the Policy does not reference a mortality table for Policy reserves and/or non-forfeiture values, then the limiting age is the terminal age of the mortality table used in calculating the cost of insurance for the Policy.
- m. **“Policy”** means any individual life policy or group policy or certificate of life insurance that is administered on Prudential’s administrative systems for which Prudential performs Recordkeeping services and that provides a death benefit. The term “Policy” shall not include: 1) any policy or certificate of life insurance that provides a death benefit under any Federal employee benefit program, including without limitation the Servicemembers Group Life Insurance and Veterans Group Life Insurance Programs; 2) any life insurance policies or certificates where the determination as to whether a benefit is payable is contingent on the cause and manner of death; 3) those life insurance policies or certificates for which the applicable contestability period or suicide exclusion period has not expired at the time of the insured’s death; 4) group life insurance policies, or certificates issued thereunder, where Prudential does not perform Recordkeeping functions; or 5) any benefits payable under health coverages

such as disability and long term care arising from the reported death of an insured person under such coverages.

- n. **"Policyholder"** means an insured, annuitant, Retained Asset Account Owner or Annuity Contract Owner whose death results in the payment of Proceeds.
- o. **"Proceeds"** means the money payable under a Policy, Annuity Contract or Retained Asset Account of the Company.
- p. **"Prudential Records"** means Policyholder information maintained on Prudential's administrative systems concerning the Company's in-force Policies, Annuity Contracts, and Retained Asset Accounts, as well those Policies that lapsed and that are still within the applicable state dormancy period as measured from Date of Death.
- q. **"Recordkeeping"** means information routinely obtained and maintained by Prudential in its administrative systems that permits it to determine its liability for, and to pay a claim on a Policy without being required to consult a third party, including without limitation, insured full name, date of birth, Social Security Number, coverage amount, coverage eligibility, premium payment status, and Beneficiary information.
- 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 insurer or an entity acting on behalf of the insurer establishing an account with check or draft writing privileges, where those proceeds are retained by the insurer, pursuant to a supplementary contract not involving annuity benefits.
- 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 Policyholder has been

reported as dead. A Thorough Search shall include any methodology believed likely to locate a Beneficiary and, at a minimum:

(i) The Company shall use its best efforts to identify the Beneficiary and determine a current address for the Beneficiary based upon Prudential Records;

(ii) The Company shall make at least three (3) 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 attempt to locate Beneficiaries using online search or locator tools, such as Lexis Nexis Accurint;

(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 three (3) 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 three (3) times at the most current telephone number contained in Prudential Records or obtained through the Company's use of online search or locator tools.

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

(vi) The Company shall maintain documentation of all attempts described in (i)-(v) to contact the Beneficiary.

Notwithstanding the above, 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 applicable state unclaimed property laws.

2. **Business Reforms.** In accordance with the implementation schedule described in Schedule B, Prudential will compare Prudential Records against the Death Master Update File every month and against the Complete Death Master File at least annually to identify Death Master File Matches for potential unclaimed death benefits. Prudential shall have no responsibility for errors, omissions or delays in information contained in the Death Master File. Furthermore:

- a. The Company shall commence a Thorough Search within 120 days following the Date of Death, unless the Company receives a Date of Death Notice more than 120 days after the Date of Death, in which case the Company shall commence a Thorough Search within: (i) 45 days following its receipt of the Date of Death Notice for all group life insurance policies, or certificates issued thereunder; and (ii) 30 days following its receipt of the Date of Death Notice for all other Policies, Annuity Contracts and Retained Asset Accounts.
- b. No further action will be required under this Agreement if at any point following a DMF match, Prudential determines that: (i) the Policyholder is not deceased; (ii) the unique biological individual identified on the Death Master File is not the Policyholder as reflected in a competent source or record maintained by or located in Prudential Records; or (iii) that no Proceeds are due under the applicable Policy, Annuity Contract, or Retained Asset Account.
- c. In the event that a line of business conducts checks of its Policyholders against the DMF for Death Master File Matches at intervals more frequent than those provided for in this Agreement and such Death Master File Match results in action being taken with respect to a Policy, Annuity Contract, or Retained Asset

Account, then that line of business shall share the relevant Policyholder information among applicable lines of business.

- d. In the event that Prudential locates the Beneficiary following a Thorough Search, Prudential shall provide the appropriate claims forms or instructions, if required, to the Beneficiary to make a claim, including instructions as to the need to provide an official death certificate if consistent with law and the Policy, Annuity Contract, or Retained Asset Account. Prudential 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 Prudential's obligation to maintain effective procedures and resources to deter and investigate fraudulent insurance acts as required by applicable law.
- e. The obligation to conduct a Thorough Search under the terms of this Agreement shall not abrogate the obligation of the Company to complete any due diligence within the timeframe required by any applicable law.
- f. Prudential shall implement policies and procedures for conducting a Thorough Search.
- g. To the extent permitted under applicable law, Prudential may disclose the minimum necessary personal information about a Policyholder or Beneficiary to a person whom Prudential reasonably believes may be able to assist Prudential locate the Policyholder or Beneficiary or a person otherwise entitled to payment of the claims Proceeds.
- 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.

3. Multi-State Examination Payment. Without admitting any liability whatsoever, the Company agrees to pay the Departments the amount of \$17 million (the "Payment") for the examination, compliance, and monitoring costs associated with the Multi-State Examination. The Lead Departments shall be responsible for allocating the Payment to the Departments. To be eligible to participate in the Payment allocation, a Department must sign the Agreement by March 31, 2012. The Company agrees to make Payment within ten (10) days after the Effective Date and the receipt of the allocation from the Departments, which will extinguish the Company's financial obligation to the Departments arising from the Multi-State Examination, except as set forth below in paragraphs 4(c) and 4(d).

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

- a. For a period of thirty-six (36) months following the Effective Date, the Company shall provide to the Lead Departments quarterly reports on the implementation and execution of the requirements of this Agreement. Each report shall be delivered to each of the Lead Departments within forty five (45) days following the end of the applicable reporting period.
- b. The Company may petition a Department to terminate or modify this Agreement in that state. Such a petition may include, but not be limited to, the following grounds:
 - (i) the Agreement's terms, in whole or in part, are inconsistent with the statutes, rules or regulations then in effect in that state;
 - (ii) that a Future Settlement Agreement with a company possessing substantial market share is more favorable than the Agreement; or
 - (iii) Future Settlement Agreements have not been entered

into with companies possessing substantial market share. A Department will not unreasonably withhold its consent to the relief requested by the Company in its petition. Once made by the Company, the Multi-State Examination Payment, as allocated to each Department, is final and non-recoverable under any circumstances including the termination of this Agreement.

- c. In addition to the payments set forth in Section 3, the reasonable costs and expenses of the Departments related to the monitoring of the Company's compliance with the Agreement, including the costs and expenses of conducting any reviews or examinations permitted by the Agreement, as well as participating in any meetings, presentations or discussions with the Company, shall be borne by the Company.
- d. The monitoring of Company for compliance with the terms of this Agreement constitutes an ongoing examination by each of the Departments pursuant to each of their respective state laws. Consistent with applicable law, each Department shall accord confidential treatment to the work papers, recorded information, documents, copies of work papers, and documents produced by, obtained by or disclosed by Company.

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

- a. Proceeds under a Policy shall be determined in accordance with the Policy terms.
- b. Proceeds under Annuity Contracts shall be determined in accordance with the contract terms.
- c. The value of a Retained Asset Account shall be the value of the account as of the date the Proceeds are paid to the Beneficiary.
- d. Prudential shall not charge Beneficiaries for any fees or costs associated with a

search or verification conducted pursuant to this Agreement.

6. Miscellaneous.

- a. This Agreement shall not confer any rights upon any persons or entities other than the parties to it and is not intended to be used for any other purpose. Nor shall the Agreement be deemed to create any intended or incidental third party beneficiaries, and the matters addressed herein shall remain within the sole and exclusive jurisdiction of the Departments.
- b. This Agreement does not impair, restrict, suspend, or disqualify Prudential 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 Prudential.
- c. The Parties agree that this Agreement contains the entire agreement between them with regard to the Company's settlement practices or procedures as they relate to, and policy administration relating to, the matching of Policyholders against the DMF or any similar database and that there are no other understandings or agreements, verbal or otherwise, between the Parties, except as set forth herein. There have been no representations not set forth herein that any Party has relied upon in entering into this Agreement.
- d. Neither this Agreement, nor any act performed or document executed pursuant to or in furtherance of this Agreement, is now or may be deemed in the future to be an admission of or evidence of liability or any wrongdoing by the Company.
- e. The Parties represent and warrant that the person executing this Agreement on behalf of each Party has the legal authority to bind the Party to the terms of this Agreement.
- f. Each Department agrees to release the Company from all claims, demands, interest, penalties, actions or causes of action that each Department may have

by reason of any matter, cause or thing whatsoever, regarding or relating to the Company's claims settlement practices as they relate to matching Policyholders against the DMF or any similar database. Nothing in this Agreement shall preclude the Departments from conducting a Multi-State Examination to assess the Company's compliance with this Agreement. In addition to the payments set forth in Section 3, the cost of such an examination shall be borne by the Company in accordance with the Lead Departments' respective Insurance Law.

