

**IN THE MATTER OF
TRANSAMERICA CASUALTY INSURANCE COMPANY
NAIC #10952**

REGULATORY SETTLEMENT AGREEMENT

This Regulatory Settlement Agreement is entered into as of this 15 day of December 2017 by and between Transamerica Casualty Insurance Company, the Lead States, and the insurance regulators who, on behalf of their agencies, have executed the form of "Participating State Adoption" set forth as Exhibit A, pursuant to the definitions, terms and conditions set forth below.

A. Recitals

1. At all relevant times during the Examination Period the Company has been a licensed insurance company domiciled in the State of Ohio and authorized to write Travel Insurance in the Participating States. The Company has offered and sold Travel Insurance policies in the Participating States.

2. Beginning in 2014, the Lead States initiated targeted market conduct examinations of certain travel insurance companies, including the Company. Market conduct examination warrants were issued by the Missouri Department of Insurance (and subsequently amended) to the Company regarding travel insurance practices relating to "underwriting and rating, policyholder service, claims, producer licensing, marketing and sales, complaints, and operations/management," covering the period from January 1, 2010 through December 31, 2014 and rates and underwriting information for the period of January 1, 2010 through June 30, 2017. This Examination was supported by the efforts of the National Association of Insurance Commissioners' Market Action Working Group.

3. As part of the Examination, the Lead States have raised certain regulatory issues with the Company which the Lead States seek to address by this Agreement.

4. The Company has at all times acted in good faith and has cooperated with the Lead States and their examiners and vendors during the course of the Examination by, among other things, providing data, information, and documents from its books and records, responding to questions and written requests from the Lead States, devoting substantial resources and personnel to assist in the Examination, meeting on multiple occasions with the Lead States and their consultants, and taking remedial action on its own initiative and as requested by the Lead States to modify business practices of expressed concern to the Lead States. The Company asserts that at all times relevant to this Agreement, including, but not limited to, the Examination Period, the Company and its officers, directors, employees, agents and representatives have acted in good faith and in a manner they believed to be in the best interest of the Company's policyholders and in compliance with all applicable Insurance Laws.

5. The Company denies any wrongdoing or activity that violates any applicable laws or regulations, but in light of the complicated issues raised and the probability that long-term litigation and/or administrative proceedings would be required to resolve the disputes between the Parties hereto, the Parties have agreed to resolve all issues relating to the Examination through this Agreement. The Participating States and the Company voluntarily enter into this Agreement solely for the purpose of reaching a compromise and settlement to fully and finally resolve the issues raised in the Examination without the need for a hearing or further administrative action.

6. All matters encompassed within the scope of this Agreement and addressed in this Agreement, shall be fully and finally resolved according to the terms of this Agreement without

further regulatory or administrative processes or any actions, requirements, or monetary payments beyond those enumerated herein.

7. This Agreement sets forth (B) Definitions, (C) Exiting the Travel Insurance Market, (D) Business Reforms, and (E) other miscellaneous provisions.

B. Definitions

As used in this Agreement, the following terms shall have the meanings set forth below.

1. "Administrators" means both third party administrators, as defined by the law in each Participating State, and managing general agents as defined by the law in each Participating State.

2. "Agreement" means this Regulatory Settlement Agreement, including all Exhibits.

3. "Assistance Services" means one or more of the following non-insurance services that may be distributed by Distribution Participants or other entities including, but not limited to:

- Multilingual Assistance that is not related to the purchase of Travel Insurance by the consumer nor related to the handling of a Travel Insurance claim;
- Concierge Services, including restaurant referrals, and excursion and recreation reservations, relaying urgent messages or providing information relating to the purchaser's trip;
- Any other service that is furnished in connection with planned travel and is not directly or indirectly related to Travel Insurance, the administration of Travel Insurance coverage or covered under a policy of Travel Insurance.

4. "Business Reforms" means the provisions contained in Section D of this Agreement.

5. "Company" means Transamerica Casualty Insurance Company and all affiliated entities including parent companies, subsidiaries, affiliated companies, predecessors, successors, and assigns.

