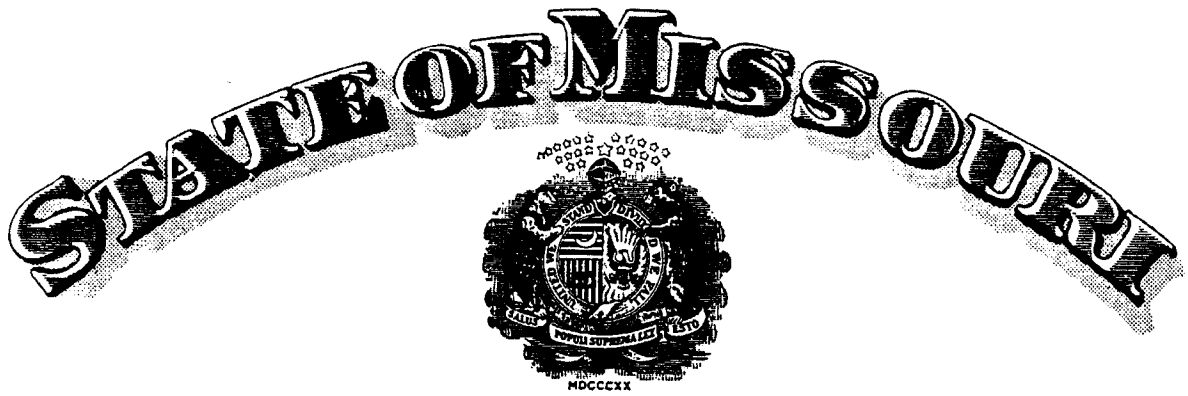

DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION

P.O. Box 690, Jefferson City, Mo. 65102-0690

TO: Old Mutual Financial Network
1001 Fleet St.
Baltimore, MD 21202

RE: Missouri Market Conduct Examination 0507-17-LAH
Old Mutual Financial Life Insurance Company (NAIC #63274)
(Formerly Fidelity & Guaranty Life Insurance Co.)

STIPULATION OF SETTLEMENT AND VOLUNTARY FORFEITURE

It is hereby stipulated and agreed by Douglas M. Ommen, Director of the Missouri Department of Insurance, Financial Institutions and Professional Registration, hereinafter referred to as "Director," and Old Mutual Financial Life Insurance Company, (formerly Fidelity & Guaranty Life Insurance Co.) (hereafter referred to as "F&G"), as follows:

WHEREAS, Douglas M. Ommen is the Director of the Missouri Department of Insurance, Financial Institutions and Professional Registration (hereafter referred to as "the Department"), an agency of the State of Missouri, created and established for administering and enforcing all laws in relation to insurance companies doing business in the State in Missouri; and

WHEREAS, F&G has been granted a certificate of authority to transact the business of insurance in the State of Missouri; and

WHEREAS, the Department conducted a Market Conduct Examination of F&G and prepared report number 0507-17-LAH; and

WHEREAS, the report of the Market Conduct Examination has revealed that:

1. In some instances, F&G contracted with producer entities that used business names other than those under which they were incorporated, in violation of §§375.015, 375.120, and 375.936, RSMo.

2. In some instances, F&G's Producer Appointment Register failed to include all individual producers who contracted with its producer entities, as required by §§375.015 and 375.022, RSMo, and 20 CSR 300-2.200(3)(C).

3. In some instances, F&G's complaint files indicated that the producer who signed an application was not properly licensed for the type of application taken and that a statement made by that producer did not agree with the documentation contained in the file, thereby violating §§375.014, 375.065, and 375.141, RSMo, as well as 20 CSR 300-2.200(3)(C).

4. In some instances, F&G's producer-created advertising files did not include a final company-approved copy of the advertising or other documentation verifying its approval, thereby violating 20 CSR 300-2.200(3)(A) and 20 CSR 400-5.100(8)(A).

5. In one instances, F&G used a form that had not been previously filed with the Department for underwriting purposes which asked questions that were not also included on the application, in violation of 20 CSR 400-8.200(2)(B)4 and (3).

6. In some instances, F&G issued group life contract forms that did not include the required suicide exception disclosure as set forth in §376.620, RSMo, and 20 CSR 400-2.060(4)(F).

7. In one instance, F&G used an application form that included a question to elicit whether the applicant had previously been cancelled or declined, in violation of §376.936(11)(f), RSMo and DIFP Bulletin 94-04.

8. In some instances, F&G accepted life insurance and annuity applications that included changes to material information without the applicants' signatures in close context to the changes, in violation of the Company's own procedures.

9. In some instances, F&G failed to provide written notice of the replacement of life and annuity policies to the existing insurer within five working days and failed to maintain all pertinent replacement documents pertinent to those files, thereby violating 20 CSR 400-5.400(7)2 and 20 CSR 300-2.200(3)(A)1.

10. In some instances, F&G failed to send a written notification of the reason for delay to the claimant within 45 days of the initial claim notification and every 45 days thereafter, as required by 20 CSR 100-1.050(1)(C).

11. In some instances, F&G failed to advise the insured of its acceptance or denial of the claims within 15 working days after receiving all necessary documentation, as required by 20 CSR 100-1.050(1)(A).

12. In one instance, F&G failed to pay the correct amount of interest on a life insurance claim, in violation of 20 CSR 100-1.050(1)(H).

13. In one instance, F&G failed to consider a consumer's dissatisfaction with the Company as a complaint and therefore failed to include it in its Complaint Register, thereby violating §376.936(3), RSMo, and 20 CSR 100-1.030(1).

WHEREAS, F&G hereby agrees to take remedial action bringing F&G into compliance with the statutes and regulations of the State of Missouri and agrees to maintain those corrective actions at all times, including, but not limited to, taking corrective action to assure that the errors noted in the above-referenced market conduct examination report do not recur.

WHEREAS, F&G, after being advised by legal counsel, does hereby voluntarily and knowingly waive any and all rights for procedural requirements, including notice and an opportunity for a hearing, which may have otherwise applied to Market Conduct Examination #0507-17-LAH; and

WHEREAS, F&G hereby agrees to the imposition of the ORDER of the Director and as a result of Market Conduct Examination #0507-17-LAH further agrees, voluntarily and knowingly to surrender and forfeit the sum of $75,000.

NOW, THEREFORE, in lieu of the institution by the Director of any action for the SUSPENSION or REVOCATION of the Certificate(s) of Authority of F&G to transact the business of insurance in the State of Missouri or the imposition of other sanctions, F&G does hereby voluntarily and knowingly waive all rights to any hearing, does consent to the ORDER of the Director and does surrender and forfeit the sum of $75,000, such sum payable to the Missouri State School Fund, in accordance with §374.280, RSMo.

DATED: 5/4/2007

President
Old Mutual Financial Life Insurance Company
(Formerly Fidelity & Guaranty Life Insurance Co.)