- g. If the state of any Department adopts any Insurance Law addressing insurance companies' use of the Death Master File (or its equivalent) in connection with insurance companies' procedures concerning the payment of Proceeds to Beneficiaries, then Prudential's compliance with the terms of such Insurance Law of that state after the Effective Date of this Agreement shall be deemed to comply with those terms of this Agreement (i) which relate solely to the use of the Death Master File, and (ii) for the purposes of compliance herewith for that state alone.
- h. In the event that any portion of this Agreement is enjoined or held invalid under a the laws of a Department's state, 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 state, and all remaining provisions of this Agreement shall be given full force and effect and shall not in any way be affected thereby.
- i. No later than five years following the Effective Date, the Lead Departments will complete the Multi-State Examination with a final review concerning the Company's compliance with the Agreement. If that review confirms that the Company has fulfilled its obligations under the Agreement, the Multi-State Examination will be closed. The Agreement will terminate eight years following the Effective Date (the "Termination Date"), contingent upon closure of the Multi-State Examination and the Company's submission of its

prospective policies and procedures for DMF matching and beneficiary outreach, to be used after the Agreement ends. This submission shall be made to the New Jersey Division of Banking and Insurance six calendar months prior to the Termination Date.

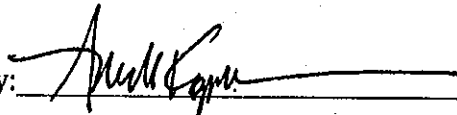
- j. Nothing in this Agreement shall be construed as an admission of any party's position as to the preemptive effect of the Employee Retirement Income Security Act of 1974, as periodically amended, on state laws as applied to employment based plans.
- k. This Agreement does not abrogate obligations undertaken by the Company under any agreement with unclaimed property officials.
 - 1. This Agreement may be executed in counterparts.

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

[SIGNATURE PAGE IMMEDIATELY FOLLOWS]

In Witness 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.

PRUDENTIAL

By:  _____

ANN KAPPLER

Vice President, Chief Legal Officer, Corporate Services

DATED: January 27, 2012

FLORIDA OFFICE OF
INSURANCE REGULATION

BY: Kevin M. McCarty

KEVIN M. McCARTY
COMMISSIONER

DATE February 2, 2012

NEW JERSEY DEPARTMENT
OF BANKING AND INSURANCE

BY: _____

THOMAS B. CONSIDINE
COMMISSIONER

DATE _____

CALIFORNIA DEPARTMENT
OF INSURANCE

BY: _____

DAVE JONES
COMMISSIONER

DATE _____

NORTH DAKOTA INSURANCE
DEPARTMENT

BY: _____

ADAM HAMM
COMMISSIONER

DATE _____

ILLINOIS DEPARTMENT
OF INSURANCE

BY: _____

ANDREW BORON
DIRECTOR

DATE _____

PENNSYLVANIA INSURANCE
DEPARTMENT

BY: _____

MICHAEL F. CONSEDINE
COMMISSIONER

DATE _____

NEW HAMPSHIRE INSURANCE
DEPARTMENT

BY: _____

ROGER A. SEVIGNY
COMMISSIONER

DATE _____

SCHEDULE A

RULES FOR IDENTIFYING DEATH MATCHES.

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

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

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

1. The Social Security Number contained in the data found in the Company's records matches in accordance with the Fuzzy Match Criteria listed below to the Social Security Number contained in the DMF, the First and Last Names match either exactly or in accordance with the Fuzzy Match Criteria listed below and the Date of Birth matches exactly.
2. The Company's records do not include a Social Security Number or where the Social Security Number is incomplete (less than 7 digits) or otherwise invalid (i.e. 111111111, 999999999, 123456789), and there is a First Name, Last Name, and Date of Birth combination in the data produced by the Company that is a match against the data contained in the DMF where the First and Last Names match either exactly or in accordance with the Fuzzy Match Criteria listed below and the Date of Birth matches exactly.
3. If there is more than one potentially matched individual returned as a result of the process

described in paragraphs 1 and 2, immediately above, then the Company shall run the Social Security Numbers obtained from the DMF for the potential matched individuals against Accurant for Insurance or an equivalent database. If a search of those databases shows that the Social Security Number is listed at the address in the Company's records for the insured, then a non-Social Security Number Match will be considered to have been made only for individuals with a matching address.

Fuzzy Match Criteria:

1. "First Name" fuzzy match includes one or more of the following:
 - a. "First Name" "Nick Names:" "JIM" and "JAMES." the Company utilizes the pd Nickname database from Peacock Data, Inc. or an equivalent database, to identify matching First Names where a nickname is used on one or both sides of the match.
 - b. "Initial" instead of full first name: "J FOX" and "JAMES FOX"
 - c. Data entry mistakes with a maximum difference of one character with at least five characters in length: "HARRIETTA" and "HARRIETA"
 - d. If First Name is provided together with Last Name in a "Full Name" format and "First Name" and "Last Name" can't be reliably distinguished from one another: "ROBERT JOSEPH," _ Both "JOSEPH ROBERT" and "ROBERT JOSEPH"
 - 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"

2. A "Last Name" fuzzy match includes one or more of the following:
 - a. Compound last name: "SMITH" and "SMITH-JONES"
 - b. Blank spaces in last name: "VON HAUSEN" and "VONHAUSEN"
 - c. Use of apostrophe or other punctuation characters in "Last Name:" "O'NEAL" and "ONEAL"

- d. Data entry mistakes with a maximum difference of one character for last name with at least eight characters in length: "MACHIAVELLI" and "MACHIAVELI"
3. "Date Of Birth" fuzzy match includes one of the following:
- a. Two dates with a maximum of one digit in difference: "03/27/1945" and "03/27/1946"
 - i. NOTE: "0312711949" and "03127/1950" are not a match under Rule 3(a)i.
 - ii. Only 1 entry mistake per full date is allowable: "03/2711945" and "03/28/1946" are not a match
 - b. Transposition of "Month" and "Date" portion of the "Date of Birth:" "05/11/1935" and "11/05/1935"
 - c. If The Company's systems do 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.
4. "Social Security Number" fuzzy match includes one of the following:
- a. Two Social Security Numbers with a maximum of two digits in difference, any number position: "123456789" and "123466781"
 - b. Two consecutive numbers are transposed: "123456789" and "123457689"
 - c. If a Social Security Number is less than nine digits in length (with a minimum of seven digits) and is entirely embedded within the other Social Security Number: "12345678" and "012345678."

SCHEDULE B

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

- (1)** No later than twelve calendar months following the Effective Date, the Company shall confirm to the Lead Departments that it has completed the process required to effectuate the matching methodology contained in Schedule A (the "Confirmation Date"). During this twelve calendar month period, the Company will continue matching its in-force individual life policies, individual annuity contracts, and group life policies for which it provides recordkeeping services against the DMF update file according to its existing procedures. At present, the following products are matched: (i) on an annual basis -- individual life policies, individual annuities in accumulation phase and group universal and group variable universal life insurance issued to employer and association groups; and (ii) on a monthly basis -- individual annuities in a payout phase, Group life term life insurance issued to employer and association groups for which it provides full recordkeeping services, Group variable universal life non- corporate, trust and business owned policies (COLI, TOLI and BOLI), as well as policies on waiver of premium and Retirement Services' payout annuities attributable to defined benefit plans, as well as its structured settlements. Currently, Prudential's matching criteria requires an exact SSN, DOB and Last Name.

If a match is attained, Prudential will continue to share the applicable Policyholder information among its various lines of business according to existing procedures of conducting quarterly cross-checks of confirmed deaths against its various lines of business. Thereafter, Prudential then conducts due diligence to locate the beneficiary or next of kin and initiates the claims process to confirm the insured or contract owner's death, including the obtainment of a death certificate. If the death and liability is confirmed and a beneficiary is not located, Prudential remits the death payment to the applicable state in accordance with state unclaimed property laws.

In addition to the above, during the twelve calendar month period following the Effective Date, Prudential will be receiving monthly reports identifying matches as part of the resolution of its multi-state unclaimed property audit.

- (2)** Commencing on the Confirmation Date, the Company shall begin using Schedule A's matching methodology to compare Prudential Records against the DMF update file on a quarterly basis and perform Thorough Searches on any matches obtained during this process. Once a match is attained, the Company will continue to share applicable Policyholder information among its various lines of business according to existing procedures of conducting quarterly cross-checks of confirmed deaths against its various lines of business. Thereafter, Prudential then conducts due diligence to locate the

beneficiary or next of kin and initiates the claims process to confirm the insured or contract owner's death, including the obtainment of a death certificate. If the death and liability is confirmed and a beneficiary is not located, Prudential remits the death payment to the applicable state in accordance with state unclaimed property laws.

