

<i>SERFF Tracking Number:</i>	<i>CNSC-125977389</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Conseco Life Insurance Company</i>	<i>State Tracking Number:</i>	<i>41388</i>
<i>Company Tracking Number:</i>	<i>CLIC-CA</i>		
<i>TOI:</i>	<i>H01 Health - Assumption Agreement</i>	<i>Sub-TOI:</i>	<i>H01.000 Health - Assumption Agreement</i>
<i>Product Name:</i>	<i>CLIC-CA Assumption Certificate</i>		
<i>Project Name/Number:</i>	<i>CLIC-CA/</i>		

Filing at a Glance

Company: Conseco Life Insurance Company

Product Name: CLIC-CA Assumption Certificate SERFF Tr Num: CNSC-125977389 State: ArkansasLH

TOI: H01 Health - Assumption Agreement

SERFF Status: Closed

State Tr Num: 41388

Sub-TOI: H01.000 Health - Assumption

Co Tr Num: CLIC-CA

State Status: Approved-Closed

Agreement

Filing Type: Form

Co Status:

Reviewer(s): Rosalind Minor

Author: David Dennie

Disposition Date: 03/02/2009

Date Submitted: 01/21/2009

Disposition Status: Approved-Closed

Implementation Date Requested:

Implementation Date:

State Filing Description:

General Information

Project Name: CLIC-CA

Project Number:

Requested Filing Mode: Review & Approval

Explanation for Combination/Other:

Submission Type: New Submission

Overall Rate Impact:

Filing Status Changed: 03/02/2009

Deemer Date:

Filing Description:

Status of Filing in Domicile: Authorized

Date Approved in Domicile: 01/13/2009

Domicile Status Comments:

Market Type: Individual

Group Market Size:

Group Market Type:

Explanation for Other Group Market Type:

State Status Changed: 03/02/2009

Corresponding Filing Tracking Number:

We are seeking the approval of a Notice and Certification of Assumption. This Assumption Certificate will be sent to all policyholders and/or certificateholders of Senior Health Insurance Company of Pennsylvania's in-force policies that were transferred to and assumed by CLIC, pursuant to the terms and conditions of an Assignment Agreement, a copy of which is enclosed (the "Assignment Agreement"). The Assignment Agreement was approved by the Pennsylvania and Indiana insurance departments.

SERFF Tracking Number: CNSC-125977389 State: Arkansas
 Filing Company: Consec Life Insurance Company State Tracking Number: 41388
 Company Tracking Number: CLIC-CA
 TOI: H01 Health - Assumption Agreement Sub-TOI: H01.000 Health - Assumption Agreement
 Product Name: CLIC-CA Assumption Certificate
 Project Name/Number: CLIC-CA/

Company and Contact

Filing Contact Information

David Dennie, Assistant Vice President David_Dennie@consec.com
 11815 N Pennsylvania St. (800) 888-4918 [Phone]
 Carmel, IN 46032 (317) 817-2333[FAX]

Filing Company Information

Consec Life Insurance Company CoCode: 65900 State of Domicile: Indiana
 11815 N. Pennsylvania Street Group Code: 233 Company Type:
 Carmel, IN 46032 Group Name: State ID Number:
 (800) 888-4918 ext. [Phone] FEIN Number: 04-2299444

Filing Fees

Fee Required? Yes
 Fee Amount: \$50.00
 Retaliatory? No
 Fee Explanation: \$50.00 per form x 1 form = \$50.00
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Consec Life Insurance Company	\$50.00	01/21/2009	25162706

SERFF Tracking Number: CNSC-125977389 State: Arkansas
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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved-Closed	Rosalind Minor	03/02/2009	03/02/2009

Objection Letters and Response Letters

Objection Letters				Response Letters		
Status	Created By	Created On	Date Submitted	Responded By	Created On	Date Submitted
Pending Industry Response	Rosalind Minor	01/22/2009	01/22/2009	David Dennie	02/27/2009	02/27/2009

SERFF Tracking Number: CNSC-125977389 *State:* Arkansas
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Product Name: CLIC-CA Assumption Certificate
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Disposition

Disposition Date: 03/02/2009

Implementation Date:

Status: Approved-Closed

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number: CNSC-125977389 State: Arkansas
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 TOI: H01 Health - Assumption Agreement Sub-TOI: H01.000 Health - Assumption Agreement
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Item Type	Item Name	Item Status	Public Access
Supporting Document	Certification/Notice	Approved-Closed	Yes
Supporting Document	Cover Letter	Approved-Closed	Yes
Supporting Document	Assignment Agreement	Approved-Closed	Yes
Form (revised)	Notice and Certification of Assumption	Approved-Closed	Yes
Form	Notice and Certification of Assumption	Replaced	Yes

SERFF Tracking Number: CNSC-125977389 State: Arkansas
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Company Tracking Number: CLIC-CA
TOI: H01 Health - Assumption Agreement Sub-TOI: H01.000 Health - Assumption Agreement
Product Name: CLIC-CA Assumption Certificate
Project Name/Number: CLIC-CA/

Objection Letter

Objection Letter Status Pending Industry Response
Objection Letter Date 01/22/2009
Submitted Date 01/22/2009

Respond By Date

Dear David Dennie,

This will acknowledge receipt of the captioned filing.

Objection 1

- Notice and Certification of Assumption (Form)

Comment:

The information contained in the assumption certificate must comply with Rule 55, Section 6.

Please feel free to contact me if you have questions.

Sincerely,

Rosalind Minor

Response Letter

Response Letter Status Submitted to State
Response Letter Date 02/27/2009
Submitted Date 02/27/2009

Dear Rosalind Minor,

Comments:

Please see below in response to your 1/22/09 objection letter.

Response 1

Comments: We have revised the assumption certificate to comply with Rule 55. The form number has been changed to CLIC-CA-AR and is attached in the Form Schedule tab.

Related Objection 1

Applies To:

- Notice and Certification of Assumption (Form)

SERFF Tracking Number: CNSC-125977389 State: Arkansas
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 Company Tracking Number: CLIC-CA
 TOI: H01 Health - Assumption Agreement Sub-TOI: H01.000 Health - Assumption Agreement
 Product Name: CLIC-CA Assumption Certificate
 Project Name/Number: CLIC-CA/
 Comment:

The information contained in the assumption certificate must comply with Rule 55, Section 6.

Changed Items:

No Supporting Documents changed.

Form Schedule Item Changes

Form Name	Form Number	Edition Date	Form Type	Action	Action Specific Data	Readability Score	Attach Document
Notice and Certification of Assumption	CLIC-CA-AR		Other	Initial			CLIC-CA-AR.pdf
Previous Version							
Notice and Certification of Assumption	CLIC-CA		Other	Initial			Notice and Cert. of Assumption.pdf

No Rate/Rule Schedule items changed.

Thank you for your attention to our filing.

Sincerely,
David Dennie

SERFF Tracking Number: CNSC-125977389 *State:* Arkansas
Filing Company: Conseco Life Insurance Company *State Tracking Number:* 41388
Company Tracking Number: CLIC-CA
TOI: H01 Health - Assumption Agreement *Sub-TOI:* H01.000 Health - Assumption Agreement
Product Name: CLIC-CA Assumption Certificate
Project Name/Number: CLIC-CA/

Form Schedule

Lead Form Number: CLIC-CA

Review Status	Form Number	Form Type	Form Name	Action	Action Specific Data	Readability	Attachment
Approved-Closed	CLIC-CA-AR	Other	Notice and Certification of Assumption	Initial			CLIC-CA-AR.pdf

CONSECO LIFE INSURANCE COMPANY
11825 North Pennsylvania Street
Carmel, Indiana 46032

NOTICE AND CERTIFICATION OF ASSUMPTION

Pursuant to the terms of an Assignment Agreement, dated November 12, 2008, between Senior Health Insurance Company of Pennsylvania (formerly known as Conseco Senior Health Insurance Company) ("SHIP") and Conseco Life Insurance Company ("CLIC"), all of the rights, liabilities and obligations of SHIP, an insurance company duly organized and existing under the laws of the Commonwealth of Pennsylvania, under certain policies of insurance (including any amendment or modifications thereto) heretofore written by SHIP, will be assumed by CLIC, an insurance company duly organized and existing under the laws of the State of Indiana.

This change is effective as of October 1, 2008.

All terms and conditions of your policy with us, including any rights you may have to surrender the policy subject to the terms of the policy, remain unchanged, except that CLIC shall become directly and primarily liable for the obligations of SHIP under your policy. All payments, premiums, notices, claims and suits or actions on your policy shall hereafter be made to CLIC as though it were your original insurer. You can request a copy of the Assignment Agreement by sending a written request to:

Conseco Life Insurance Company
11825 North Pennsylvania Street
Carmel, Indiana 46032

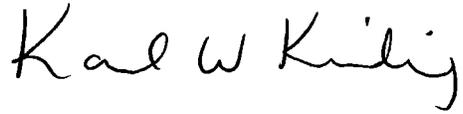
Premium payments, or any other correspondence regarding your policy, can be sent to the above address. For inquiries regarding this Notice and Certification of Assumption, please contact CLIC at the above address or call toll-free at 1-800-242-4852. You may also contact the Arkansas Insurance Department for information regarding the financial condition of CLIC, using the information below:

Arkansas Insurance Department
1200 West Third Street
Little Rock, AR 72201-1904
Telephone: 1-800-282-9134

Please be advised that you retain all rights against SHIP, your original insurer, with respect to your policy. For example, in the event CLIC, the assuming insurer, is unable to fulfill its obligations, SHIP, your original insurer, remains liable to you notwithstanding the terms of the above-referenced Assignment Agreement.

This Notice and Certificate of Assumption forms a part of and is to be attached to your policy, and does not require any action on your part

IN WITNESS WHEREOF, CLIC has caused its corporate seal to be affixed hereto and this Notice and Certification of Assumption to be executed by its duly authorized officer.

A handwritten signature in black ink that reads "Karl W. Kindig". The signature is written in a cursive style with a large initial 'K' and a distinct 'W'.