6. "Distribution Participants" means all producers, as defined by the law in each Participating State, Limited Lines Travel Insurance Producers, Travel Retailers, business entities as defined by the law in each Participating State, agents, travel websites, tour operators, airlines, cruise lines, vacation package promoters, hoteliers, property management companies, timeshare operators, rental car companies, other travel and tourism suppliers, and all other entities and individuals operating, selling, offering or otherwise conducting business on behalf of the Company. Distribution Participants specifically includes Administrators as defined in this Agreement.

7. "Effective Date" means the date this Regulatory Settlement Agreement has been executed by the Company and executed or adopted by thirty (30) states (the six Lead States plus twenty four additional states).

8. "Examination" means the market conduct examination conducted by the Lead States reviewing the Company's Travel Insurance practices during the Examination Period.

9. "Examination Period" means for policyholder services, claims, product licensing, marketing and sales, complaints and operations/management the period from January 1, 2010 to December 31, 2014 and continuing through the end of the Monitoring Time Period, and for underwriting and rating the period from January 1, 2010 to June 30, 2017, and continuing through the end of the Monitoring Time Period.

10. "Execution Date" means the date the Agreement is signed by the Managing Lead State.

11. "Insurance Laws" means the insurance statutes, rules and regulations and case law in effect in each Participating State.

12. "Lead States" means the insurance departments or other state agencies with regulatory jurisdiction over the business of insurance in the states of Missouri, Minnesota, Ohio, Oklahoma, Pennsylvania, and Utah.

13. "Limited Lines Travel Insurance Producer" means, unless otherwise defined by Insurance Laws in a Participating State, a (i) licensed managing general agent or third party administrator, or (ii) a limited lines insurance producer.

14. "Managing Lead State" means the Missouri Department of Insurance, Financial Institutions and Professional Registration.

15. "Monitoring Time Period" applies only to Section D "Business Reforms," and begins on the Effective Date and ends upon the completion of the runoff of all Travel Insurance claims made under policies issued by the Company prior to exiting the Travel Insurance market.

16. "Participating States" means the Managing Lead State, the Lead States, and the insurance departments or other state agencies with regulatory jurisdiction over the business of insurance of states and U.S. territories that have executed the "Participating State Adoption" form in Exhibit A within forty five (45) days of the Execution Date.

17. "Parties" means collectively the Company and the Participating States.

18. "Travel Cancellation Fee Waiver" means, unless otherwise provided by Insurance Law, a contractual agreement between a Distribution Participant and its customer where the Distribution Participant waives its own products/services (including pre-purchased packages of

travel products/services for which the Distribution Participant is contractually obligated) and refunds all or part of the full purchase price without regard to the reason for cancellation.

19. "Travel Insurance" means insurance coverage for individual risks incident to planned travel, including but not limited to:

- Interruption or cancellation of trip or event;
- Loss or delay of baggage or personal effects;
- Damages to accommodations or rental vehicles;
- Sickness, accident, disability or death occurring during travel and any related medical services;
- Missed connection;
- Emergency evacuation and repatriation and any related emergency services;
- Accidental death and dismemberment;
- Repatriation of remains;
- Loss due to travel delay;
- Any other contractual obligation to indemnify a specified amount to the traveler that constitutes insurance under the law in any of the Participating States.

"Travel Insurance" does not include:

- Major medical plans which provide comprehensive medical protections for travelers with trips lasting six (6) months or longer, including, but not limited to, those working overseas as expatriate or military personnel deployed overseas;
- Assistance Services; or
- Travel Cancellation Fee Waivers.

20. "Travel Retailer" means, unless otherwise defined by Insurance Laws in a

Participating State, a business entity that makes, arranges or offers travel services and may offer and disseminate Travel Insurance as a service to its customers on behalf of and under the direction of a Limited Lines Travel Insurance Producer.

C. Exiting the Travel Insurance Market

1. The Company agrees that it will not accept premium for any new sales of the Company's Travel Insurance occurring after December 31, 2017. The Company further agrees that it will remain out of the Travel Insurance market and will not, directly or indirectly, offer, sell, or underwrite the Company's Travel Insurance for at least five years from January 1, 2018 through December 31, 2022.