In addition to the above, during the twelve calendar month period following the Confirmation Date, Prudential will be receiving monthly reports identifying matches as part of the resolution of its multi-state unclaimed property audit.

- (3)** At the end of the fourth quarter following the Confirmation Date, the Company shall use Schedule A's matching methodology to compare Prudential Records against the full DMF file and perform Thorough Searches on any matches obtained during this process.
- (4)** No later than thirteen calendar months following the Confirmation Date, the Company shall begin using Schedule A's matching methodology to compare Prudential Records against the DMF update file on a monthly basis and perform Thorough Searches on any matches obtained during this process.
- (5)** No later than twenty four calendar months following the Confirmation Date, the Company shall use Schedule A's matching methodology to compare Prudential Records against the full DMF file and perform Thorough Searches on any matches obtained during this process.

SETTLEMENT AGREEMENT

This Settlement Agreement is entered into by and between the State of Florida Department of Financial Services ("DFS"), and the Prudential Insurance Company of America, Pruco Life Insurance Company, Pruco Life Insurance Company of New Jersey, Prudential Retirement Insurance and Annuity Company, and Prudential Annuities Life Assurance Corporation (formerly known as America Skandia Life Assurance Corporation (collectively, "Respondent" or "Prudential")) (collectively, DFS and Respondent shall be referred to as "Parties") as of this 2nd day of February, 2012.

NOW, THEREFORE, the Parties agree as follows:

I. DEFINITIONS

Solely for the purposes of this Agreement, capitalized terms have the meaning set out below:

1. **"Agreement"** means this Settlement Agreement entered into by DFS and Respondent.
2. **"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 where the life insurer is not committed by the terms of the annuity contract to pay death benefits to the beneficiaries of specific plan participants.
3. **"Audit"** means the unclaimed property audit that Verus has been conducting of Respondent, on behalf of DFS, which is being resolved pursuant to this Agreement.

4. **“Beneficiary”** means the person or entity entitled to receive Proceeds from a life insurance policy (including any group life insurance certificate issued thereunder), Annuity Contract, or retained asset account.

5. **“Death Master File” or “DMF”** means a version of the United States Social Security Administration’s Death Master File or any other database or service that is at least as comprehensive as the United States Social Security Administration’s Death Master File for determining that a person has reportedly died. The Death Master File must include at least one full version of the file and may include update files.

6. **“Dormancy Period”** means the period of years provided for by the UP Laws upon the expiration of which the Proceeds must reported and remitted to DFS.

7. **“Duration of the Audit”** means the period concluding upon completion of all processing related to the Final Unclaimed Property Report pursuant to the terms of this Agreement.

8. **“Maturity Age”** means, for purposes hereof, the age of maturity or age of endowment set forth in the terms of a life insurance policy. If a life insurance policy does not specify an age of maturity or age of endowment, Maturity Age shall mean the limiting age under the life insurance policy. The limiting age of a life insurance policy is the terminal age of the mortality table specified in the policy for calculating reserves and/or non-forfeiture values, or, if the policy does not reference a mortality table for policy reserves and/or nonforfeiture values, then the limiting age is the terminal age of the mortality table used in calculating the cost of insurance for the policy.

9. **“Maturity Date”** means the date in an Annuity Contract that annuity payments are scheduled to begin, unless the records of Respondent indicate that the Maturity Date has been

extended in accordance with the terms of the Annuity Contract or the Annuity Contract owner has taken action within the Dormancy Period in respect to the Annuity Contract at issue that is inconsistent with a desire to annuitize.

10. **"Proceeds"** means money payable under a life insurance policy, group life insurance certificate, Annuity Contract, or retained asset account within the Scope of the Audit.

11. **"Record keeper"** means those circumstances under which the Company obtains and maintains in its own systems the information necessary to process and to pay a claim under a group insurance contract (or a line of coverage thereunder), including information about the insured and beneficiary, coverage eligibility, benefit amount and premium payment.

12. **"Scope of the Audit"** means all unclaimed property that is required to be reported and remitted to DFS with respect to life insurance policies, Annuity Contracts, and retained asset accounts that were in-force at any time during the period January 1, 1992 through December 31, 2010, regardless of whether they are currently listed as active, and including, but not limited to, policies identified as lapsed, expired, matured, remitted, reported and remitted to DFS, rescinded, or terminated. Notwithstanding any of the foregoing, the Scope of the Audit shall exclude: 1) Proceeds payable under a policy provision or rider covering only accidental death; 2) Servicemembers' and Veterans' Group Life Insurance policies established pursuant to federal law, 38 U.S.C. §§ 1965-79, and retained asset accounts relating to those policies; 3) Proceeds due under group life insurance policies (including group life insurance certificates issued thereunder) for which Respondent is not the Record keeper, except for group life insurance claims received for which Respondent, 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 such claims have not been fully paid or reported and remitted as unclaimed property.

13. “**Unclaimed Property Report**” means a report prepared and submitted to Respondent by Verus to identify property that Verus has determined to be due and payable by Respondent. The Unclaimed Property Reports will be delivered by Verus according to the formats described in **Schedule C**.

14. “**UP Laws**” means Chapter 717, Florida Statutes (2011), and Fla. Admin. Code Chapter 69I-20.

15. “**Verus**” means Verus Financial LLC.

II. UNCLAIMED PROPERTY REPORTS AND REMITTANCE

1. Proceeds Reportable and Remittable By Reason of Death

(i) The following shall be the procedures for reporting and remitting Proceeds by reason of death.

(ii) Verus will submit UPRs to Respondent in accordance with **Schedule D** identifying life insurance policies (including group life insurance certificates issued thereunder), Annuity Contracts, or retained asset accounts where a death has been identified by Verus in accordance with **Schedule B**, and for which Verus has determined that Proceeds may be payable. All UPRs that Verus provides to Respondent with respect to life insurance policies (including group life insurance certificates issued thereunder), Annuity Contracts, or retained asset accounts shall identify deaths of Respondent’s insureds, Annuity Contract owners or annuitants, and retained asset account owners that Verus has identified in the course of matching the Respondent’s records against the DMF. The UPRs will be delivered in the format described in **Schedule C**.

(iii) Pursuant to **Schedule D, Section II**, Respondent shall provide Verus with exceptions to the UPR and state the grounds thereof. Where such grounds are based on documents or data that have not been provided to Verus previously, Respondent shall provide such data or documentation within a reasonable time period following Respondent's response to the UPR, not to exceed ten (10) days. The sole grounds for exceptions shall be one or more of the following: (a) the individual identified on the UPR is not dead; (b) the individual is not an insured, eligible to be an insured under a group life insurance certificate, an annuitant, an Annuity Contract owner, or a retained asset account owner; (c) the life insurance policy (including any group life insurance certificate issued thereunder), Annuity Contract, or retained asset account was not in force upon death; (d) there was no benefit payable upon death (e.g., the life insurance policy, group insurance certificate, Annuity Contract, or retained asset account had no value at death or was not payable at death); (e) a benefit is not payable due to the application of a relevant contestability period or suicide exclusion period; (f) the Dormancy Period has not expired, (g) all benefits payable upon death have in fact been remitted to a Beneficiary or reported and remitted as unclaimed property; (h) a claim for the value of any benefits payable upon death is in the process of being paid by Respondent to a Beneficiary in accordance with **Schedule D**; (i) for claims received under non-Record keeper group life insurance contracts (including group life insurance certificates issued thereunder), Respondent lacks and/or is unable to obtain sufficient information necessary to determine that a life insurance benefit is due or is unable to determine the benefit amount; (j) all benefits payable upon death are remittable to another State or are the subject of pending litigation; or (k) the life insurance policy (including any group life insurance certificate issued thereunder), Annuity Contract or retained asset account is not within the Scope of the Audit. Respondent shall further provide notice to Verus if

it believes the date of death is different than the date of death provided by Verus if Respondent contends such difference affects the Proceeds payable under the life insurance policy (including any group life insurance certificate issued thereunder), Annuity Contract, or retained asset account. The list of exceptions shall be provided by Respondent no later than the times specified in **Schedule D, Section II**. Pursuant to **Schedule D**, Respondent and Verus shall meet if Verus determines it is necessary in order to attempt to resolve any exceptions that Respondent has identified with respect to specific property included on each Unclaimed Property Report. In the event that Respondent has any disagreement with Verus over whether any particular property must be reported and remitted to DFS, and such disagreement cannot be resolved, it will be resolved in accordance with **Schedule D., II**.