Name: Karl W. Kindig
Title: Secretary

<i>SERFF Tracking Number:</i>	<i>CNSC-125977389</i>	<i>State:</i>	<i>Arkansas</i>
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<i>Product Name:</i>	<i>CLIC-CA Assumption Certificate</i>		
<i>Project Name/Number:</i>	<i>CLIC-CA/</i>		

Rate Information

Rate data does NOT apply to filing.

SERFF Tracking Number: CNSC-125977389

State: Arkansas

Filing Company: Conseco Life Insurance Company

State Tracking Number: 41388

Company Tracking Number: CLIC-CA

TOI: H01 Health - Assumption Agreement

Sub-TOI: H01.000 Health - Assumption Agreement

Product Name: CLIC-CA Assumption Certificate

Project Name/Number: CLIC-CA/

Supporting Document Schedules

Satisfied -Name: Certification/Notice	Review Status: Approved-Closed	03/02/2009
Comments:		
Attachment: Flesch Cert.pdf		
Satisfied -Name: Cover Letter	Review Status: Approved-Closed	03/02/2009
Comments:		
Attachment: Cover Letter.pdf		
Satisfied -Name: Assignment Agreement	Review Status: Approved-Closed	03/02/2009
Comments:		
Attachment: SHIP-CLIC Assignment Agreement.pdf		

Conseco Life Insurance Company
11825 N. Pennsylvania St.
Carmel, IN 46032

January 21, 2009

Arkansas Insurance Department
1200 West Third Street
Little Rock, AR 72201-1904

Re: Conseco Life Insurance Company
NAIC No.: 65900 FEIN No.: 04-2299444
Notice and Certificate of Assumption Form CLIC-CA

Dear Sir or Madam:

On behalf of Conseco Life Insurance Company, an Indiana insurance company ("CLIC"), we are hereby seeking the approval, from your department of the policy form entitled "Notice and Certification of Assumption," a form of which is attached (the "Assumption Certificate"). This Assumption Certificate will be sent to all policyholders and/or certificateholders of Senior Health Insurance Company of Pennsylvania's in-force policies that were transferred to and assumed by CLIC, pursuant to the terms and conditions of an Assignment Agreement, a copy of which is attached (the "Assignment Agreement"). The Assignment Agreement was approved by the Pennsylvania and Indiana insurance departments.

The Assignment Agreement was entered into by Senior Health Insurance Company of Pennsylvania (formerly known as Conseco Senior Health Insurance Company), a Pennsylvania insurance company ("SHIP"), and CLIC in connection with the transfer of 100% of the capital stock of SHIP to Senior Health Care Oversight Trust (the "Change of Control") which was effective November 12, 2008, following approval by the Pennsylvania Insurance Department. The Senior Health Care Oversight Trust is governed by an independent Board of Trustees composed of former insurance regulators and financial experts and will be subject to oversight from the Pennsylvania Insurance Department.

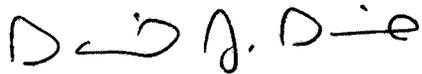
As part of the Change of Control, SHIP transferred all of its non-long-term care business, consisting of traditional life insurance policies, universal life insurance policies, specified disease insurance policies, Medicare supplement insurance policies, fixed annuity contracts and single premium immediate annuity contracts, that were currently in force, to CLIC, effective at October 1, 2008, which will allow SHIP to focus solely on its long term care insurance policies.

It should be noted that the parties will not seek a novation of the policies transferred by SHIP in connection with the Assignment Agreement, rather CLIC agreed to become directly and primarily liable to the policyholders and certificateholders under the transferred policies and to perform the administration of the policies on SHIP's behalf. As a result, SHIP will still be liable under such policies in the event that CLIC for whatever reason fails to perform its obligations under the Assignment Agreement.

The attached Assumption Certificate is intended to notify the policyholders and certificateholders under the transferred policies that CLIC has become directly and primarily liable for the obligations of SHIP under the transferred policies, and advise them that payments, notices, claims and suits or actions under the transferred policies should be made to CLIC.

Thank you in advance for your attention to this matter. Let us know if you need any additional information in order to approve the Assumption Certificate.

Sincerely,

A handwritten signature in black ink that reads "David J. Dennie". The signature is written in a cursive style with a horizontal line under the "e".

David J. Dennie, AIRC
Manager, Product Filing
Product Approval and Compliance
Conseco Services, LLC
Phone: (317) 817-4728
Fax: (317) 817-2333
E-mail: david_dennie@conseco.com

This ASSIGNMENT AGREEMENT (this "Assignment Agreement"), is made as of November 12, 2008, by and between Senior Health Insurance Company of Pennsylvania, an insurance company domiciled in the Commonwealth of Pennsylvania, which was formerly known as Conseco Senior Health Insurance Company ("SHIP"), and Conseco Life Insurance Company, an insurance company domiciled in the State of Indiana ("CLIC," and, together with SHIP, the "Parties").

W I T N E S S E T H:

WHEREAS, Conseco, Inc., a Delaware corporation, CDOC, Inc., a Delaware corporation, and Senior Health Care Transition Trust, a Pennsylvania business trust, have entered into a Transfer Agreement, dated as of August 11, 2008 (as amended, modified or supplemented, the "Transfer Agreement"; each term capitalized and not defined herein shall have the meaning ascribed to such term in the Transfer Agreement), which provides for the Parties to enter into this Assignment Agreement;

WHEREAS, CLIC and SHIP desire to transfer certain of SHIP's assets and certain of SHIP's liabilities to, and have them assumed by, CLIC in connection with the Closing;

WHEREAS, to facilitate CLIC's performance of the Administrative Services (as defined below) in connection with the Transferred Liabilities (as defined below), SHIP desires to grant CLIC authority to administer the Transferred Liabilities (as defined below) in SHIP's name on and after the Closing Date; and

WHEREAS, the consummation of the transfer and assumption of the Transferred Liabilities contemplated by this Assignment Agreement is a condition to the Closing.

NOW, THEREFORE, in consideration of the premises and of the mutual agreements and covenants hereinafter set forth, the Parties hereby agree as follows:

1. TRANSFER AND ASSUMPTION.

1.1. Effective Time of Transfer and Assumption. Subject to the receipt of any required regulatory approvals, including any required approvals of the Pennsylvania Insurance Department and the Indiana Department of Insurance, this Assignment Agreement shall become effective and non-cancelable on the Closing Date, with effect as of the Effective Time as provided further below.

1.2. Transfer and Assumption. In accordance with the terms of this Assignment Agreement, immediately prior to the Closing, CLIC shall assume any and all of the Transferred Liabilities (as defined below) of SHIP and, immediately following the Closing, all the rights, title, franchises, and interest of SHIP in and to the Transferred Assets (as defined below) shall transfer to and be vested in CLIC (collectively, the "Transfer and Assumption"), in each case without any further action by or on behalf of the Parties. For purposes of this Assignment Agreement, the "Effective Time" shall mean 12:01 A.M. on the first day of SHIP's fiscal quarter during which the Closing occurs and such day is the "Effective Date". Both the Transferred Liabilities and the Transferred Assets will be transferred with effect from the Effective Time.

1.3. Transferred Assets. For purposes of this Assignment Agreement, "Transferred Assets" means the following assets of SHIP: (a) all rights in and to insurance contracts issued by SHIP that are traditional life insurance contracts, universal life insurance contracts, specified disease insurance contracts, Medicare supplement insurance contracts, fixed annuity contracts and single premium immediate annuity contracts which are in-force as of the Effective Time (the "Insurance Contracts"); (b) subject to Paragraph II of Exhibit A to the Transfer Agreement, all rights in and to reinsurance contracts entered into by SHIP whereby SHIP reinsures, as ceding company, the Insurance Contracts (the "Ceded Reinsurance"); (c) subject to Paragraph II of Exhibit A to the Transfer Agreement, all rights in and to reinsurance contracts whereby SHIP reinsures, as reinsuring company, traditional life insurance contracts, universal life insurance contracts, specified disease insurance contracts, Medicare supplement insurance contracts, fixed annuity contracts and single premium immediate annuity contracts (the "Assumed Reinsurance," and, together with the Ceded Reinsurance, the "Reinsurance Contracts"); (d) cash or investment assets as set forth on Schedule 1.3(d)(1) (minus the aggregate amount of any cash adjustment set forth thereon) with a fair market value equal to the amount of statutory reserves and other reserves and accruals reflected on the books and records of SHIP as of the Effective Time in accordance with applicable statutory accounting principles in respect of the Transferred Liabilities, which amount shall be adjusted by the interest maintenance reserve associated with this transaction, including both the historical interest maintenance reserve and the interest maintenance reserve generated by this transaction, in each case as set forth on Schedule 1.3(d)(2) hereof (the "Effective Date Reserves"); (e) any and all monies owing to or balances due to SHIP from others related to the Insurance Contracts and the Reinsurance Contracts; and (f) all other assets of SHIP to the extent that such assets relate solely to the business and operations of SHIP in administering the Insurance Contracts and the Reinsurance Contracts (other than Reinsurance Contracts to the extent covering business of SHIP other than Insurance Contracts). A list of the Transferred Assets contemplated by subsections (b) and (c) of the foregoing sentence is set forth on Schedule 1.3(a). It is the intention of the Parties that the selection of the investment assets to be retained by SHIP or transferred by SHIP to CLIC pursuant to this Assignment Agreement, as applicable, be generally consistent with that set forth in the "Summary of SHIP Investment Portfolio: Proposed Split of Investments – as of June 30, 2008" attached hereto as Schedule 1.3(b), with appropriate adjustments being made, which are mutually acceptable to the Parties, to reflect changes in the composition and value of the investment assets of SHIP prior to the Closing, as well as changes in the reserves held with respect to the business of SHIP to be assigned to CLIC pursuant to this Assignment Agreement.