2. In the event that the Company elects to offer or sell the Company's Travel Insurance after December 31, 2022, the Company will file or re-file Travel Insurance policy forms in accordance with the then applicable Insurance Laws of each of the Participating States in which the Company intends to sell Travel Insurance after December 31, 2022.

3. In the event that the Company in the future decides to become a distributor of another insurance company's Travel Insurance product, nothing in this Agreement shall be interpreted to prevent or prohibit the Company or an affiliate of the Company from doing so.

D. Business Reforms

The Company agrees that to the extent the following business reforms have not already been adopted by the Company, the Company will adopt and implement such business reforms. The Company will have six (6) months after the Effective Date to adopt and implement such business reforms, unless a different date is prescribed herein.

1. Third Party Oversight. If the Company continues to have policies in force after December 31, 2017, Company will conduct at least two (2) audits of claims during each calendar

year in which policies remain in force. The results of each audit, including the audit plan, date performed, items reviewed, concerns noted, if any, and corrective action taken, if any, will be documented and retained by Company during the Monitoring Time Period and thereafter in accordance with applicable record retention laws in the Participating States. Company also agrees to develop and maintain a procedure manual for conducting such audits. Company further agrees, during the Monitoring Time Period, to notify Lead States of any changes in Administrators acting on its behalf. This includes Administrators with new contracts and Administrators that have contracts terminated with the Company.

2. Free Look Refunds. Where a Travel Insurance contract contains a free look provision, in the event of a valid cancellation of Travel Insurance, Company agrees to refund all amounts collected, including premium and fees, for Travel Insurance from the purchaser by the Company or a Distribution Participant, unless the Insurance Law of a Participating State provides otherwise. No contract that contains a free look provision shall allow any Distribution Participants to keep any fees collected from the purchaser for the sale of the Company's Travel Insurance if a valid cancellation occurs. Refunds shall be made within thirty (30) days of the cancellation of the Travel Insurance unless the time for making refunds is prescribed by the applicable Participating State's Insurance Law.

Claims and Claims Practices

3. Handling of Claims. Company agrees that claims for Travel Insurance benefits, including pre-existing conditions claims, will be adjudicated based on the Insurance Laws of the Participating State where the purchaser resides and based on the relevant insurance policy language. Company agrees that unless otherwise specified in the policy, a pre-existing condition waiver waives all pre-existing conditions.

4. Policy Interpretation. Any disputes regarding Travel Insurance policy language will be interpreted consistent with each Participating State's Insurance Law governing the interpretation of insurance contracts.

5. Coordination of Benefits. Company shall pay claims in accordance with the applicable Participating State's coordination of benefit laws.

6. Company agrees that it will adopt and implement in each of the Participating States all recommended corrective actions contained in the Corrective Actions for Claims Report dated July 20, 2017, which is part of the examination workpapers for Exam No.1503-17-TGT, to the extent that such corrective actions are consistent with the Insurance Laws in the applicable Participating State.

Record Retention

7. Company agrees that it will maintain documentation of its underwriting, rating, complaint, and claims files in accordance with applicable Participating State Insurance Laws.

E. Other Provisions

1. Authority to Execute. The Parties represent and warrant that the person(s) executing this Agreement on behalf of each Party has the legal authority to bind the Party to the terms of this Agreement.

2. Full and Final Agreement. This Agreement represents the entire agreement and understanding between the Company and the Participating States with respect to the subject matter contained herein and supersedes any and all prior understandings, agreements, plans and negotiations, whether written or oral, between the Company and any Participating State. This Agreement constitutes full and final resolution of all the issues raised in the Examination with respect to all of the Participating States.

3. Multi-State Administrative Payment. Without admitting any liability whatsoever, the Company will make an Administrative Payment of \$3,000,000, to be distributed among the Participating States as determined by the Lead States. It is understood and acknowledged that the Administrative Payment is not a fine. Within twenty (20) business days after the deadline for Participating State Adoption of this Agreement, the Lead States will: (a) provide the Company with a copy of each Participating State's signed State RSA Adoption Form (Exhibit A), and (b) provide the Company with an allocation table specifying the percentage and payment amount payable to each Participating State. The Administrative Payment shall be made by the Company to each Participating State within thirty (30) business days of receipt of the payment instructions from the Lead States, unless the Company and the Lead States agree to an extension. Payment shall be made as directed in each Participating State's signed State RSA Adoption Form (Exhibit A). Only Participating States that deliver an executed State Adoption of Regulatory Settlement Agreement Form as set forth in Exhibit A will receive a payment pursuant to the terms of this Agreement. Upon receipt of payment by each Participating State, the Company's financial obligation to each such Participating State relating to the Examination shall be extinguished.