(iv) For purposes of this Section, the Dormancy Period commences upon the date of death as reflected in the DMF and expires after the requisite number of years has passed under the UP Laws of the applicable Signatory State. The running of the Dormancy Period shall not be tolled for any reason. However, if there is pending litigation to resolve claims to the Proceeds, Respondent shall not be required to report and remit the Proceeds during the pendency of the litigation. After the litigation has ended, Respondent shall be required to report and remit the Proceeds to DFS if the owner of the proceeds is missing and the Proceeds are due to DFS.

(v) If Respondent locates the Beneficiary or the Beneficiary's authorized representative before the Proceeds are required to be reported and remitted to DFS in accordance with **Schedule D**, Respondent will make a written notation in its records indicating the date of the contact, the person contacted, and the address, telephone number or e-mail address of the contacted person.

(vi) Proceeds shall be determined without deduction of any fees other than those permitted by the contract. Further, Respondent agrees that it will not charge Beneficiaries costs associated with this Agreement.

(a) Proceeds under life insurance policies shall be determined in accordance with the policy terms as of the date of death, and shall include a reversal of any amounts deducted from the policy after death, including but not limited to, amounts deducted for premium payments, loans, and/or service charges, and of any amounts added to the policy for interest or dividends. Notwithstanding the above, charges incurred before the insured's date of death but posted after the date of death shall not be reversed.

(b) Proceeds under Annuity Contracts with a death benefit shall be determined according to the contract terms, except that: (i) with respect to those Proceeds that remain in variable annuities, Respondent shall determine Proceeds based on the value of assets maintained in the relevant separate accounts as of the date Proceeds are remitted to DFS; and (ii) with respect to those proceeds that remain in fixed annuities, the Respondent shall determine Proceeds based on the values of the account as of the date the Proceeds are remitted to DFS.

(c) Proceeds under retained asset accounts shall be the value of the account as of the date the Proceeds are remitted to DFS.

(vii) The amount payable to DFS shall include the Proceeds, plus interest at a rate of three (3) percent compounded annually from the date used to establish death benefit values in accordance with Section II.1(vi)(a) and (b) above, or from January 1, 1995, whichever is later. However, interest shall not be payable with respect to the Proceeds of retained asset

accounts. With respect to Annuity Contracts where the death benefit values were placed in a suspense account or money market account earning less than 3% interest, then interest representing the difference between 3% and the interest received shall be payable on the Annuity Contract Proceeds compounded annually from the date the death benefit account values are established according to the contract terms or from January 1, 1995, whichever is later. If any Proceeds are not timely remitted as required under this Agreement, DFS may seek to enforce the terms of this Agreement or initiate an action to vindicate any rights it may possess under DFS's UP Laws for failure to report, remit, or deliver unclaimed property on a timely basis. In the event an action is brought under DFS's UP Laws, nothing contained in this Agreement shall serve as an admission by either party in such action.

2. Proceeds Payable Upon Maturity Age or Maturity Date

(i) The following shall be the procedures for reporting and remitting Proceeds that are payable to DFS upon reaching Maturity Age or Maturity Date.

(ii) Verus will submit UPRs to Respondent in accordance with **Schedule D**, identifying life insurance policies (including any group life insurance certificates issued thereunder) and Annuity Contracts that Verus has determined have reached Maturity Age or Maturity Date, and for which the period of time elapsed since the Maturity Age or Maturity Date is beyond the Dormancy Period. The UPRs will be delivered in the format described in **Schedule C**.

(iii) Pursuant to **Schedule D, Section II**, Respondent shall provide Verus with exceptions to the UPR and state the grounds thereof. Where such grounds are based on documents or data that have not been provided to Verus previously, Respondent shall provide such data or documentation within a reasonable time period following the Respondent's response to the UPR, not to exceed ten (10) days. The sole grounds for exceptions shall be one or more of

the following: (a) the life insurance policy (including any group insurance certificate issued thereunder) or Annuity Contract had not reached the Maturity Age or Maturity Date; (b) the policy, the group life insurance certificate, or Annuity Contract was not in force upon the Maturity Age or Maturity Date; (c) there was no benefit payable upon the Maturity Age or Maturity Date (e.g., the policy, group life insurance certificate, or Annuity Contract had no value at the Maturity Age or Maturity Date, the policy, group life insurance certificate, or Annuity Contract had been surrendered, the Maturity Date had been extended, the Annuity Contract owner or annuitant has taken affirmative action inconsistent with a desire to annuitize, or the policy, group life insurance certificate, or Annuity Contract was not payable at the Maturity Age or Maturity Date); (d) the Dormancy Period has not expired; (e) the value of any Proceeds payable upon the Maturity Age or Maturity Date has in fact been remitted to the Beneficiary or reported and remitted as unclaimed property; (f) the value of any Proceeds payable upon the Maturity Age or Maturity Date is remittable to another State or is the subject of pending litigation; and/or (g) the terms of the Annuity Contract provide for an immediate forced annuitization at the Maturity Date and the Annuity Contract has been annuitized. The Dormancy Period shall not be deemed to have expired with respect to Proceeds if Respondent has documented contact with the Beneficiary, Annuity Contract owner, annuitant, or the legal representative thereof, within the Dormancy Period regarding the policy or contract, including a request by the Beneficiary, Annuity Contract owner, annuitant, or the legal representative thereof, to change the designation of a Beneficiary, Annuity Contract owner or annuitant; a non-automated request to reallocate the value of a policy or Annuity Contract among variable investment options; or a non-automated request to renew or change a fixed interest guarantee period under the policy or Annuity Contract. Respondent shall further provide notice to Verus if

it has determined that the Maturity Age or Maturity Date is different than the Maturity Age or Maturity Date provided by Verus if Respondent contends such difference affects Proceeds under the policy or Annuity Contract. The list of exceptions shall be provided by Respondent no later than the time specified in **Schedule D, Section II**. Pursuant to **Schedule D**, Respondent and Verus shall meet if Verus determines it is necessary in order to attempt to resolve any exceptions that Respondent has identified with respect to specific property included on each Unclaimed Property Report. In the event that Respondent has any disagreement with Verus over whether any particular property must be reported and remitted to DFS, and such disagreement cannot be resolved, it will be resolved in accordance with **Schedule D., II**.

(iv) For purposes of this Section, the Dormancy Period commences upon the Maturity Age or Maturity Date of the policy, group life insurance certificate, or Annuity Contract. The running of the Dormancy Period shall not be tolled. However, if there is pending litigation to resolve claims to the Proceeds, Respondent shall not be required to report and remit the Proceeds during the pendency of the litigation. After the litigation has ended, Respondent shall be required to report and remit the Proceeds to DFS if the owner of the proceeds is missing and the Proceeds are due to DFS.

(v) If Respondent locates the Beneficiary or the Beneficiary's authorized representative before the Proceeds are required to be reported and remitted to DFS in accordance with **Schedule D**, Respondent will make a written notation in its records indicating the date of the contact, the person contacted, and the address, telephone number or e-mail address of the contacted person.

(vi) Proceeds shall be determined without deduction of any fees other than those permitted by the contract. Respondent agrees that it will not charge Beneficiaries costs associated with this Agreement.

(vii) Proceeds remitted by Respondent to DFS under an Annuity Contract shall include the current account value of the Annuity Contract as determined by Respondent as of the date the Proceeds are remitted to DFS or the Beneficiary. For purposes hereof, Respondent shall calculate the account value as follows: (a) for a variable Annuity Contract, based on the value of assets held in the underlying separate account, and (b) for a fixed Annuity Contract, based on the account value, inclusive of any interest credited by Respondent to the account value. Upon remittance, Respondent shall have no further obligation to report and remit Proceeds under the Annuity Contract.

(viii) All Proceeds of a life insurance policy or group life insurance certificate upon reaching Maturity Age shall be determined by Respondent in accordance with the terms of the policy, or certificate, as appropriate, and interest shall be added to Proceeds due to DFSs from the later of the Maturity Age or January 1, 1995, at the interest rate of three (3) percent compounded annually. If any Proceeds are not timely remitted as required under this Agreement, DFS may seek to enforce the terms of this Agreement or initiate an action to vindicate any rights it may possess under DFS's UP Laws for failure to report, remit, or deliver unclaimed property on a timely basis. In the event an action is brought under DFS's UP Laws, nothing contained in this Agreement shall serve as an admission by either party in any such action.

3. Proceeds in Retained Asset Accounts

(i) For all situations not otherwise governed by the provisions set forth in **Section II.1**, the following shall be the procedures for reporting and remitting Proceeds payable from retained asset accounts to DFS.

(ii) Verus will submit UPRs Respondent in accordance with **Schedule D**, identifying dormant retained asset accounts that Verus has determined may be payable. The UPRs will be delivered in the format described in **Schedule C**.

