

**STATE OF VERMONT
DEPARTMENT OF BANKING, INSURANCE, SECURITIES
& HEALTH CARE ADMINISTRATION**

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In re: Monumental Life)	
Insurance Company)	DOCKET NO. 03-071-I
NAIC # 66281)	
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STIPULATION

1. Pursuant to the authority contained in Vermont law, including but not limited to, 8 V.S.A. §§ 10-13, 3564-3566, 3573-3574, 4726 and 4804, the Commissioner of the Department of Banking, Insurance, Securities and Health Care Administration (the “Department”) is charged with administering and enforcing the insurance laws and regulations of the State of Vermont and its authorized to conduct periodic examinations of insurers and licensees to determine whether they are in compliance with said laws and regulations.

2. Monumental Life Insurance Company (NAIC # 66281) (hereinafter the “Company”) is a foreign insurer authorized to transact business in the State of Vermont pursuant to Certificate of Authority number 1402 P.

3. On or about April 30, 2003, examiners James R. Montgomery and Robbie Kriplean (the “examiners”) filed a formal written examination report (the “Report”) setting forth the results of a market conduct examination of the Company.

4. The Company disputed the findings and conclusions of the Report in its February 15, 2002 and June 20, 2003 Responses, but has agreed to confirm in writing that it has

taken the following steps within 120 days of the date of the Commissioner's signed Order:

- a. The Company shall file for Department approval all refund formulas used by the Company to calculate premium refunds.
- b. The Company's computer systems will be modified to the extent necessary to provide that premium refunds are consistently calculated in accordance with the Company's refund formula once approved by the Department.
- c. The Company will revise its written instructions to its auto dealership accounts so that such instructions accurately describe the certificate refund requirements.
- d. The Company shall take appropriate steps to ensure that only approved Monumental Life Insurance Company forms will be used in the future.
- e. The Company shall exercise care reviewing answers to health questions on an application, ensure that Company employees responsible for such review understand answers to health questions must be completed, and the Company will direct account representatives to direct to review applications for completeness before a certificate is issued.
- f. The Company shall provide a written notice to its accounts in Vermont, instructing the accounts that coverage should not be issued in excess of the present value of loan payments over the term period discounted at the appropriate APR.

g. The Company will ensure that its consumer report complaint reports required by Regulation 76-1 § 5 continue to be timely filed.

5. The Department acknowledges the Company has cooperated fully in the examination and the Department's subsequent investigation.

6. In consideration of the mutual covenants contained herein, the Company and the Department agree as follows:

- a. The Commissioner shall adopt the Report;
- b. The Commissioner shall issue an order in this matter, in a form agreed to by the parties, referencing a voluntary forfeiture of \$2,000 by the Company;
- c. A formal hearing is waived and no appeal or collateral attack on the order shall be made;
- d. This Stipulation represents the resolution of those issues within the scope of the Report, whether or not specifically set forth herein, and shall in no way be construed to adjudicate violations of laws of the State of Vermont outside the scope of the Market Conduct Exam;
- e. The Department and the Company agree that the remedy set forth herein shall fully and finally resolve all regulatory issues arising out of the factual findings detailed in the Report.

DATED at _____, this ____ day of _____, 2004.

Monumental Life Insurance Company

By: _____
Name: _____
Title: _____

DATED at Montpelier, Vermont, this ____ day of _____, 2004.

Department of Banking, Insurance,
Securities and Health Care Administration

By: _____
J. Peter Yankowski
Deputy Commissioner of Insurance

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