1.4. Effective Date Reserves.

- (a) For purposes of causing the transfer of the Effective Date Reserves immediately following the Closing, the Effective Date Reserves (i) shall be, if the statutory financial statements of SHIP for the fiscal quarter ended on the day immediately preceding the Effective Time have been filed with Pennsylvania Insurance Department on or prior to the Closing Date, equal to the Effective Date Reserves as set forth on Schedule 1.3(d)(2) hereof, which shall be based on the financial information contained in such statutory financial statements (the "Proposed Reserve Amount"), or (ii) shall be, if such statutory financial statements have not

been filed with the Pennsylvania Insurance Department prior to the Closing Date, an amount equal to the Effective Date Reserves as set forth on Schedule 1.3(d)(2) hereof, which shall be based on the good faith estimate by CLIC of the financial information to be contained in such statutory financial statements and shall be determined in accordance with the principles used in preparing the last set of statutory financials filed by SHIP with the Pennsylvania Insurance Department prior to the Closing Date and in accordance with SHIP's books and records (such estimate, the "Estimated Reserve Amount").

- (b) In the event that the Effective Date Reserves are an Estimated Reserve Amount as provided in Section 1.4(a)(ii), then within 10 Business Days of the filing of the statutory financial statements of SHIP for the fiscal quarter ended on the day immediately preceding the Effective Time with Pennsylvania Insurance Department (and in any event no later than November 30, 2008), CLIC shall prepare and deliver to SHIP a revised Schedule 1.3(d)(2), which shall be based on the financial information contained (or to be contained) in such statutory financial statements. Within 5 days of the receipt of the revised Schedule 1.3(d)(2), the difference between the Estimated Reserve Amount and the Effective Date Reserves reflected on such revised Schedule 1.3(d)(2) (the "Revised Reserve Amount") (plus interest on such amount calculated at the per annum rate set forth on Schedule 1.3(d)(2) hereof for the period beginning on the Effective Date and ending on the date of such transfer) shall be transferred, in the form of cash or investment assets, (i) from SHIP to CLIC if the Revised Reserve Amount is higher than the Estimated Reserve Amount or (ii) from CLIC to SHIP if the Revised Reserve Amount is lower than the Estimated Reserve Amount.
- (c) Each of SHIP and CLIC shall have a period of 30 days following the date of the delivery of the revised Schedule 1.3(d)(2) in accordance with Section 1.4(b) (the "Reserve Review Period") to review the Revised Reserve Amount. During the Reserve Review Period, the Parties shall cooperate fully with each other and their respective advisors in all reasonable respects in order to allow the Parties to complete their review of the Revised Reserve Amount, including furnishing any additional information and documents that may be reasonably requested by the other Party or its advisors in connection with its review, it being understood that such 30 day period shall be tolled for any period during which such cooperation is not provided.
- (d) If neither Party provides the other with any written objection to the amount of the Revised Reserve Amount within the Reserve Review Period, then such amount shall be deemed the amount of the Effective Date Reserves for purposes of this Assignment Agreement and shall be binding on the Parties (the "Final Effective Date Reserve Amount"). In the event that CLIC objects to the amount of the Revised Reserve Amount (a "CLIC

Objection”), such objection shall be submitted contemporaneously by CLIC to SHIP and the Department of Insurance of the Commonwealth of Pennsylvania (the “Department”), and, unless otherwise agreed by the Parties, the Reserve Review Period shall be tolled until the earlier of such time as the Department has concluded its review process or 60 days from the date that such objection was submitted.

- (e) If the Parties cannot reach agreement on the amount of the Effective Date Reserves during the Reserve Review Period (or such longer period as agreed to by the Parties), the Parties shall submit their dispute (the terms of which, in the case of a CLIC Objection, shall take into account the conclusions or recommendations of the Department, if any) for resolution to a nationally recognized accounting firm that (i) is mutually acceptable to the Parties and (ii) does not have any material relationship with either Party or other actual or potential conflict of interest (the "Third Party Accountant"). The amount of the Effective Date Reserves determined by the Third Party Accountant (who, in the case of a CLIC Objection, shall take into account the conclusions or recommendations of the Department, if any) to be the correct amount shall be deemed the Final Effective Date Reserve Amount and shall be binding on the Parties.
- (f) Within 5 days of the resolution of the Final Effective Date Reserve Amount, the difference between the Revised Reserve Amount and the Final Effective Date Reserve Amount (plus interest on such amount calculated at the per annum rate set forth on Schedule 1.3(d)(2) hereof for the period beginning on the Effective Date and ending on the date of such transfer) shall be transferred, in the form of cash or investment assets), (i) from SHIP to CLIC if the Final Effective Date Reserve Amount is higher than the Revised Reserve Amount, or (ii) from CLIC to CSHI if the Final Effective Date Reserve Amount is lower than the Revised Reserve Amount.
- (g) The fees and expenses of the Third Party Accountant retained in accordance with this Section 1.4 shall be borne equally by the Parties.

1.5. Treatment of Transferred Assets. Ownership of the Transferred Assets shall be deemed transferred to CLIC with effect from and after the Effective Time, and following the transfer of the Transferred Assets, CLIC shall treat all such assets as its property for all purposes, including, but not limited to, annual statement and financial accounting purposes, and SHIP shall no longer own, or have any claim of any kind whatsoever against, the Transferred Assets, including, but not limited to, annual statement and financial accounting purposes. All assets of SHIP other than Transferred Assets shall remain property of SHIP, and CLIC shall have no claim whatsoever against such assets under this Assignment Agreement.

1.6. Transferred Liabilities. The term "Transferred Liabilities" shall mean any and all of SHIP's liabilities or contractual commitments of every nature and description as of the Effective Time arising under or relating in any way to the ownership or use of the

Transferred Assets, whether absolute, accrued, contingent or otherwise, and whenever arising or due and payable (whether before or after the Effective Time); provided, however, in no event shall Transferred Liabilities include any Specified Third Party Claims, as defined in Section 4. For the avoidance of doubt, "Transferred Liabilities" shall include, without limitation, the following to the extent that such liabilities arise under or are related to the Transferred Assets:

- (a) any and all unpaid losses and loss adjustment expenses and any and all liabilities existing or arising in the future;
- (b) any and all unpaid expenses, including contingent commissions, underwriting and investment expenses;
- (c) any and all unearned premiums relating to policy periods prior to the Effective Time;
- (d) any and all monies withheld or retained for the account of others and any and all monies owing by SHIP to others, including policyholders, agents, brokers and other underwriting representatives and reinsurers;
- (e) any and all monies or other obligations due under Reinsurance Contracts; and
- (f) any and all actions, proceedings or liabilities arising from any of the foregoing liabilities or the Transferred Assets.

1.7. Treatment of Transferred Liabilities. Effective as of the Effective Time, CLIC shall be liable, as a primary obligor and not a guarantor, for 100% of the Transferred Liabilities, and shall indemnify and hold harmless the SHIP Indemnified Parties from and against any Losses (as defined in Section 4) arising out of or in any way related to the Transferred Liabilities, other than for Specified Third Party Claims, in accordance with terms and conditions of Section 4. CLIC shall report the Transferred Liabilities as its direct liabilities and obligations for annual statement and financial accounting purposes; and SHIP shall not report any of the Transferred Liabilities as its direct liabilities and obligations for annual statement and financial accounting purposes; provided, however, that SHIP shall disclose in its statutory financial statements a contingent liability in the amount of the aggregate reserves outstanding with respect to the Transferred Liabilities.

1.8. Partial Quarterly Accounting and Settlement. Within 30 Business Days following the Closing, SHIP shall prepare and deliver to CLIC an accounting for the partial calendar quarter between the Effective Time and the Closing Date, substantially in the form set forth on Schedule 1.8 (such accounting, the "Partial Quarterly Accounting"). The Partial Quarterly Accounting shall be reviewed and certified by the chief accounting officer of SHIP. SHIP shall make available to CLIC all of the supporting data used in preparing the Partial Quarterly Accountings. If the Quarterly Accounting reflects an aggregate balance due CLIC, such balance, together with interest thereon, shall be paid in cash to CLIC by SHIP upon delivery of the Partial Quarterly Accounting; and if such Quarterly Accounting reflects a balance due SHIP, CLIC shall promptly pay such balance, together with interest thereon, to

SHIP within 5 Business Days of receipt of the Partial Quarterly Accounting. Interest on the amount shown as due in the Partial Quarterly Accounting shall be payable at the per annum rate set forth on Schedule 1.3(d)(2) for the period beginning on the Effective Date and ending on the date of actual payment.

1.9. Books and Records. On the Closing Date, SHIP shall deliver to CLIC originals or copies of all of the books, records, data and information in the possession or control of SHIP relating to the Transferred Assets or the Transferred Liabilities or the conduct and operations of SHIP to the extent related thereto. SHIP may retain a copy of such books, records, data and information to the extent it deems necessary or appropriate.

1.10. Payment. Immediately following the Closing, CLIC shall transfer as a ceding commission to SHIP cash or cash equivalents equal to \$35,700,000, which amount shall be discharged by CLIC accepting a reduction of equal amount in the Transferred Assets transferred by SHIP to CLIC.

1.11. Notice to Policyholders. Within 30 Business Days (as defined below) after the Closing Date, SHIP shall provide written notice, substantially in the form of Exhibit A attached hereto, to each policyholder of record of an in-force Insurance Contract.

1.12. Business Day. For purposes of this Assignment Agreement, "Business Day" means any day other than a Saturday, Sunday, a day on which banking institutions in the Commonwealth of Pennsylvania are permitted or obligated by Law to be closed or a day on which the New York Stock Exchange is closed for trading.

1.13. Enforcement of Transferred Liabilities against CLIC. No actions or proceedings pending on the Closing Date or any subsequent actions or proceedings arising from the Transferred Assets or the Transferred Liabilities to which SHIP may be a party shall be abated or discontinued by reason of the Transfer and Assumption, but the same may be prosecuted to final judgment in the same manner as if the Transfer and Assumption had not taken place, or CLIC may be substituted in place of SHIP by order of the court in which the action or proceeding may be pending. All Transferred Liabilities of every nature and description shall attach to and be assumed by CLIC and may be enforced against CLIC to the same extent as if such Transferred Liabilities had been originally incurred or contracted by CLIC.

1.14. Cooperation Between Parties. Each Party hereto shall cooperate fully with the other in all reasonable respects in order to accomplish the objectives of this Assignment Agreement including furnishing any additional assistance, information and documents as may be reasonably requested by a Party from time to time subject to reimbursement for reasonable costs by the Party making such request.