(iii) Pursuant to **Schedule D, Section II**, Respondent shall provide Verus with exceptions to the UPR and state the grounds thereof. Where such grounds are based on documents or data that have not been provided to Verus previously, Respondent shall provide such data or documentation within a reasonable time period following the Respondent's response to the UPR, not to exceed ten (10) days. The sole grounds for exceptions shall be one or more of the following: (a) the owner of retained asset account identified in the UPR has taken affirmative action in respect to the account that is inconsistent with the account becoming unclaimed (automatic financial or administrative transactions, other than automated deposits or withdrawals prearranged by the account owner, and/or the non-receipt by Respondent of returned mail shall not constitute "affirmative action" for this purpose; (b) the Dormancy Period has not expired; and/or (c) the value of the retained asset account has in fact been remitted to the owner or reported and remitted as unclaimed property. For purposes of this Section, the Dormancy Period shall not be deemed to have expired with respect to Proceeds of a retained asset account if Respondent has documented contact with the owner within the Dormancy Period. The list of exceptions shall be provided by Respondent no later than the time specified in **Schedule D, Section II**. Pursuant to **Schedule D**, Respondent and Verus shall meet if Verus determines it is necessary in order to attempt to resolve any exceptions that Respondent has identified with

respect to specific property included on each Unclaimed Property Report. In the event that Respondent has any disagreement with Verus over whether any particular property must be reported and remitted to DFS, and such disagreement cannot be resolved, it will be resolved in accordance with **Schedule D, Section II**.

(iv) If Respondent locates the owner before the account is required to be reported and remitted to DFS in accordance with **Schedule D**, Respondent will make a notation in its records indicating the date of the contact, the person contacted, and the address, telephone number or e-mail address of the contacted person. The Respondent's contact with the account owner in the manner described above will result in the account not being subject to reporting and remittance in accordance with **Schedule D**.

(v) For purposes of this Section, the Dormancy Period commences upon the date of the most recent non-automatic financial or administrative transaction or other contact with the owner that is documented in the books and records of Respondent.

(vi) Proceeds under retained asset accounts shall be the value of the account as of the date the Proceeds are remitted to DFS or the Beneficiary. Proceeds shall be determined without deduction of any fees other than those permitted by the contract. Respondent agrees that it will not charge Beneficiaries costs associated with this Agreement. If any Proceeds are not timely remitted as required under this section of the Agreement, DFS may seek to enforce the terms of this Agreement or initiate an action to vindicate any rights it may possess under DFS's UP Laws for failure to report, remit, or deliver unclaimed property on a timely basis. In the event an action is brought under DFS's UP Laws, nothing contained in this Agreement shall serve as an admission by either party in any such action.

4. **Reporting and Remittance Procedures**

(i) DFS agrees that in determining the appropriate state to report and remit Proceeds under this Agreement, the following procedures shall apply:

(a) Proceeds shall be remitted to the state of the last known address of each single Beneficiary as shown in Respondent's books and records.

(b) If there is more than one known Beneficiary, Proceeds shall be reported and remitted to the states of the last known addresses of the Beneficiaries, based upon the amounts payable to each under the applicable policy, group life insurance certificate, or contract for those Beneficiaries for whom a last known address is shown in the books and records of Respondent. For those Beneficiaries for whom an address is not shown in Respondent's books and records, **subsections 4.(i)(c) and 4.(i)(d)** shall apply.

(c) With respect to property related to life insurance policies or annuity contracts due to a Beneficiary, if there is no last known address for any Beneficiary in Respondent's books and records, then Proceeds shall be reported and remitted to the state of the last known address of the insured or annuitant.

(ii) If Respondent's books and records do not contain a last known address for the Beneficiary and do not contain a last known address for the insured, annuitant, or retained asset account owner, or if the last known addresses of the above are all outside the United States, then the Proceeds shall be reported and remitted to the state of incorporation of the relevant Company entity as of the time the state of incorporation's Dormancy Period expired under the terms of this Agreement.

(iii) The existence of an unresolved dispute as to reporting and remitting Proceeds shall not affect the duty to report and remit Proceeds as to which no dispute exists.

(iv) Respondent shall report and remit Proceeds as required by **Schedule D**.

(v) Respondent shall provide Verus with reasonable access to monitor the UPR review and the reporting and remittance processes being performed in accordance with **Schedule D**.

(vi) Nothing contained in this Agreement shall preclude Respondent from exercising any right it may have to seek refunds or corrections of errors to the extent authorized by, and in accordance with, the UP Laws to which Respondent made a remittance or report in error.

III. GENERAL PROVISIONS

1. This Agreement sets forth a process for identifying certain amounts to be reported and remitted under its terms. Notwithstanding any of the terms, phrasing, or provisions used herein, nothing in this Agreement constitutes an admission that any amount or Proceeds described herein are past due, have been owing, or were improperly withheld or retained by Respondent.

2. **Schedules B, C and D** attached to this Agreement (**Schedule A** is intentionally omitted) correspond to the Schedules bearing the same heading that are attached to the Global Resolution Agreement signed by Respondent on December 2, 2011 (the "GRA"). Except as specifically provided in the **Schedule D** attached to this Agreement, **Schedule D** is intended by the Parties to be interpreted as being consistent with **Schedule D** of the GRA.

3. For the Duration of the Audit, Respondent shall continue to provide Verus with the data reasonably requested by Verus to identify Proceeds that are within the Scope of the Audit.

4. For the Duration of the Audit, Respondent shall continue to provide Verus with access to Respondent's administrative systems to obtain records relating to Proceeds within the

Scope of the Audit in order to enable Verus to test the completeness and accuracy of all records provided by Respondent. Such access shall include continued access to data and systems through an employee of Respondent to respond to queries made by Verus' personnel.

5. Respondent agrees to provide all requested insured, annuitant, Annuity Contract owner, or retained asset account owner names parsed out as follows to the extent such data elements are captured in Respondent's systems: Prefix (Mr./Dr./ Maj./etc); First; Middle (full name or initial if full not in company records); Last; and Suffix (esq./Jr./III/etc.).

6. Respondent shall be entitled to any and all indemnification, hold harmless, discharge or release of liability provided for by Section 717.1201, Florida Statutes, with respect to all property reported and remitted in good faith to DFS in accordance with the terms of this Agreement.

7. This Agreement shall not impair, restrict, suspend, or disqualify Respondent from engaging in any lawful business in Florida. Further, this Agreement is not intended to impair or disqualify Respondent from engaging in any lawful business in any jurisdiction, based upon, or arising out of, the unclaimed property audit regarding any alleged act or omission of Respondent that occurred prior to the execution of this Agreement, unless Respondent breaches the terms of this Agreement.

8. The Parties agree that this Agreement is not intended to and shall not confer any rights upon any other person or entity.

9. The Parties agree that this Agreement contains the entire agreement between them with regard to Respondent's settlement practices and policy administration relating to its unclaimed property practices and that there are no other understandings or agreements, verbal or

otherwise, between the Parties, except as set forth herein. Other than as set forth herein, there have been no representations that any Party has relied upon in entering into this Agreement.

10. This Agreement may not be modified, changed, canceled, amended or varied, nor may any or all of its terms be waived, except by a writing signed by all of the Parties.

11. This Agreement may be executed in counterparts, but shall not be effective until signed by all Parties.

12. Neither this Agreement, nor any act performed or document executed pursuant to or in furtherance of this Agreement, is now or may be deemed in the future to be an admission of or evidence of liability or any wrongdoing by Respondent or any of its current or former affiliates, subsidiaries, officers, directors, employees, agents or representatives with respect to the subject matter of the unclaimed property audit, except in any action by DFS to enforce terms of the Agreement or for breach of the Agreement.

13. The Respondent shall be excused from its performance under this Agreement, shall not be deemed to have breached this Agreement, and shall not be liable in damages or otherwise, in the event of any delay or default in performing the Agreement's terms resulting from a circumstance not within the reasonable control of the Respondent including, but not limited to, damage to or destruction of Prudential's property, systems or facilities. Notwithstanding such circumstances, the Respondent shall exercise reasonable diligence to perform its obligations under this Agreement and shall take reasonable precautions to avoid the effects of such circumstances to the extent that they may cause delay or default with respect to the Respondent's ability to perform its obligations under this Agreement.

14. This Agreement shall be construed and interpreted in accordance with the laws of the State of Florida without regard to any conflict of laws provisions.

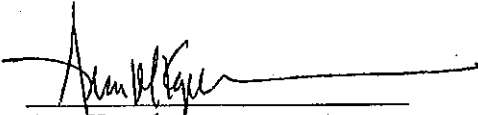
15. Respondent agrees that the material failure to adhere to one or more of the above terms and conditions of this Settlement Agreement shall constitute a breach of the Agreement and shall subject Respondent to any administrative or enforcement actions and penalties as may be available to DFS under applicable law.

16. The Parties agree that the sole and exclusive venue for any action to enforce or for breach of this Agreement shall be in Leon County, Florida.

17. 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.