4. Monitoring. During the Monitoring Time Period, the Company shall provide the Lead States with semi-annual reports, in a format acceptable to the Lead States, addressing the implementation and execution of the provisions of Section D of this Agreement. The first reporting period will end June 30, 2018, the second reporting period will end December 31, 2018 and each subsequent reporting period will end six (6) months thereafter. Each report shall be delivered to each of the Lead States within forty-five (45) days following the end of the applicable reporting period.

5. Confidentiality of Monitoring. The monitoring of the Company during the entire duration of the Monitoring Time Period for compliance with the terms of this Agreement constitutes an ongoing examination by each of the Lead States pursuant to each of their respective Insurance Laws. Consistent with applicable Insurance Law, during the Monitoring Time Period, each Lead State shall accord confidential treatment to all work papers, recorded information, and other documents produced by or disclosed by the Company at any time in connection with the Examination.

6. Monitoring Costs. During the Monitoring Time Period, the reasonable costs and expenses of the Lead States related to the monitoring of the Company's compliance with this Agreement, including the costs and expenses of conducting the ongoing examination referenced in Section E (4) shall be borne by the Company.

7. No Additional Exams. During the Monitoring Time Period, if the Company complies with all provisions contained in this Agreement, the Participating States agree they will not initiate any market conduct examinations and/or investigations relating to any of the issues subject to this Agreement other than the ongoing examination by the Lead States referenced in Section E (4) above.

8. Enforcement. Upon the Effective Date, this Agreement shall be deemed to constitute an Order by each of the Participating States. After the Effective Date, 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 Participating State. Any enforcement action brought by any Participating State shall be in conformity with the provisions of this paragraph and the Insurance Laws of such Participating State. If a Participating State believes that the Company has breached a provision of this Agreement, including but not limited to the Business Reforms, that

Participating State shall provide written notice of the alleged breach to the Company and will also notify the Lead States of the alleged breach. Company shall have the opportunity, within fifteen (15) business days of receipt of such notice, to present evidence in writing and/or through appearance before the state insurance regulator to rebut the allegation(s) or to seek an extension to address the alleged breach. Company shall have forty-five (45) business days from the date of receipt of a Participating State's written breach notice to cure any breaches, unless such Participating State and the Company agree to an extension. The Participating State and the Company agree to act and negotiate in good faith to resolve any alleged breach of the Agreement. A breach constitutes a breach of the entire Agreement only if the breach is deemed material, which for purposes of this Agreement means a significant, substantial failure in the performance of the Agreement, and central to the entire Agreement. The failure of the Company to cure a non-material breach within the forty five (45) days permitted by this Section also constitutes a material breach. A breach may be deemed material in a Participating State without being material in all Participating States. A material breach of this Agreement shall constitute the violation of an Order where determined in any Participating State in which the material breach occurs. A Participating State shall not pursue any enforcement action against the Company until the 45 day cure period has expired, but may then seek, without limitation, to enforce the provisions of this Agreement through administrative or legal enforcement actions and may seek penalties for violations of this Agreement. Any enforcement action brought by any Participating State shall be governed by the Insurance Laws of that Participating State.

9. Governing Law. Any action or proceeding to enforce the provisions of this Agreement brought by any Participating State shall be governed by the Insurance Laws of such

Participating State. This Agreement shall be governed by, and interpreted in accordance with, the Insurance Laws of each Participating State.

10. Sunset Provision. The provisions contained in Section D of this Agreement will expire on the later of five (5) years from the Effective Date or the end of the Monitoring Time Period.