2. ADMINISTRATION OF TRANSFERRED ASSETS AND LIABILITIES

2.1. Administration. In connection with the Transfer and Assumption, on and after the Closing Date, CLIC shall have the right and obligation to administer, manage and oversee all aspects of the Transferred Assets and the Transferred Liabilities (the

"Administrative Services"). CLIC shall perform all Administrative Services with respect to the Transferred Liabilities, whether on its behalf or on behalf of SHIP, including without limitation:

- (a) billing, collection of premiums and other amounts due from any policyholder under the Insurance Contracts or Reinsurance Contracts;
- (b) payment of all obligations relating to any Transferred Liabilities;
- (c) processing and administration of any claim which is, or is the subject of, any Transferred Liability;
- (d) handling of any service requests under any Insurance Contract or Reinsurance Contract;
- (e) administration of any Insurance Contract or Reinsurance Contract;
- (f) calculation and payment of any commissions due and payable; and
- (g) all other actions necessary or appropriate for the administration and discharge of the Transferred Liabilities.

2.2. Appointment. SHIP, on behalf of itself and its successors, hereby irrevocably appoints CLIC and its designated officers, directors and representatives as:

- (a) the true and lawful attorney of SHIP to handle, satisfy and/or dispute the Transferred Liabilities as well as to execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such assurances or documents, and to promptly perform, or cause to be performed, such further acts or deeds, which, in the reasonable discretion of CLIC and its designated officers and directors may be necessary, desirable or expedient for the purpose of administering the Transferred Liabilities; provided, that such power of attorney, being coupled with an interest, shall not be revoked by dissolution of SHIP and may be exercised in the name and on behalf of CLIC; and
- (b) its exclusive administrator to perform all Administrative Services as may be required on behalf of SHIP.

2.3. Use of Name. After the Closing and upon CLIC's reasonable request, SHIP shall provide specific authorizations for CLIC designated officers and directors to:

- (a) sign letters and acknowledge contract modifications on behalf of SHIP to the extent necessary or appropriate for the administration and claim matters with respect to any Insurance Contract; and
- (b) use SHIP's trademarks or corporate name to the extent necessary or appropriate in providing the Administrative Services.

2.4. Administration Standards. CLIC shall have the exclusive authority hereunder, from and after the Closing, to administer the Transferred Liabilities in its discretion, in furtherance of which authority, CLIC shall be authorized hereunder to perform such acts with respect to any Insurance Contract, Reinsurance Contract or Transferred Liabilities to the extent necessary or appropriate for the performance of the Administrative Services. In performing Administrative Services, CLIC shall act in a competent and professional manner. Without limiting the foregoing, SHIP shall provide the Administrative Services in accordance with (i) the terms of this Assignment Agreement, (ii) applicable Law, including maintenance by CLIC of all licenses, authorizations, permits and qualifications from Governmental Entities necessary to perform the Administrative Services required by this Assignment Agreement, (iii) the terms of the Insurance Contracts, Reinsurance Contracts or Transferred Liabilities, as applicable and (iv) CLIC's own standards in providing such services with respect to its other assets, liabilities or contractual commitments.

2.5. Administration Expenses. All costs and expenses incurred in connection with its performance of the Administrative Services shall be borne by CLIC.

2.6. Bank Accounts. As long as any Transferred Liability exists, CLIC shall have the authority to establish and maintain, at its sole expense, accounts with banking institutions in SHIP's name to provide the Administrative Services (the "Bank Accounts"). CLIC shall have the authority to:

- (a) request SHIP to open the Bank Accounts for the exclusive use and funding by CLIC;
- (b) designate the authorized signatures on the Bank Accounts;
- (c) issue drafts on and make deposits in the Bank Accounts in the name of SHIP; and
- (d) make withdrawals from the Bank Accounts.

SHIP shall do all things reasonably necessary to enable CLIC to open and maintain the Bank Accounts including, without limitation, executing and delivering such depository resolutions and other documents as may be requested from time to time by the banking institutions. SHIP agrees that without CLIC's prior written consent (which consent shall not be unreasonably conditioned, withheld or delayed) it shall not make any changes to the authorized signatories on the Bank Accounts nor attempt to withdraw any funds therefrom. CLIC shall own all funds deposited in the Bank Accounts, shall be entitled to all interest thereon, and shall pay all taxes on such interest.

2.7. Credit for Reinsurance. In the event that, despite the provisions of this Assignment Agreement, SHIP reasonably concludes that it will be required to reflect any of the Transferred Liabilities as direct liabilities on its statutory financial statements, CLIC will promptly, and in any event with effect no later than the end of the financial reporting quarter in which SHIP provides notice of its conclusion as set forth in the preceding clause, take, or cause to be taken, all actions, and do, or cause to be done, and assist and cooperate with SHIP and its representatives in doing all things necessary, proper or advisable to permit SHIP to obtain

credit for a reinsurance recoverable from CLIC equal to the amount of such Transferred Liabilities required to be reflected as direct liabilities on its statutory financial statements in each state (including the District of Columbia) in which SHIP is required to file statutory financial statements, including, without limitation, by executing a 100% quota share reinsurance agreement; it being understood that CLIC shall be entitled to elect, after consultation with SHIP, among the methods available for obtaining such credit; it being further understood that at the request of CLIC, SHIP shall agree to amend the Trust Agreement in all respects reasonably necessary to provide SHIP with such credit. All expenses, including all fees and expenses of insurance regulators, agents, representatives, counsel, advisors and accountants, incurred by any Party in connection with the obtaining such credit pursuant to this Section 2.6 shall be borne by CLIC.

2.8. Regulatory Proceedings. If SHIP or CLIC receives notice of, or otherwise becomes aware of, any regulatory investigation or proceeding relating to any of the Transferred Liabilities, SHIP or CLIC, as applicable, shall promptly notify the other Party thereof. CLIC shall provide SHIP and its counsel the opportunity to review in advance and comment on all filings with any governmental entity relating to such investigations or proceedings, each of which shall be reasonably satisfactory to SHIP. Each Party shall keep the other Party informed on a current basis of the status of matters relating to such investigations, proceedings and filings. It is expressly understood by the Parties that each Party shall ensure that representatives of both SHIP and CLIC shall have the right to attend and participate in any hearing, proceeding, meeting, conference or similar event before or with any person relating to such investigations, proceedings or filings. In furtherance of the foregoing, each Party shall provide the other Party reasonable advance notice of any such proceeding, meeting, conference or similar event.

2.9. Complaint Handling. The Parties shall cooperate and consult with each other in providing information necessary to respond to any consumer complaint concerning any Insurance Contract, including any complaint received from any governmental entity. After the Closing, CLIC shall answer all complaints received concerning any Insurance Contract. In connection with the handling of any complaint, the complaining party shall be provided with a copy of the notice provide to policyholders pursuant to Section 1.10. On or after the Closing Date, SHIP shall promptly forward to a contact person designated by CLIC any such complaint that is pending as of the date hereof or that SHIP receives after the date hereof. Upon answering such complaint, CLIC shall furnish SHIP with a copy of the complaint file if requested by SHIP. CLIC shall be solely responsible for maintaining any complaint files, complaint registers or other reports of any kind required to be maintained under applicable Law, and shall be responsible for preparing and submitting any other complaint filings for which it is responsible under applicable Law.

2.10. Non-Assignability. Notwithstanding anything to the contrary contained in this Assignment Agreement, to the extent that the assignment or transfer or attempted assignment or transfer to CLIC of any Transferred Asset or Transferred Liability or any benefit arising thereunder or resulting therefrom would require any third party consents or waivers and such consents or waivers shall not have been obtained prior to the Closing, this Assignment Agreement shall not constitute an assignment or transfer, or any attempted assignment or transfer thereof. Following the Closing, the Parties shall continue to cooperate fully with each

other and use reasonable best efforts to obtain promptly such consents or waivers. Pending receipt of such consent or waiver, the Parties shall fully cooperate with each other to provide the full rights and benefit of such Transferred Asset to CLIC and to support the provision of Administrative Services by CLIC with respect to such Transferred Liability.

3. ESTABLISHMENT AND MAINTENANCE OF TRUST ACCOUNT

3.1. In order to provide SHIP with additional security for the performance of CLIC of its obligations under this Assignment Agreement, CLIC agrees that simultaneously with the execution of this Assignment Agreement it shall enter into a trust agreement in the form attached hereto as Exhibit B (the "Trust Agreement") pursuant to which CLIC shall establish and fund a trust account ("Trust Account") in a qualified United States financial institution, at its sole cost and expense, in an initial amount equal to the Estimated Reserve Amount. Thereafter, for the duration of the Trust Agreement, CLIC shall maintain in the Trust Account an amount equal to 100% of the statutory reserves relating to the Transferred Liabilities reported on CLIC's last filed calendar quarter end financial statements.

4. INDEMNIFICATION.

4.1. Obligation to Indemnify.

- (a) From and after the Closing, and subject to the limitations set forth in this Section 4, CLIC agrees to indemnify and hold harmless SHIP, its affiliates and their respective trustees, directors, officers, employees, agents, advisors and representatives (collectively, the "SHIP Indemnified Parties") from and against all losses, liabilities, claims, litigations, arbitrations, expenses (including reasonable expenses of investigation, enforcement and collection and reasonable attorneys' fees and expenses) and damages (including reasonable expenses of investigation, enforcement and collection and reasonable attorneys' fees and expenses) and damages (including any incidental or similar damages, but excluding any lost profits, diminution in value or any punitive, consequential, exemplary or similar damages other than such damages arising in connection with a Third Party Claim) whether or not involving a Third Party Claim (collectively, "Losses") to the extent arising from or related to: (i) any breach or nonfulfillment by CLIC of, or any duties or obligations under, this Assignment Agreement; (ii) any Transferred Asset or Transferred Liability (excluding Losses in connection with a Third Party Claim arising out of or relating to actions taken by SHIP with respect to such Transferred Asset or Transferred Liability after the Closing, solely to the extent such Losses are attributable to the actions taken by SHIP (other than at the request or direction of CLIC) with respect to such Transferred Asset or Transferred Liability after the Closing) ("Specified Third Party Claims"); and (iii) any enforcement of this indemnity.
- (b) From and after the Closing, and subject to the limitations set forth in this Section 4, SHIP agrees to indemnify and hold harmless CLIC, its affiliates

and their respective directors, officers, employees, agents, advisors and representatives (collectively, the "CLIC Indemnified Parties," and, together with the SHIP Indemnified Parties, the "Indemnified Parties") from and against all Losses to the extent arising from or related to (i) any breach or nonfulfillment by SHIP of, or any its duties or obligations under, this Assignment Agreement; (ii) any Specified Third Party Claims, solely to the extent such Losses are attributable to the actions taken by SHIP (other than at the request or direction of CLIC) with respect to such Transferred Asset or Transferred Liability after the Closing or (iii) any enforcement of this indemnity.