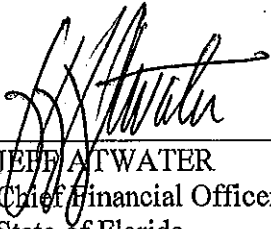
18. The Parties agree to cooperate fully with one another in implementing this Agreement.

19. The Parties may mutually agree to any reasonable extensions of time that might become necessary to carry out the provisions of this Agreement.



Ann Kappler
Vice President, Chief Legal Officer, Corporate Services

PRUDENTIAL



JEFF ATWATER
Chief Financial Officer
State of Florida

PK Jameson
General Counsel

Dennis Silverman
Assistant Director, Legal Services

SCHEDULE A

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SCHEDULE B

RULES FOR IDENTIFYING DEATH MATCHES

In comparing Respondent's records of its insureds, 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 on Respondent'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 Respondent's records of its insureds, annuitants, Annuity Contract owners, and retained asset account owners against the DMF, Verus shall divide the matches it identifies into three categories in accordance with the rules set forth below.

Category 1: SSN 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 the data produced by Respondent 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 the data produced by Respondent 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 the data produced by Respondent 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. The records produced by Respondent do not include a Social Security Number or where the Social Security Number is incomplete (less than 7 digits) or otherwise invalid (i.e. 000000000, 999999999, 000006789), and there is a First Name, Last Name, and Date of Birth combination in the data produced by Respondent 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 3 immediately below.
3. If there is more than one potentially matched individual returned as a result of the process described in paragraph 1 above, then Verus shall run the Social Security Numbers obtained from the DMF for the potential matched individuals against Accurant for Insurance or an equivalent database. If a search of those databases shows that the Social Security Number is listed at the address provided by Respondent for the insured, then a Category 2 Match will be considered to have been made.

Fuzzy Match Criteria:

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

- d. "Metaphone" (a recognized and accepted phonetic name matching algorithm created by Lawrence Philips and originally published in 1990): "GONZALEZ" and "GONZALES."
 - e. If First Name is provided together with Last Name in a "Full Name" format and "First Name" and "Last Name" cannot be reliably distinguished from one another: "ROBERT JOSEPH," Both "JOSEPH ROBERT" and "ROBERT."
 - f. Use of apostrophe or other punctuation characters in "Last Name:" "O'NEAL" and "ONEAL."
 - g. Data entry mistakes with a maximum difference of one character for Last Name: "MACHIAVELLI" and "MACHIAVELI."
 - h. Last Name Cut-off: A match will be considered to have been made where due to the length of the Last Name, some of the last letters were not saved in the database. Examples include: "Brezzinnows" and "Brezzinnowski" and "Tohightower" and "Tohightowers."
 - i. Married Female "Last Name" Variations: A fuzzy "Last Name" match will be considered to have been made even though the data does not match on the Last Name of a female, if the "Date of Birth" and "Social Security Number" matches exactly and the First Name matches exactly or in accordance with the Fuzzy Match Criteria listed herein.
3. A "Date Of Birth" fuzzy match includes one of the following:
- a. Two dates with a maximum of one digit in difference: "03/27/1945" and "03/27/1946"
 - i. NOTE: "03/27/1949" and "03/27/1950" are not a match under Rule 3(a)i. ii.
 - ii. Only 1 entry mistake per full date is allowable: "03/27/1945" and "03/28/1946" are not a match.
 - b. Transposition of "Month" and "Date" portion of the "Date of Birth:" "05/11/1935" and "11/05/1935."
 - c. If either Respondent'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 Respondent's systems does not conflict with the data contained in the DMF. By way of example, if Respondent'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 Respondent provided First and Last Name match, either exactly or in accordance with the Fuzzy Match Criteria listed herein, and the Respondent provided Social Security Number matches exactly against the DMF, then the Date of Birth will be a fuzzy match if the Respondent provided Date of Birth is within 2 years (either before or after) the DMF listed Date of Birth.
 - e. For all industrial policies (known internally at Respondent was "intermediate and weekly policies" or "IWPs"), if the Respondent provided First and Last Name match exactly and there is an inaccurate, missing or incomplete SSN, a match will be considered made if:

- i. The Respondent supplied Date of Birth is a default Date of Birth (e.g., 1/1/1915) and the DMF year of birth is either an exact match or DMF Date of Birth is within one year either before or after the insurer provided Date of Birth. [Examples: 1/1/1915 & 2/25/1915 or 1/1/1915 & 2/25/1916]
 - ii. The Respondent supplied Date of Birth matches exactly with the DMF month and day of birth and the DMF year of birth are within five years before to five years after the insurer supplied Date of Birth. [Examples: 2/25/1915 & 2/25/1913 or 2/25/1915 & 2/25/1916]
 - iii. The Respondent supplied Date of Birth matches exactly with the DMF month and year and the DMF day of birth is not a match. [Examples: 2/25/1915 & 2/15/1915 or 2/25/1915 & 2/7/1915]
 - iv. The DMF Date of Birth is within 5 years +/- of the Respondent supplied Date of Birth and a search of that individual's First and Last Name and Social Security Number (listed on the DMF) in Accurant for Insurance or an equivalent database, results in an address matching a Respondent address for that Contract.
4. A "Social Security Number" fuzzy match includes one of the following:
- a. Two Social Security Numbers with a maximum of two digits in difference, any number position: "123456789" and "123466781."
 - b. Two consecutive numbers are transposed: "123456789" and "123457689."
 - c. If a Social Security Number is less than nine digits in length (with a minimum of seven digits) and is entirely embedded within the other Social Security Number: "1234567" and "0123456789."

Reports of Matches

Verus shall only include Category 1 Matches, Category 2 Matches, and Category 3 Matches in a UPR upon verifying that it believes a benefit may be payable based upon the data that Verus was provided.

Other Matches and Mismatches

Notwithstanding the fact that a life insurance policy (including a group life insurance certificate issued thereunder), Annuity Contract, or retained asset account is listed as a match, the Parties agree that there will not be a reportable match if Respondent is able to produce evidence sufficient to establish that the unique biological individual identified on Respondent's data is not the same as a unique biological individual identified on the DMF or such individual is not dead. Additionally, notwithstanding the fact that a policy is not found to be a match in accordance with the foregoing rules, Verus may submit, in a separate report to be provided concurrently with the provision of Verus' next due UPR, evidence sufficient to establish that a unique biological individual identified on Respondent's data is the same as a unique biological individual identified on the DMF. Once a match is submitted by Verus pursuant to the preceding sentence, no other such matches shall be submitted for the individual so identified. In the event that Respondent and Verus are unable to resolve any disputes related to what constitutes a reportable match, such disputes shall be subject to the dispute resolution provisions of the Agreement set forth in **Schedule D**. Verus and Respondent agree to meet in order to evaluate whether the matching process is producing satisfactory data. If the matching process is not producing satisfactory data (i.e., a large number of false positives are reported based on the current criteria), Verus and Respondent agree to use best efforts to develop new criteria for Verus' identification of matches.

SCHEDULE C

UNCLAIMED PROPERTY REPORT INFORMATION AND FORMAT

Report Information:

UPRs will only include property that Verus believes to be payable in accordance with the terms of this Agreement. All UPRs provided by Verus to Respondent shall exclude life insurance policies, Annuity Contracts and retained asset accounts where the data provided by Respondent to Verus indicates that (i) the property has already been paid, (ii) the property has already been reported and remitted as unclaimed property, (iii) the policy or Annuity Contract was not in force on the date of death, Maturity Age or Maturity Date, (iv) a match identified in accordance with **Schedule B** is the death of a first insured under a survivorship policy, (v) the applicable dormancy period has not expired or (vi) a benefit is not otherwise payable.

Report Formats:

Verus shall provide Respondent with UPRs in various formats depending on the property type. Attached hereto is the specific data that Verus shall provide for each of the property types specified below (with each data element representing a column heading on a report):

- Schedule C-1: Life Insurance Policy – DMF Death Match
- Schedule C-2: Life Insurance Policy – Maturity Age
- Schedule C-3: Annuity Contract – DMF Death Match
- Schedule C-4: Annuity Contract – Maturity Date
- Schedule C-5: Retained Asset Account – DMF Death Match or Dormant Account

On each of the schedules set forth above, data elements that represent Respondent data are indicated with a “(P),” data elements that represent Verus data are indicated with a “(V),” and data elements that represent DMF data are indicated with a “(DMF).”

