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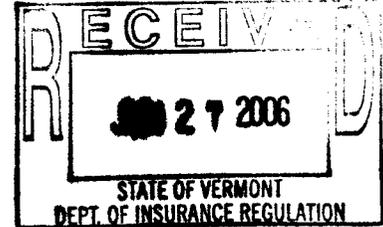
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# UnionCentral

Insurance and Investments  
A UNIFI Company

June 26, 2006

David Cassetty, Enforcement Attorney  
Vermont Insurance Department  
89 Main Street, Drawer 20  
Montpelier, Vermont 05620-3101



Re: The Union Central Life Insurance Company  
Market Conduct Examination Report

Dear Mr. Cassetty:

Thank you for your letter of May 19, 2006, forwarding the Vermont Market Conduct Examination Report for Union Central, as of December 31, 2003. We concur with the summary of recommendations provided by the Market Conduct Examiners, with the exception of the following specific recommendations. Regarding these specific recommendations we offer the following comments:

**Item 5 summary of recommendations:**

The examiners recommended that the Company immediately amend the “free look” provisions on all of its policies and contracts to provide for a thirty (30) day period for replacement transactions. We feel we are in compliance with the regulation and should not be fined for this issue.

Vermont Regulation I-2003-03 life insurance and annuities replacement regulation which requires the Company “provide to the policy or contract owner notice of the right to return the policy contract within thirty (30) days of the delivery of the contract.....” states that “... such notice may be included in Appendix A or C.” We include the notice on Appendix A (form UC2174-2). In addition, as previously stated in the report, we are phasing in a new provision concerning the “free look” period with products filed in November 2002 and thereafter. Therefore, we feel we are in compliance with the regulation.

**Item 3 summary of recommendations:**

The examiners recommended that those persons whose policies were replaced, and did not receive the full 30 day replacement notification, be allowed the opportunity to return their contracts and receive refunds as prescribed in the regulation. As stated above, we believe we gave proper notice to those persons, and, therefore, are in compliance with the 30 day “free look” period and should not be fined in regards to this related issue.

In addition, we reviewed our complaint log for the period January 2002 through June 8, 2006 and did not find any complaints were received from Vermont policy or contract owners during this time period. Had a complaint been received within the 30 day “free look” period that requested a full refund of premium we would have abided by the request in accordance with the notice we provided in Appendix A (form UC2174-2) and, therefore, the regulation.

Furthermore, we do not understand the benefit of allowing those persons an additional 10 day “free look” period at this time. In fact, we feel this could be confusing and potentially detrimental to the policy or contract owner. At this time, we can not undo the replacement that occurred and put the client back in the same position they were at the time the

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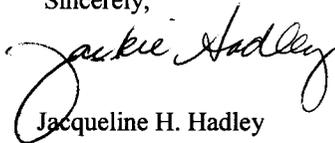
replacement occurred. Therefore, new policies or contracts with us or another carrier would have to be issued. For life insurance policy owners, there could be underwriting issues and their attained age would have increased both could increase the rates available to them. For annuity contract owners, there could be tax consequences including penalties and fines.

**Item 8 summary of recommendations:**

We have already completed an audit for the period of January 1, 2001 through December 31, 2003. We agree to perform an audit for an additional claim period selected by the Vermont Department as long as it does not extend back further than we are required to keep claim records.

We trust this letter fully responds to your request.

Sincerely,

A handwritten signature in cursive script that reads "Jackie Hadley". The signature is written in black ink and is positioned above the printed name.

Jacqueline H. Hadley

cc: Charles Piasecki, Market Conduct Chief