4.2. Indemnification Procedures.

- (a) In order for a party (the "Indemnified Party") to be entitled to any indemnification provided for under this Assignment Agreement in respect of, arising out of or involving a claim or demand made by, or an action, proceeding or investigation instituted by, any person neither a party to this Assignment Agreement nor an affiliate of such a Party (a "Third Party Claim"), such Indemnified Party must notify the party from which indemnity is sought (the "Indemnifying Party") in writing, and in reasonable detail, of the Third Party Claim promptly following becoming aware of such claim; provided, however, that failure to give such notification shall not affect the indemnification provided hereunder except to the extent that such failure results in a lack of actual notice to the Indemnifying Party and such Indemnifying Party shall have been materially prejudiced as a result of such failure. Thereafter, the Indemnified Party shall deliver to the Indemnifying Party copies of all notices and documents (including court papers) received by the Indemnified Party relating to the Third Party Claim.
- (b) If a Third Party Claim is made against an Indemnified Party, the Indemnifying Party will be entitled to participate in the defense thereof and, if it so chooses, to assume the defense thereof (at the expense of such Indemnifying Party) with counsel selected by the Indemnifying Party, which shall be reasonably satisfactory to the Indemnified Party. If the Indemnifying Party assumes such defense, the Indemnified Party shall have the right to participate in the defense thereof and to employ counsel, at its own expense, separate from the counsel employed by the Indemnifying Party; provided, however, that the Indemnifying Party shall bear the reasonable fees, costs and expenses of such separate counsel if the (A) Indemnified Party shall have determined in good faith and after consulting with outside counsel that an actual or potential conflict of interest makes representation by the same counsel or the counsel selected by the Indemnifying Party inappropriate or (B) Indemnifying Party shall have authorized the Indemnified Party to employ separate counsel at the Indemnifying Party's expense. If the Indemnifying Party does not promptly assume the defense of such Third Party Claim following notice

thereof, the Indemnified Party shall be entitled to assume and control such defense without prejudice to the ability of the Indemnified Party to enforce its claim for indemnification against the Indemnifying Party hereunder. Whether or not the Indemnifying Party shall have assumed the defense of a Third Party Claim, all of the parties hereto shall cooperate in the defense or prosecution thereof. Such cooperation shall include the retention and the provision of records and information which are reasonably relevant to such Third Party Claim, and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. All reasonable costs and expenses incurred in connection with the Indemnified Party's cooperation shall be borne by the Indemnifying Party. Whether or not the Indemnifying Party assumes the defense of a Third Party Claim, the Indemnified Party shall not admit any liability with respect to, or settle, compromise or discharge, such Third Party Claim without the Indemnifying Party's prior written consent (which consent shall not be unreasonably withheld or delayed). If the Indemnifying Party assumes the defense of a Third Party Claim, the Indemnifying Party, in the defense of such Third Party Claim, shall not admit any liability with respect to, or settle, compromise or discharge, such Third Party Claim without the Indemnified Party's prior written consent (which consent shall not be unreasonably withheld or delayed) unless (A) there is no finding or admission of any violation of Law or any violation of the rights of any person and no effect on any other claims that may be made against the Indemnified Party and (B) the sole relief provided is monetary damages that are paid in full by the Indemnifying Party and a full, complete and irrevocable release is provided to the Indemnified Party. If the Indemnified Party in good faith determines that the conduct of the defense or any proposed settlement of any Third Party Claim would reasonably be expected to have a materially adverse effect on the Indemnified Party's ability (or the ability of any of its affiliates) to conduct its business, the Indemnified Party shall have the right at all times to take over and control the defense, settlement, negotiation or litigation relating to any such Third Party Claim at the sole cost of the Indemnifying Party, provided that if the Indemnified Party does so take over and control, the Indemnified Party shall not settle such Third Party Claim without the written consent of the Indemnifying Party, such consent not to be unreasonably withheld or delayed.

- (c) In the event any Indemnified Party shall have a claim against any Indemnifying Party under Sections 4.1(a) and 4.1(b) that does not involve a Third Party Claim being asserted against or sought to be collected from such Indemnified Party, the Indemnified Party shall deliver notice of such claim with reasonable promptness to the Indemnifying Party; provided, however, that failure to give such notification shall not affect the indemnification provided hereunder except to the extent that such failure results in a lack of actual notice to the Indemnifying Party and such Indemnifying Party shall have been materially prejudiced as a result of

such failure. The Indemnifying Party will have 30 days following its receipt of such notice to give notice of dispute of the claim to the Indemnified Party.

- (d) Except (i) for claims for specific performance pursuant to Section 5.7 and (ii) for claims based on fraud, intentional misrepresentation or omission or intentional misconduct, the indemnity provided in Sections 4.1(a) and 4.1(b) shall be the sole and exclusive remedy of the Indemnified Party against the Indemnifying Party at law or equity for any claim arising under this Assignment Agreement.
- (e) The rights and remedies of any party in respect of any breach of any covenant or agreement shall in no way be limited by the fact that the act, omission, occurrence or other state of facts or circumstances upon which any claim of any such breach is based may also be the subject matter of any other covenant or agreement as to which there is no breach.

5. MISCELLANEOUS.

5.1. Cooperation; Further Assurances.

- (a) On and after the Closing Date, each Party shall take all such further action and furnish all documents and other agreements and instruments, including, without limitation, signatures of its officers, as may be necessary or appropriate and as reasonably requested by the other Party in order to carry out the transactions contemplated by this Assignment Agreement. In the event that any Party shall be required, by applicable Law or otherwise, to obtain the consent or the signature of any authorized officer of the other Party in order to carry out the transactions contemplated by this Assignment Agreement, upon request, such Party shall promptly provide such consent or signature.
- (b) The Parties covenant and agree to take such additional steps, to perform such additional acts, and to furnish such additional documents and other agreements and instruments, as may at any time be necessary or appropriate to carry out the transactions contemplated by this Assignment Agreement. Each Party hereby irrevocably authorizes and empowers all of its duly authorized officers, or any one of them, to take such further action and to execute such additional documents and other agreements and instruments on that Party's behalf in furtherance hereof, and such acts when taken and performed, and such documents and other agreements and instruments when executed shall have full effect and be as if taken, performed or executed by that respective Party under its corporate seal.

5.2. Redomestication: On and after the Closing Date, SHIP shall not change its domiciliary state (a "Redomestication") unless the insurance regulatory authority in the jurisdiction in which SHIP will be domiciled as a result of such Redomestication either

approves or fully recognizes the Transfer and Assumption in connection with such Redomestication.

5.3. Dollar References. All dollar references in this Assignment Agreement are to the currency of the United States.

5.4. Tax Matters. The Parties agree that for U.S. federal income tax purposes and applicable provisions of state and local tax law, the Transfer and Assumption will be treated as occurring prior to the Closing, and will be reported on the consolidated federal income tax return of Conseco, Inc. for the year that includes the Closing Date. None of the Parties or their affiliates will take any position on any tax return or in any audit or other proceeding that is inconsistent with the tax treatment described in this Section 5.4. The Parties agree to make the election contemplated by Treasury Regulation § 1.848-2(g)(8) and each Party agrees (i) to attach a schedule to its federal income tax return for its first taxable year ending on or after the Effective Time that identifies this Agreement as including for federal income tax purposes a reinsurance agreement for which the joint election under Treasury Regulation § 1.848-2(g)(8) has been made, and (ii) that the Party with net positive consideration (as defined in Treasury Regulation § 1.848-2(f)) under the reinsurance agreement contained in this Agreement for each taxable year will capitalize specified policy acquisition expenses with respect to the reinsurance agreement without regard to the general deductions limitation of Section 848(c)(1) of the Internal Revenue Code of 1986, as amended (the "Code"). By April 1 of each year, CLIC shall submit to SHIP a schedule of its calculation of the net consideration under this Agreement for the preceding calendar year separately with respect to each category of Insurance Contracts that are specified insurance contracts described in Sections 848(c)(1) and 848(e) of the Code (the "Specified Insurance Contracts") and with respect to the Insurance Contracts that are not Specified Insurance Contracts. Any dispute with respect to the calculation provided by CLIC will be resolved as provided in Section 9 of the Tax Matters Agreement (as defined in the Transfer Agreement). The Parties shall use this information in determining net consideration with respect to the reinsurance agreement under this Agreement for such prior year.

5.5. Notices. Any notice or other communication required or permitted hereunder shall be in writing (including facsimile or similar writing) and shall be deemed given if (a) delivered personally, (b) sent by overnight courier (providing proof of delivery) or (c) sent by facsimile, to the parties at the following address:

If to CLIC:

Conseco Life Insurance Company
11825 N. Pennsylvania Street
Carmel, IN 46032
Attention: Thomas D. Barta
SVP, Financial Planning and Analysis
Facsimile: (317) 817-5439

With a concurrent copy to:

Conseco Life Insurance Company
11825 N. Pennsylvania Street
Carmel, IN 46032
Attention: Matthew J. Zimpfer
EVP and General Counsel
Facsimile: (317) 817-2826

If to SHIP:

Senior Health Insurance Company of Pennsylvania
600 West Chicago Avenue
Chicago, IL 60610
Attention: John W. Wells
President and Chief Executive Officer
Facsimile: (312) 396-5922

Any party may, by notice given in accordance with this Section 5.5 to the other Party, designate another address or person for receipt of notices hereunder; provided, that notice of such a change shall be effective upon receipt.