SCHEDULE C-1

Life Insurance Policy – DMF Death Match

Company Code (P)
Admin System (P)
Product Line Code (P)
Policy Number (P)
Verus Record Control ID (V)
Overall Match Category Assignment (V)
Overall Perfect Matched Fields (V)
P Insured First Name (P)
DMF First Name (DMF)
First Name Perfect Match (V)
P Insured Last Name (P)
DMF Last Name (DMF)
Last Name Perfect Match (V)
P Insured SSN (P)
DMF SSN (DMF)
SSN Perfect Match (V)
P Insured Date of Birth (P)
DMF Date of Birth (DMF)
Date of Birth Perfect Match (V)
P Insured Address (P)
P Insured State (P)
DMF Address (DMF)
DMF State (DMF)
Policy Issue Date (P)
DMF Date of Death (DMF)
Dormancy Period Expiration Date (V)
Presumed State of Escheatment (V)

Property Type (IN) Code (V)
Current Policy Status (P)
Current Policy Status Effective Date (P)
In Force as of Run Date (Y/N) (V)
Indication of Coinsured (Y/N) (V)
Indication of Payment (Y/N) (V)
Escheatment Reason (V)
Original Face Amount (P)
Due Diligence Category (V)

SCHEDULE C-2

Life Insurance Policy – Maturity Age

Company Code (P)
Admin System (P)
Product Line Code (P)
Plan Code (P)
Policy Number (P)
Verus Record Control ID (V)
P Insured First Name (P)
P Insured Last Name (P)
P Insured SSN (P)
P Insured Date of Birth (P)
P Insured Address (P)
P Insured State (P)
Policy Issue Date (P)
Date of Maturity (V)
Dormancy Period Expiration Date (V)
Presumed State of Escheatment (V)
Property Type (IN) Code (V)
Current Policy Status (P)
Current Policy Status Effective Date (P)
In Force as of Run Date (Y/N) (V)
Indication of Coinsured (Y/N) (V)
Indication of Payment (Y/N) (V)
Escheatment Reason (V)
Original Face Amount (P)
Due Diligence Category (V)

SCHEDULE C-3

Annuity Contract – DMF Death Match

Contract Number (P)
Contract Issue Date (P)
Verus Record Control ID (V)
Overall Match Category Assignment (V)
Overall Perfect Matched Fields (V)
P Owner Full Name (P)
P Owner SSN (P)
P Owner Date of Birth (P)
P Owner Address (P)
P Owner State (P)
P Annuitant Full Name (P)
P Annuitant SSN (P)
P Annuitant Date of Birth (P)
P Annuitant Address (P)
P Annuitant State (P)
DMF Full Name (DMF)
DMF SSN (DMF)
DMF Date of Birth (DMF)
DMF Address (DMF)
DMF State (DMF)
DMF Date of Death (DMF)
Dormancy Period (V)
Dormancy Period Expiration Date (V)
Presumed State of Escheatment (V)
Contract Status (P)
Contract Status Effective Date (P)
Escheatment Reason (V)
Contract Value (P)
Due Diligence Category (V)

SCHEDULE C-4

Annuity Contract – Maturity Age

Contract Number (P)
Contract Issue Date (P)
Verus Record Control ID (V)
P Owner Full Name (P)
P Owner Address (P)
P Owner State (P)
P Annuitant Full Name (P)
P Annuitant Address (P)
P Annuitant State (P)
P Annuitant Date of Birth (P)
Contract Maturity Date (P)
Dormancy Period (V)
Dormancy Period Expiration Date (V)
Presumed State of Escheatment (V)
Contract Value (P)
Contract Status (P)
Contract Status Effective Date (P)
Last Financial Transaction Effective Date (P)
Last Financial Transaction Code (P)
Due Diligence Category (V)

SCHEDULE C-5

Retained Asset Account – DMF Death Match or Dormant Account

Account Number (P)
Verus Record Control ID (V)
Overall Match Category Assignment (V)
Overall Perfect Matched Fields (V)
P Account Holder First Name (P)
DMF First Name (DMF)
First Name Perfect Match (V)
P Account Holder Last Name (P)
DMF Last Name (DMF)
Last Name Perfect Match (V)
P Account Holder SSN (P)
DMF SSN (DMF)
SSN Perfect Match (V)
P Account Holder Date of Birth (P)
DMF Date of Birth (DMF)
Date of Birth Perfect Match (V)
DMF Date of Death (DMF)
Dormancy Period Expiration Date (V)
Presumed State of Escheatment (V)
Escheatment Reason (V)
Open Amount (P)
Due Diligence Category (V)

SCHEDULE D

REPORTING AND REMITTANCE PROCEDURES

All UPRs shall be subject to the following process for reviewing, resolving disputes, and reporting and remitting Proceeds due to DFS under the terms of the Agreement:

I. ISSUANCE OF UNCLAIMED PROPERTY REPORTS

Separate UPRs shall be issued for: (i) Proceeds payable under life insurance policies upon an event of death or upon reaching the policy Maturity Age (the "Life Insurance Reports"); (ii) Proceeds payable under group life certificates upon an event of death or upon reaching Maturity Age (the "Group Life Insurance Reports"); (iii) Proceeds payable under Annuity Contracts upon an event of death or upon reaching the Maturity Date (the "Annuity Reports"); and (iv) unclaimed Proceeds in dormant retained asset accounts or where the retained asset account owner is deceased (the "Retained Asset Account Reports"). Upon the Effective Date of the Agreement, Verus shall deliver a new Life Insurance Report, Group Life Insurance Report, Annuity Report, and Retained Asset Account Report on the first day of every calendar month,¹ according to the following schedule:²

Month	Life Insurance Report	Group Life Insurance Report	Annuity Report	Retained Asset Account Report
1	Up to 8,000 records	Up to 1,000 records	Up to 2,000 records	Up to 1,000 records
2 - 4	Up to 10,000 records	Up to 2,000 records	Up to 2,000 records	Up to 1,000 records
5 and after	Up to 12,000 records	Up to 3,000 records	Up to 2,000 records	Up to 1,000 records

The UPRs shall identify only one unique individual per certificate, contract or policy. In the event that the procedures set forth in **Schedule B** result in more than one individual being identified as a possible insured, annuitant, Annuity Contract owner, or retained asset account owner, the UPR shall identify only that unique biological individual identified using the data with the most exact matching criteria which is most likely to be the individual identified on Respondent's data, as determined using the matching procedures of **Schedule B**. Once a match is submitted by Verus, no other matches shall be submitted for that certificate, contract, or policy unless it is based on additional information that is received from Respondent or information uncovered by Respondent as a result of Respondent's UPR review.

¹ All references in this **Schedule D** to the number of days by which an action is to take place are to be calculated in calendar days. If the last day on which an action is to take place is a Saturday, Sunday, or legal holiday, the period continues to run until the end of the next day that is not a Saturday, Sunday, or legal holiday.

² It is contemplated that, in any event, the audit will be completed no later than 24 months from the effective date of this agreement and that Verus will use its best efforts to submit on each monthly UPR, the maximum number of records permitted under the schedule above. The parties agree to modify schedules in good faith in order to complete the audit within that period of time.

The records submitted on the UPRs will track the categories outlined in **Schedule D, Section III.A.1.**

Excluding certificates, policies and contracts falling under **Schedule D, Section III.A.1.i**, Verus will use best efforts to ensure that each Life Insurance Report (i) includes Proceeds that Verus has identified as being reportable to no more than 10 States per report, (ii) includes a combination of records from Respondent's various systems, and (iii) includes a mixture of in-force and terminated policies, with the combinations and mixtures referred to in (ii) and (iii) approximating the occurrence of such records across potential matches identified by Verus across all reports. It is understood that if the UPRs are not provided in the above manner, Respondent's ability to respond timely could be impacted adversely.

II. REVIEW AND RECONCILIATION OF UNCLAIMED PROPERTY REPORTS

A. Review of Unclaimed Property Report

Respondent shall have up to one calendar month to review each UPR in order to identify all Proceeds that it agrees are subject to reporting and remitting as well as any exceptions it may have to a UPR, provided, however, that Respondent shall have up to **forty (45) days** to review each Group Life Insurance Report. Once Respondent has completed its review of each UPR, within **five (5) business days** following the last day of that month, or within **five (5) business days** following the end of the review period for Group Life insurance reports, it shall provide Verus with a list identifying: (i) all Proceeds that it agrees are subject to reporting and remitting in accordance with Sections III and IV; and (ii) a list of exceptions for Proceeds that Respondent has determined do not meet the criteria for reporting and remitting, together with the specific reasons for its determinations.

B. Review and Reconciliation of List of Exceptions

Within **twenty (20) days** after Respondent has provided Verus with its list of exceptions, Verus shall determine whether it disputes any exception contained in Respondent's list of exceptions.

If Verus disputes an exception to a UPR, then Verus and Respondent shall meet in good faith to resolve the dispute within **twenty (20) days** after Verus notifies Respondent of its intent to dispute any listed exceptions. All property that Respondent agrees is due to be reported and remitted following reconciliation shall then be subject to applicable post-reconciliation processes described in **Sections III. and IV. below**. All exceptions that remain unreconciled **thirty (30) days** after Respondent and Verus first meet to discuss each Unclaimed Property Report will be specifically identified by Verus in its final audit report (the "**Final Audit Report**") to DFS. The Final Audit Report shall state Respondent's basis for objection for each disputed amount. Disputes shall be resolved in accordance with Florida law.