11. Release. Each Participating State agrees to and does hereby release the Company and all of its parent companies, subsidiaries, affiliated companies, predecessors, successors, assigns, officers, directors, employees, agents, and Distribution Participants, from any and all claims, sanctions, losses, demands, interest, penalties, liabilities, violations, actions, or causes of action, that each Participating State has or may have, up through the Effective Date, by reason of any matter, event, cause or thing whatsoever, regarding or relating to, directly or indirectly, (i) the Examination, issues raised in the Examination, or practices revealed by the Examination, or (ii) issues otherwise encompassed within the scope of this Agreement. The release of Distribution Participants in this section is limited to business practices and transactions involving the Company's travel insurance and shall not extend to business the Distribution Participants may have conducted involving another insurance carrier's travel insurance whether before or after the Effective Date of this Agreement. Notwithstanding the foregoing, this Agreement is not intended to, nor may it be construed to, limit a Participating State's authority to investigate, examine or act upon any noncompliance of the Company with Insurance Laws regarding matters not within the scope of this Agreement. Except as otherwise provided in this Agreement, the authority of the Participating States to conduct any regulatory functions, including but not limited to dealing with specific instances of consumer complaints, licensing of insurers, Administrators, producers and other entities, or rate and form filings, shall not be limited. This

Agreement is not intended and may not be construed to limit the authority of any Participating State to investigate, examine and take appropriate action as to matters outside the scope of this Agreement. Except as provided herein, nothing in this Agreement shall be construed to waive or limit any rights the Participating States may have to regulate the Company or to seek such other remedies for a violation of law or regulation.

12. Subsequent Law. If a Participating State adopts an Insurance Law relating to or conflicting with any provision of this Agreement, then application of such provision of this Agreement shall be superseded by such Insurance Law or regulation as it applies in that Participating State (and that state alone), provided that all other unaffected terms and conditions of the Agreement shall remain in full force and effect.

13. Non-Admissibility. Neither this Agreement nor any part thereof, 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 or any of its parents and subsidiaries, successors, assigns, officers, directors, employees, agents, and Distribution Participants.

14. No Admission of Liability. The Participating States and the Company acknowledge and agree that neither this Agreement nor any of the statements or negotiations leading up to the Agreement constitute an admission of any liability, violation, or wrongdoing of any kind by the Company, and to the contrary, the Company expressly denies that any of its actions or alleged actions were unlawful or knowingly in violation of any applicable statutes or regulations of any of the Participating States. Neither this Agreement nor any part thereof, nor any related negotiations or statements by any of the parties, shall be offered by the Company, the Participating States, or any third party, as evidence of an admission, denial, or concession of any

liability or wrongdoing whatsoever on the part of any person or entity, including but not limited to the Company or the Participating States, or as a waiver by the Company or the Participating States of any applicable defenses, including without limitation any applicable statute of limitations or statute of frauds; or as a waiver by the Participating States of any regulatory authority regarding the matters addressed in the Examination.

15. No Impairment of Legal Activity. This Agreement does not impair, restrict, suspend or disqualify the Company from engaging in any lawful business in any jurisdiction, based upon, or arising out of, the Examination regarding any alleged act or omission of the Company.

16. No Impact on Current Travel Insurance. Nothing in this Agreement or any of its terms and conditions shall be interpreted to alter in any way the terms or provisions of, or the validity of, any of the Company's Travel Insurance policies or certificates issued prior to the Effective Date. Nothing in this Agreement shall be interpreted to release the Company from its obligation to pay claims in accordance with policy provisions. Further, nothing in this Agreement shall be interpreted to relieve the Company of its obligations to process consumer complaints in accordance with applicable law.

17. Extensions. The Managing Lead State and the Company may mutually agree, in writing, to any reasonable extensions of time that might become necessary to carry out the provisions of this Agreement. In the event the Company believes it will be unable to meet a deadline under the Agreement, the Company will promptly, but in no event less than seven (7) business days prior to the deadline in question, inform the Managing Lead State. The Company will use reasonable efforts to meet any such deadline as soon as practicable. The Managing Lead State agrees that it will consider all requests for extensions from the Company in good faith.

18. Amendments. Any amendments to this Agreement must be in writing and signed by the Lead States. It is agreed that the Lead States shall have the authority to amend this Agreement, and any such amendment shall be binding upon all of the Participating States. Nothing in this Agreement is meant to prohibit a Participating State from entering into a separate agreement with the Company regarding its Travel Insurance practices and procedures in that state.