5.6. Entire Assignment Agreement. This Assignment Agreement, together with the Transfer Agreement and the other Ancillary Assignment Agreement (as defined in the Transfer Agreement), contains the entire agreement among the Parties with respect to the subject matter hereof and supersedes all prior agreements and understandings, written or oral, with respect thereto.

5.7. Waivers and Amendments; Non-Contractual Remedies. This Assignment Agreement may be amended, superseded, canceled, renewed or extended, and the terms hereof may be waived, only by a written instrument signed by each of the Parties or, in the case of a waiver, by the Party waiving compliance. No delay on the part of any Party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of any party of any right, power or privilege, nor any single or partial exercise of any such right, power or privilege, preclude any further exercise thereof or the exercise of any other such right, power or privilege. The rights and remedies herein provided are cumulative and are not exclusive of any rights or remedies that any party may otherwise have at law or in equity. The parties agree that irreparable damage would occur in the event any provision hereof were not to be performed in accordance with its terms and that each party shall be entitled to specific performance of the terms hereof in addition to any other remedies at law or in equity.

5.8. Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE COMMONWEALTH OF PENNSYLVANIA, WITHOUT GIVING EFFECT TO THE PRINCIPLES OF CONFLICTS OF LAWS THEREOF.

5.9. Jurisdiction. Each Party hereby irrevocably and unconditionally consents to submit to the non-exclusive jurisdiction of any court of the United States or any state court which in either case is located in the City of Philadelphia for any actions, suits or proceedings

arising out of or relating to this Assignment Agreement and the transactions contemplated hereby (and each Party agrees that service of any process, summons, notice or document by U.S. registered mail to its address set forth above shall be effective service of process for any action, suit or proceeding brought against it in any such court). Each Party hereby irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Assignment Agreement or the transactions contemplated hereby in any such court, and hereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum. EACH PARTY HERETO HEREBY WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY ANY OF THEM AGAINST ANOTHER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS ASSIGNMENT AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREIN.

5.10. Binding Effect; Assignment. This Assignment Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors, permitted assigns and legal representatives. Neither this Assignment Agreement, nor any of the rights, interests or obligations hereunder, may be assigned, in whole or in part, by any party without the prior written consent of the other Party hereto and any such assignment that is not consented to shall be null and void.

5.11. Interpretation.

- (a) For purposes of this Assignment Agreement, the words "hereof", "herein", "hereby" and other words of similar import refer to this Assignment Agreement as a whole unless otherwise indicated. Whenever the words "include", "includes", or "including" are used in this Assignment Agreement, they shall be deemed to be followed by the words "without limitation". Whenever the singular is used herein, the same shall include the plural, and whenever the plural is used herein, the same shall include the singular, where appropriate.
- (b) This Assignment Agreement shall be deemed to be the joint work product of the parties and any rule of construction that a document shall be interpreted or construed against a drafter of such document shall not be applicable.

5.12. Third Party Beneficiaries. Nothing in this Assignment Agreement is intended or shall be construed to give any person other than the Parties hereto, their successors and permitted assigns, any legal or equitable right, remedy or claim under or in respect of this Assignment Agreement or any provision contained herein; provided, however, that policyholders under the Insurance Contracts shall be considered third party beneficiaries with respect to the ability to enforce Transferred Liabilities directly against CLIC as contemplated by this Assignment Agreement.

5.13. Counterparts. This Assignment Agreement may be executed by the Parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument.

5.14. Exhibits and Schedules. The Schedules to this Assignment Agreement that are specifically referred to herein are a part of this Agreement as if fully set forth herein. All references herein to Articles, Sections, subsections, paragraphs, subparagraphs, clauses, and Schedules shall be deemed references to such parts of this Assignment Agreement, unless the context shall otherwise require.

5.15. Defined Terms. Capitalized terms used but not defined have the same meaning as in the Transfer Agreement.

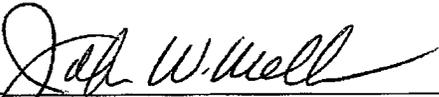
5.16. Headings. The headings in this Assignment Agreement are for reference only, and shall not affect the interpretation of this Assignment Agreement.

(The rest of this page is intentionally left blank)

IN WITNESS WHEREOF, SHIP and CLIC have caused this Assignment Agreement to be duly executed as of the date first written above.

Senior Health Insurance Company of
Pennsylvania

Conseco Life Insurance Company

By: 
Name: John W. Wells
Title: President & Chief Executive Officer

By: _____
Name: Todd M. Hacker
Title: Senior Vice President & Treasurer

[SEAL]

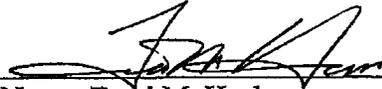
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Senior Health Insurance Company of
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Conseco Life Insurance Company

By: _____
Name: John W. Wells
Title: President & Chief Executive Officer

By:  _____
Name: Todd M. Hacker
Title: Senior Vice President & Treasurer

[SEAL]

[SEAL]

Schedule 1.3(a)

Transferred Assets

(attached)

SCHEDULE 1.3(a)

NAIC Company Code	Federal ID Number	Effective Date	Name of Company	Location	Type of Reinsurance Ceded	Assumed/Ceded Reinsurance
65900	04-2299444	06/30/1998	Conseco Life Insurance Company	Carmel, IN - Indiana	LAH - Coinsurance - Individual & NLTC Health	Ceded
60275	59-0676017	01/01/1993	American Bankers Life Assurance Co of FL	Miami, FL - Florida	LAH - Other reinsurance - Individual	Ceded
68276	48-1024691	09/01/1985	Employers Reassurance Corporation	Mission, KS - Kansas	LAH - Coinsurance - Individual	Ceded
68276	48-1024691	11/01/1985	Employers Reassurance Corporation	Mission, KS - Kansas	LAH - Coinsurance - Individual	Ceded
68276	48-1024691	11/01/1987	Employers Reassurance Corporation	Mission, KS - Kansas	LAH - Coinsurance - Individual	Ceded
86258	13-2572994	03/01/1975	General Re Life Corporation	Stamford, CT - Connecticut	LAH - Yearly renewable term - Individual	Ceded
65676	35-0472300	08/01/1966	Lincoln National Life Insurance Company	Fort Wayne, IN - Indiana	LAH - Yearly renewable term - Individual	Ceded
65676	35-0472300	04/01/1978	Lincoln National Life Insurance Company	Fort Wayne, IN - Indiana	LAH - Coinsurance - Individual	Ceded
65676	35-0472300	03/01/1981	Lincoln National Life Insurance Company	Fort Wayne, IN - Indiana	LAH - Coinsurance - Individual	Ceded
66346	58-0828824	06/01/1982	Munich American Reassurance Company	Atlanta, GA - Georgia	LAH - Yearly renewable term - Individual	Ceded
66346	58-0828824	06/01/1982	Munich American Reassurance Company	Atlanta, GA - Georgia	LAH - Coinsurance - Individual	Ceded
66346	58-0828824	06/01/1982	Munich American Reassurance Company	Atlanta, GA - Georgia	LAH - Yearly renewable term - Individual	Ceded
85472	13-2740556	01/01/1985	National Security Life & Annuity Company	Atlanta, GA - Georgia	LAH - Coinsurance - Individual	Ceded
88099	75-1608507	04/15/1983	Optimum Re Insurance Company	Cincinnati, OH - New York	LAH - Coinsurance - Individual	Ceded
88099	75-1608507	01/01/1984	Optimum Re Insurance Company	Dallas, TX - Texas	LAH - Coinsurance - Individual	Ceded
87017	62-1003368	06/30/1975	Optimum Re Insurance Company	Dallas, TX - Texas	LAH - Coinsurance - Individual	Ceded
90670	43-1178580	07/01/1974	Scotlich Re Life Corporation	Plano, TX - Texas	LAH - Yearly renewable term - Individual	Ceded
90670	43-1178580	01/01/1980	Scotlich Re Life Corporation	Charlotte, NC - Delaware	LAH - Yearly renewable term - Individual	Ceded
90670	43-1178580	02/01/1981	Scotlich Re Life Corporation	Charlotte, NC - Delaware	LAH - Coinsurance - Individual	Ceded
68713	84-0499703	09/01/1967	Security Life of Denver Insurance Co	Charlotte, NC - Delaware	LAH - Coinsurance - Individual	Ceded
68713	84-0499703	04/15/1983	Security Life of Denver Insurance Co	Atlanta, GA - Colorado	LAH - Coinsurance - Individual	Ceded
68713	84-0499703	04/15/1983	Security Life of Denver Insurance Co	Atlanta, GA - Colorado	LAH - Coinsurance - Individual	Ceded
82627	06-0839705	01/01/1971	Swiss Re Life & Health America Inc	Atlanta, GA - Colorado	LAH - Yearly renewable term - Individual	Ceded
82627	06-0839705	09/15/1973	Swiss Re Life & Health America Inc	Armonk, NY - Connecticut	LAH - Yearly renewable term - Individual	Ceded
82627	06-0839705	01/01/1974	Swiss Re Life & Health America Inc	Armonk, NY - Connecticut	LAH - Yearly renewable term - Individual	Ceded
82627	06-0839705	03/01/1981	Swiss Re Life & Health America Inc	Armonk, NY - Connecticut	LAH - Other reinsurance - Individual	Ceded
82627	06-0839705	06/22/1981	Swiss Re Life & Health America Inc	Armonk, NY - Connecticut	LAH - Coinsurance - Individual	Ceded
82627	06-0839705	09/01/1981	Swiss Re Life & Health America Inc	Armonk, NY - Connecticut	LAH - Coinsurance - Individual	Ceded
82627	06-0839705	09/01/1981	Swiss Re Life & Health America Inc	Armonk, NY - Connecticut	LAH - Coinsurance - Individual	Ceded
82627	06-0839705	10/01/1981	Swiss Re Life & Health America Inc	Armonk, NY - Connecticut	LAH - Yearly renewable term - Individual	Ceded
82627	06-0839705	01/01/1982	Swiss Re Life & Health America Inc	Armonk, NY - Connecticut	LAH - Coinsurance - Individual	Ceded
82627	06-0839705	01/01/1982	Swiss Re Life & Health America Inc	Armonk, NY - Connecticut	LAH - Coinsurance - Individual	Ceded
82627	06-0839705	01/01/1982	Swiss Re Life & Health America Inc	Armonk, NY - Connecticut	LAH - Yearly renewable term - Individual	Ceded
82627	06-0839705	01/01/1984	Swiss Re Life & Health America Inc	Armonk, NY - Connecticut	LAH - Yearly renewable term - Individual	Ceded
82627	06-0839705	01/01/2001	Swiss Re Life & Health America Inc	Armonk, NY - Connecticut	LAH - Yearly renewable term - Individual	Ceded
00000	AA-1460115	01/01/1977	Alea Europe LTD	Zurich, Switzerland - Switzerland	LAH - Accidental death benefit - Individual	Ceded
00000	AA-1460115	01/01/1977	Alea Europe LTD	Zurich, Switzerland - Switzerland	LAH - Yearly renewable term - Individual	Ceded
00000	AA-1320035	01/01/1977	AXA Reassurances	Zurich, Switzerland - Switzerland	LAH - Coinsurance - Individual	Ceded
00000	AA-1320035	01/01/1975	AXA Reassurances	Paris, France - France	LAH - Yearly renewable term - Individual	Ceded
00000	AA-1120037	06/01/1977	Scottish Re Limited	Paris, France - France	LAH - Coinsurance - Individual	Ceded
00000	AA-1120037	01/01/1977	Scottish Re Limited	Windsor, Berkshire, England - England	LAH - Yearly renewable term - Individual	Ceded
00000	AA-1120037	01/01/1977	Scottish Re Limited	Windsor, Berkshire, England - England	LAH - Yearly renewable term - Individual	Ceded
00000	AA-1440043	01/01/1982	Trygg Hansa Insurance Company LTD	Windsor, Berkshire, England - England	LAH - Coinsurance - Individual	Ceded
00000	AA-1440043	01/01/1982	Trygg Hansa Insurance Company LTD	Stockholm, Sweden - Sweden	LAH - Coinsurance - Individual	Ceded
65919	04-1590590	07/01/1995	Primerica Life Insurance Company	Stockholm, Sweden - Sweden	LAH - Coinsurance - Individual	Ceded
87726	06-0566090	01/01/1993	MetLife Insurance Company of Connecticut	Duluth, GA - Massachusetts	LAH - Coinsurance - NLTC Health Ind & Group	Assumed
				Hartford, CT - Connecticut	LAH - Coinsurance - NLTC Health Group	Ceded