III. POST RECONCILIATION PROCESSING FOR PROCEEDS TO BE REMITTED TO DFS

Respondent agrees that all Proceeds identified on a UPR that are due to be reported and remitted to DFS States pursuant to **Section II**, shall be subject to the following due diligence.

A. Due Diligence

1. Due Diligence for Property Due: (i) Upon An Event of Death Under Life Insurance Policies (including group life insurance certificates issued thereunder), Annuity Contracts, or retained asset accounts; (ii) Upon Life Insurance Policies Reaching Maturity Age; and (iii) Under Retained Asset Accounts

- 1. Proceeds due under life insurance policies (including group life insurance certificates issued thereunder), Annuity Contracts, or retained asset accounts where: (a) the owners were identified by Respondent as policyholders or contract owners who could not be located at the time of demutualization, the insureds or annuity contract owners or annuitants were deceased as of the time of demutualization, and the owners and insureds or annuitants are the same (or they are different but have the same last known address); or (b) Respondent previously matched its records to a person listed on the DMF in connection with any of the DMF matching processes it has conducted.³*

For Proceeds within this category, Respondent shall be deemed to have already conducted reasonable due diligence based on the previous searches it has conducted. Respondent may elect to send additional written communications to the beneficiary, insured or annuitant based on information contained in the Respondent's files for that policy or contract, but all property within this category immediately shall be subject to the procedures for reporting and remittance to the appropriate Signatory State in accordance with **Section III.B.** below after allowing ten days for the Company to calculate the amounts payable under each policy or contract. In no event may property under this subsection be excluded from reporting and remittance pursuant to **Section III.B.** below unless Respondent has made confirmed contact with

³ The DMF matching processes that Respondent represents it has conducted include the Death Claim Project, its annual DMF matching process implemented in 2002 for Annuity Contracts and life insurance policies other than group life insurance policies and certificates, the DMF Matching process it conducted between 2003 and 2008 with respect to group life insurance policies and certificates, and any other business as usual DMF matching of its life insurance files, annuity files, and group insurance files conducted prior to January 1, 2011.

a Beneficiary, or the legal representative of a Beneficiary prior to the termination of the reporting and remittance process after which no further changes will be made to the report. For the purposes of this subsection, "confirmed contact" means Respondent has made contact with a Beneficiary or a Beneficiary's legal representative, and has begun to collect the documentation and information necessary to process the claim. Thereafter, Respondent shall pay the Beneficiary within two calendar months following the end of the calendar month during which Respondent makes contact with the Beneficiary or the Beneficiary's legal representative. Respondent shall make payment of the claim per the terms of the applicable policy or contract following contact with a Beneficiary, or the legal representative of a Beneficiary. If at the end of this two calendar month period Respondent has not paid the claim, the Proceeds shall be subject to reporting and remittance to DFS in accordance with **Section III.B.** below.

If Respondent makes confirmed contact with the Beneficiary or the Beneficiary's legal representative but is unable to pay the Proceeds within the two calendar month period following confirmed contact, Proceeds shall be reported and remitted based on the last known address on Respondent's books and records, as of the time it receives the UPR, for the Beneficiary, or the last known address of the insured or annuitant or account holder if there is no last known address for the Beneficiary.

2. *Property due under life insurance policies (including group life insurance certificates issued thereunder), Annuity Contracts, or retained asset accounts that do not fall within Subsection (i) above.*

Except as set forth below, there is no limitation on the amount or means of outreach Respondent may conduct to contact the Beneficiary for Proceeds within this category. Respondent will have a two calendar month due diligence period to make confirmed contact with a Beneficiary or confirmed contact with the legal representative of a Beneficiary, commencing at the end of the calendar month during which Respondent has confirmed that the property is subject to reporting and remitting under **Section II.A.** For purposes of this subsection, "confirmed contact" means Respondent has made contact with a Beneficiary or a Beneficiary's legal representative, and has begun to collect the documentation and information necessary to process the claim. If Respondent has not made confirmed contact by the end of the two calendar months due diligence period, the Proceeds shall be subject to the procedures for reporting and remittance to the appropriate Signatory State in accordance with **Section III.B.** below. If Respondent has made confirmed contact within the two calendar month due diligence period, Respondent shall pay the Beneficiary within two calendar months from the expiration of the due diligence period. If at the end of this second two calendar month period Respondent has not paid the claim, the Proceeds shall be subject to the procedures for reporting and remittance to the appropriate Signatory State in accordance with **Section III.B.** below. Respondent shall make payment of the claim per the terms of the applicable policy or contract following contact with a Beneficiary, or the legal representative of a Beneficiary.

If Respondent does not make confirmed contact with the Beneficiary or the Beneficiary's legal representative by the end of the two calendar month due diligence period, or pay the Proceeds within the two calendar month period following confirmed contact, Proceeds shall be reported and remitted based on the last known address on Respondent's books and records, as of the time it receives the UPR, for the Beneficiary, or the last known address of the insured or annuitant or account holder if there is no last known address for the Beneficiary.

2. Due Diligence for Property Due Upon Annuity Contracts Reaching the Maturity Date

Respondent shall send one or more notification letters to, and may otherwise attempt to notify, the annuity contract owner. If there is no response to a notification letter within **one hundred eighty (180) days** after the initial notification letter is sent and the property is not paid to the owner in accordance with the terms of the Agreement, the property shall be subject to the reporting and remittance process described in **Section III.B.** below.

At least one letter shall be sent to the last known address on Respondent's books and records, as of the time it receives the UPR, for the annuity contract owner. If at any time prior to the expiration of the **one hundred eighty (180) day** period described above, Respondent determines that the owner cannot be located, the property shall be subject to the reporting and remittance process described in **Section III.B.** below.

B. Reporting and Remittance of Property

1. Results of Due Diligence

Within **five (5) business days** following the end of each calendar month, Respondent shall provide Verus with a list of all property that it has paid out as a result of the due diligence process, all property for which confirmed contact with a Beneficiary or a Beneficiary's legal representative has been made but the property remains to be paid out, and all property that is to be remitted to DFS. Verus may perform appropriate audit techniques to confirm that Respondent fully paid the Proceeds to the Beneficiary following the due diligence process.

2. Payment of Property

Respondent agrees that all unclaimed property to be reported and remitted pursuant to this Agreement shall be reported by Respondent to DFS through Verus. Payment of all amounts to be remitted shall be made in connection with the **Final Audit Report** submitted by Verus to DFS. Respondent further agrees that no unclaimed property to be reported and remitted pursuant

to this Agreement shall be included in any annual filings or any supplemental filings made by Respondent to DFS.

Respondent shall provide Verus with the methodology used to calculate Proceeds due to be remitted, as well as access to the physical documentation (e.g., calculation worksheets) and/or digital files that are created or edited during the death benefit calculation for each reportable policy. Such documentation shall include a breakdown of all post date of death debit/charges or additions to the account, including but not limited to loans, premiums, service fees, interest, dividends, etc. Verus may test a reasonable percentage of such Proceeds to ensure that the correct calculations have been made. Any disputes regarding the amount of benefits due shall be subject to the same reconciliation and resolution process described in **Section II** above.

IV. REPORT AND REMIT PROTOCOL

Respondent agrees that all Proceeds to be reported and remitted to DFS pursuant to this Agreement shall be reported by Respondent to DFS through Verus. Respondent further agrees that no Proceeds to be reported and remitted to DFS pursuant to this Agreement shall be included in any annual filings or any supplemental filings made by Respondent to DFS. Nothing in this Agreement, however, shall prohibit Respondent from identifying and remitting Proceeds to a Beneficiary if permitted or required by DFS's UP Laws. At such time as the Respondent provides notice of remittance to a Beneficiary under DFS's UP Laws, the Respondent shall provide a copy of the notice of remittance to Verus. DFS and Verus shall have access to all relevant records documenting the identification of the Beneficiary and the remittance of Proceeds pursuant to this section.

Verus and Respondent mutually agree to deliver all notices and reports required under the Agreement according to the following protocols.

Reports provided to Respondent shall be delivered in electronic, encrypted, password protected, unlocked (to permit sorting) Excel format (or such other format as Verus and Respondent mutually agree in writing) to Rick Radice. Respondent may designate in writing to Verus one or more persons to receive such reports instead of Rick Radice.

Reports provided to Verus shall be delivered in electronic, encrypted, password protected, unlocked (to permit sorting) Excel format (or such other format as Verus and Respondent mutually agree in writing) to Mr. Steven Haley, at shaley@verusfinancial.com.

Report delivery protocol questions, issues, concerns, or disputes shall, in the first instance, be addressed to Rick Radice of Respondent, or Mr. Haley, of Verus, for resolution.

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