19. Notice and Request for Modification. The Lead States will notify the Company of any Agreements or terms of Agreements that they enter into with any other Travel Insurance companies that are inconsistent with the Section D Business Reforms adopted in this Agreement. Upon receipt of such notice, Company may seek a modification to this Agreement relating to the Business Reform at issue from the Lead States, and the Lead States will not unreasonably withhold consent to such a request for modification.

20. Counterparts. This Agreement may be executed in one or more counterparts, all of which shall be deemed an original and all of which, when taken together, shall constitute one and the same Agreement. Execution and delivery of this Agreement may be performed by e-mail or facsimile transmission.

21. Headings. The section headings herein are intended for reference only and shall not be used in the construction or interpretation of this Agreement.

22. Severability. If any term or provision of this Agreement is determined by any court, regulatory or governmental agency to be illegal, unenforceable or invalid in whole or in part for any reason, such illegal, unenforceable or invalid provision or part thereof shall be deemed stricken from this Agreement, and such provision shall not affect the legality, enforceability or validity of the remainder of this Agreement. Additionally, in the event that a

court, regulatory or governmental agency determines that the Company has failed to satisfy a provision of this Agreement, pursuant to the Enforcement provision in Section E (8), it is the intent of the Parties that the remainder of this Agreement and its corresponding obligations and provisions are not affected thereby and remain in effect.


23. Preservation of Rights. Other than the individuals and entities covered by the release in Section E (11), who are intended third party beneficiaries with the right to enforce the release, this Agreement shall not confer any rights upon any persons or entities other than the parties to it, or extinguish any such rights, and the Agreement is not intended to be used for any other purpose.

24. Participating State Adoption. States may adopt this Agreement and become Participating States if they execute and return to the Lead States a Participating State Adoption in the form of Exhibit A on or before forty five (45) days from the Execution Date.

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

[SIGNATURE PAGES IMMEDIATELY FOLLOW]

Transamerica Casualty Insurance Company

By: 

Title: EVP & General Counsel

Date: 10/25/17

Missouri Department of Insurance, Financial Institutions and Professional Registration

By: Chloea Lindley Dyer

Title: Director

Date: 12.15.2017

Minnesota Department of Commerce

By: Ames Camm

Title: Deputy Commissioner

Date: 11.6.17

Targeted Multi State
Transamerica

Ohio Department of Insurance

By:  _____

Title: Director _____

Date: 12/6/17 _____

Oklahoma Insurance Department

By: Joel L. Sander
Joel L. Sander

Title: Deputy Commissioner, Finance

Date: October 18, 2017

Pennsylvania Insurance Department

By: Junia K. Alaman

Title: Acting Commissioner

Date: October 30, 2017

Utah Insurance Department

By: 

Title: Commissioner

Date: 10-27-17

Exhibit A
PARTICIPATING STATE ADOPTION
of
REGULATORY SETTLEMENT AGREEMENT

MARKET CONDUCT EXAMINATION OF
TRAVEL INSURANCE PRACTICES

IN THE MATTER OF
TRANSAMERICA CASUALTY INSURANCE COMPANY
NAIC #10952

On behalf of [STATE INSURANCE REGULATORY AGENCY], I, [EXECUTING OFFICIAL], as [EXECUTING OFFICIAL'S TITLE], hereby adopt, agree, and approve the Regulatory Settlement Agreement dated [EFFECTIVE DATE] by and between the above-named Company and the regulatory agencies named therein.

[STATE INSURANCE REGULATORY AGENCY]

By: _____
Title: _____
Date: _____

Please provide the following information as to how your jurisdiction's allocation of the Multi-State Administrative Payment should be sent from Transamerica Casualty Insurance Company.

CONTACT NAME:

MAILING ADDRESS:

PHONE NUMBER:

EMAIL:

PAYMENT MADE TO:

Please return this form to:

Stewart Freilich, Senior Regulatory Affairs Counsel
Missouri Department of Insurance, Financial
Institutions and Professional Registration
PO Box 690
Jefferson City, MO 65102
Stewart.freilich@insurance.mo.gov