Schedule 1.3(b)

SHIP Investment Portfolio Split

(attached)

Summary of SHIP Investment Portfolio
Proposed Split of Investments - as of June 30, 2008

	SHIP (LTC)	Reinsured business (Non- LTC)	Total All Conseco Entities
Book Value	3,028.2	300.5	24,015.5
Market Value	2,848.9	289.5	22,674.8
MV/BV	94.1	96.3	94.4
Book yield	6.18%	6.38%	6.05%
Coupon	6.23%	6.30%	6.04%
Duration	9.2	7.8	8.2
Quality indicators			
% NAIC 3	1.4%	2.6%	2.8%
% NAIC 4	0.7%	0.3%	1.3%
% NAIC 5	0.1%	0.2%	0.2%
% NAIC 6	0.0%	0.0%	0.0%
RBC Base factor	0.90%	1.02%	1.16%
Normalized default charge	0.25%	0.28%	0.42%
Liquidity			
CTLs/Commerical mortgages	244.3	66.9	2,233.3
As % of portfolio	8.1%	22.3%	9.3%
Private placements	160.5	13.3	1,457.3
As % of portfolio	5.3%	4.4%	6.1%

Notes

SHIP (LTC) portfolio summary is after removing Special Situation Investments. It represents the SHIP investment portfolio, before capital contributions, after the reinsurance (assignment) of the non-LTC business. Values as of 6/30/2008.

Reinsured business (Non-LTC) - represents the assets that would back the reinsured (assigned) non-LTC business.

Summary includes Bonds, Preferred Stock, Mortgages (schedules D1, D21, B) and Cash and Short Term, but excludes OIA Schedule BA.

Book yield, and duration exclude cash and short since the % of cash and short fluctuates

RBC Base factor - pre-tax, before covariance C1 factor applied in the RBC formula, chart below

Normalized default charge - internal default charge scale used in asset adequacy analyses, see chart below

Security type / Quality

	RBC Base factor	Normalized Default Charge	
Bond & CTL NAIC 1	0.40%	0.06%	
Bond & CTL NAIC 2	1.30%	0.30%	
Bond & CTL NAIC 3	4.60%	1.31%	
Bond & CTL NAIC 4	10.00%	3.60%	
Bond & CTL NAIC 5	23.00%	7.71%	
Bond & CTL NAIC 6	30.00%	20.00%	
Mortgages	1.30%	0.32%	Note: RBC Base equals 2.60% * 50% MEA factor

Special Situation Investments

The following investments will be transferred out of SHIP:

amounts in \$1000s	Schedule	Par/Units	BV	MV	
Eagle creek	D1	1,500.0	1,500.0	1,134.0	
Fall Creek	D1	4,000.0	4,000.0	2,824.0	
IGA	D21	25,000.0	25,000.0	21,475.0	
Inviva	D21	10,193.4	0.0	7,004.9	
Conseco Funding Ltd CBO	BA		0.0	0.0	12/31/07 values
Eagle creek	BA		345.6	345.6	12/31/07 values

Schedule 1.3(d)(1)

Cash and Investment Assets

Schedule 1.3(d)(1)
Invested Assets to be Transferred as of the Close Date

Statutory Schedule	Holding Number/loan number	CUSIP	Issuer	Description	Current Par	9/30 Price	Designated Value	Accrued
D21	3636458.0001	46185#130	INVIVA	INVIVA INC	7,189,966	0.000000	0	0
D21	3751997.0001	46185#130	INVIVA	INVIVA INC	2,013,219	0.000000	0	0
D21	3800794.0001	46185#130	INVIVA	INVIVA INC	909,818	0.000000	0	0
D21	3800795.0001	46185#130	INVIVA	INVIVA INC	73,749	0.000000	0	0
D21	4136070.0001	46185#130	INVIVA	INVIVA INC	6,631	0.000000	0	0
D1	4058993.0001	30616PAD9	FALLC	FALL CREEK CLO LTD 05-2A SERVES C 144A	2,680,000	0.623000	1,669,640	23,764
D1	4095787.0001	30616PAD9	FALLC	FALL CREEK CLO LTD 05-2A SERVES C 144A	160,000	0.623000	99,680	1,419
D1	4107864.0001	30616PAD9	FALLC	FALL CREEK CLO LTD 05-2A SERVES C 144A	160,000	0.623000	99,680	1,419
D1	4118526.0001	30616PAD9	FALLC	FALL CREEK CLO LTD 05-2A SERVES C 144A	1,000,000	0.623000	623,000	8,867
D1	4093456.0001	26949QAA9	EAGLC	EAGLE CREEK CLO LTD 06-1A D 144A	1,500,000	0.866000	1,299,000	21,563
D21	3741233.0001	461549AA5	AGRIA	INVESTORS GUARANTY ASSURANCE 99 PVT	25,000,000	0.900000	22,500,000	3,948,971
BA (O/A)		20847CAB4	Conseco Funding	Conseco Funding LTD CBO Units 144A	6,083,000	0.000000	0	0
BA (O/A)		26949QAE1	Eagle Creek	Eagle Creek CLO LTD 06-11 S2	750,000	0.000000	181,930	0
Subtotal Special Situation Investments					47,526,382		26,472,930	4,006,002

D1	730743.0001	31331FAS0	FDX	FEDEX CORP 1996 PASS THRU TR SER B1	216,528	1.001201	216,788	4,534
D1	723742.0001	31375AQC6	FNMA	FNMA #329051	37,287	1.025005	36,230	74
D1	729671.0001	393505QP0	GREEN TREE	GT 96-8 A7	751,775	1.042812	783,960	4,760
D1	729682.0001	393505QP0	GREEN TREE	GT 96-8 A7	689,127	1.042814	718,632	4,363
D1	749899.0001	52033#AA6	WAG	LAWRENCE SALES LTD (WALGREEN) - CTL	1,279,023	1.134298	1,450,793	3,224
D1	797912.0001	31331FAQ4	FDX	FEDEX CORP 1996 PASS THRU TR SER A1	874,376	1.000000	874,376	19,448
D1	823093.0001	12577*AA6	WAG	GADFAM INC (WALGREEN) - CTL	59,916	1.105775	587,074	1,235
D1	880423.0001	36209CN93	GNMA	GNMA #467616	21,859	1.023447	60,852	102
D1	880421.0001	36209CN93	GNMA	GNMA #467616	70,565	1.023403	22,370	37
D1	880416.0001	36209CN93	GNMA	GNMA #467616	70,565	1.023430	72,219	121
D1	880401.0001	36209CN93	GNMA	GNMA #467616	70,565	1.023430	72,219	121
D1	880397.0001	36209CN93	GNMA	GNMA #467616	55,636	1.023445	56,940	95
D1	880392.0001	36208WXA6	GNMA	GNMA #463373	58,869	1.023444	60,249	117
D1	899704.0001	907834AC9	APC	UNION PAC RESOURCES	4,000,000	0.869034	3,476,136	9,167
D1	1082088.0001	210805CQ8	CAL	CONTINENTAL AIRLINES INC SER 99-1A ETC	1,490,042	0.850000	1,266,536	27,088
D1	1086924.0001	36206RTR7	GNMA	GNMA #419160	18,356	1.023423	18,786	36
D1	1086925.0001	36207NE75	GNMA	GNMA #436758	30,276	1.023464	30,987	60
D1	1086929.0001	36206RTR7	GNMA	GNMA #419160	9,362	1.023442	9,581	19
D1	1086930.0001	36206RTR7	GNMA	GNMA #419160	9,362	1.023442	9,581	19
D1	1086933.0001	36210FFPC4	GNMA	GNMA #491019	11,887	1.023496	12,166	24
D1	1086934.0001	36210FFPC4	GNMA	GNMA #491019	57,913	1.023440	59,271	115
D1	1086935.0001	36210FFPC4	GNMA	GNMA #491019	32,344	1.023437	33,103	64
D1	1086936.0001	36210FFPC4	GNMA	GNMA #491019	67,141	1.023428	68,714	133
D1	1086937.0001	36210FFPC4	GNMA	GNMA #491019	54,572	1.023432	55,851	108
D1	1123804.0001	31293J3J6	FHLMC	FHLMC #C21701	54,527	1.010616	55,106	100

Schedule 1.3(d)(1)
Invested Assets to be Transferred as of the Close Date

Statutory Schedule	Holding Number/loan number	CUSIP	Issuer	Description	Current Par	9/30 Price	Designated Value	Accrued
D1	1123806.0001	31293KMB9	FHLMC	FHLMC #C22154	69,060	1.010629	69,794	126
D1	1123809.0001	31293MFC1	FHLMC	FHLMC #C23763	34,375	1.010640	34,740	63
D1	1123850.0001	31293JBW8	FHLMC	FHLMC #C20953	28,991	1.010602	28,995	49
D1	1165685.0001	210805CB1	CAL	CONTINENTAL AIRLINES INC SER 98-1A ETC	1,700,068	0.850000	1,445,058	17,895
D1	1382676.0001	31359X3M9	FNMA	FNMA 00-16 ZD	2,126,917	1.038519	2,208,844	5,849
D1	1426740.0001	55268#AB3	WAG	M & M RAINES LLC(WALGREEN) - CTL	957,561	1.050000	1,005,439	2,536
D1	1539215.0001	693627AL5	DUK	PSI ENERGY INC	500,000	1.008020	504,010	5,162
D1	1590082.0001	69352BAC8	PPL	PPL MONTANA	2,602,189	1.143870	2,976,566	83,660
D21	1596709.0001	337363AE5	WB	FIRST UNION INSTT CAP 1	500,000	0.642476	321,238	17,978
D21	1612890.0001	40427PAA3	HSBC	HSBC CAP TRUST 1 144A	750,000	0.890367	667,775	23,912
D1	1656523.0001	53117CAF9	LYR	LIBERTY PPTY LP	3,500,000	1.014939	3,552,287	40,177
D21	3359445.0001	337364AE3	WB	FIRST UNION INSTT CAP II	5,000,000	0.629113	3,145,565	142,826
D21	3384030.0001	02637VAA6	AIG	AMER GENL INSTT CAP A 144A	2,415,000	0.184683	446,009	81,759
D21	3382879.0001	06605HAA6	BAC	BANKAMERICA INSTT A 144A	3,000,000	0.965000	2,895,000	88,770
D21	3385955.0001	05563QAA8	BK	BANK OF NEW YORK INSTT CAP A 144A	1,750,000	0.908585	1,590,024	60,889
D1	373012.0001	52108HUP7	LBUBS	LBUBS 03-C7 C	1,000,000	0.934203	934,203	139
D1	3419084.0001	837004BV1	SCG	SOUTH CAROLINA ELEC & GAS	4,000,000	0.846326	3,785,304	74,347
D21	3513895.0001	40427PAA3	HSBC	HSBC CAP TRUST 1 144A	1,000,000	0.890367	890,367	31,883
D1	3524808.0001	200339AD1	CMA	COMERICA BANK	2,000,000	0.900215	1,800,430	63,729
D1	3628500.0001	83754LAA5	EDL	EDU ENHANCMT FDG TOBACCO REV	1,085,196	0.992240	1,076,775	32,614
D1	4183204.0001	75884RAQ6	REG	REGENCY CENTERS LP	3,000,000	0.884623	2,653,869	71,969
D1	3647438.0001	421946AE4	HR	HEALTHCARE REALTY TRUST	750,000	0.998204	748,653	1,862
D1	3702128.0001	70530#AA6	NCC	PEDCOR INV 02 LVI LP(NRTH LAKES APTS)PVT	1,988,981	0.703308	1,398,866	0
D1	3751675.0001	78619#A7	NCC	SACRED HEART APTS LP PVT	1,325,650	0.699275	926,994	0
D1	3767209.0001	29364LAP7	ETR	PA ST HIGHER EDU FACS AUTH REV	660,000	0.998739	659,168	4,194
D1	4090932.0001	018772AB9	AOI	ENERGY GULF STATES	800,000	0.985600	788,480	21,467
D1	3806769.0001	97191#AA9	AIG	ALLIANCE ONE INTL INC	250,000	0.998944	249,711	13,521
D1	3845648.0001	17305EBT1	CCCIT	US TREASURY NOTE	96,806	1.072328	103,808	459
D1	3848125.0001	161546HW9	CFAB	CCCIT 03-C4 C4	0	1.001092	0	0
D1	4095986.0001	74432QAH8	PRU	PRUDENTIAL FINL INC	500,000	0.794376	397,188	10,556
D1	3888970.0001	079433AL2	BLFDEV	BELLFLOWER CA REDEV AGY REV	342,804	0.592813	203,219	526
D1	3892898.0001	07383FE95	BSCMS	BSCMS 04-PWR4 A2	2,000,000	0.718297	1,436,594	44,700
D1	3894314.0001	05949AJY7	BOAMS	BOAMS 04-6 1A12	750,000	0.959551	719,663	13,888
D1	3894850.0001	12669FUB7	CWHL	CWHL 04-9 A6	1,750,000	0.963970	1,686,948	2,827
D1	3900603.0001	81721MAB5	SNH	SENIOR HSG PPTY'S TRUST	442,944	0.980200	434,174	744
D1	3904809.0001	05949APF1	BOAMS	BOAMS 04-7 5A10	2,552,335	0.962424	2,456,428	4,094
D1	3905302.0001	64352YGVW5	NCHET	NCHET 04-A A19	232,000	0.986895	232,696	1,376
D1	3905909.0001	69073TAJ2	OI	OWENS BROCKWAY GLASS CON	1,422,912	0.966174	1,374,781	2,283
D1	3905911.0001	81721MAB5	SNH	SENIOR HSG PPTY'S TRUST	953,077	0.936875	892,914	1,593
D1					1,000,000	1.000988	1,000,988	40,563
D1					250,000	0.998692	249,673	1,477

Schedule 1.3(d)(1)
Invested Assets to be Transferred as of the Close Date

Statutory Schedule	Holding Number/loan number	CUSIP	Issuer	Description	Current Par	9/30 Price	Designated Value	Accrued
D1	3907355.0001	90333LAB8	RMIX	US CONCRETE INC	250,000	0.780568	195,142	2,385
D1	3911354.0001	05948XWD9	BOAMS	BOAMS 03-8 1A13	2,500,000	0.885404	2,213,510	4,201
D1	3914376.0001	172973YT0	CMSI	CMSI 04-5 1A3	2,190,686	0.956004	2,094,304	3,514
D1	3914377.0001	172973YT0	CMSI	CMSI 04-5 1A3	821,507	0.956003	785,363	1,318
D1	4031593.0001	36242D6R9	GSR	GSR 05-5F 3A2	3,341,525	0.921289	3,078,510	5,105
D1	3988804.0001	05949AB74	BOAMS	BOAMS 04-11 1A4	3,000,000	0.853145	2,559,435	4,813
D1	4031594.0001	478166AF0	SCJOHN	JOHNSON SC & SON INC 144A	2,000,000	0.857837	1,715,674	27,792
D1	3998015.0001	81721MAB5	SNH	SENIOR HSG PPTYS TRUST	65,000	0.998692	64,915	384
D1	3998018.0001	90333LAB8	RMIX	US CONCRETE INC	100,000	0.780570	78,057	954
D1	4008143.0001	694308GE1	PCG	PAC GAS & ELEC	750,000	0.884960	663,720	8,949
D1	4014605.0001	44108EAW8	HST	HOST MARRIOTT LP	500,000	0.906956	453,483	8,458
D1	4017024.0001	03937LAA3	ACGL	ARCH CAP GRP LTD	1,000,000	0.947411	947,411	2,246
D1	4027344.0001	71644EAG7	PCACN	PETRO CANADA	2,000,000	0.790142	1,580,284	58,508
D1	4034035.0001	765665AB0	EASTON	RIDDELL BELL HLDGS	500,000	0.808130	404,065	4,769
D1	4038161.0001	97202FAA6	AIG	WILSHIRE TEXAS PTNRS I LLC PVT	563,131	1.119832	630,612	6,189
D1	4071589.0001	172973Y3	CMSI	CMSI 05-8 1A1	6,625,397	0.948690	6,285,448	11,134
D1	4072474.0001	37042BRP7	GMAC	GMAC LLC	350,000	0.956611	208,464	8,514
D1	4101706.0001	541904DQ8	LOMDEV	LOMA LINDA CA REDEV AGY REV	1,635,000	0.880910	1,440,288	33,615
D1	4088222.0001	136375BL5	CNRON	CANADIAN NATL RAILWAY CO	1,000,000	0.932464	932,464	17,585
D1	4104704.0001	636203AA9	NGCTT	NATL GAS CO 144A	1,750,000	0.870000	1,522,500	34,409
D1	4105755.0001	338032BB0	TMO	FISHER SCIENTIFIC INTL	250,000	0.981592	245,398	5,572
D1	4106628.0001	92966*AA9	BAC	WY CAROLINA HLDGS PVT	2,000,000	0.944786	1,889,572	43,553
D1	4112475.0001	78443*AD3	ANDER	ANDERSON CORP (SLBP) PVT	3,000,000	0.911781	2,735,343	67,100
D1	4115245.0001	792860AK4	TRV	ST PAUL TRAVELERS	1,500,000	0.924351	1,386,527	39,938
D1	4115925.0001	101137AE7	BSX	BOSTON SCIENTIFIC CORP	2,000,000	0.890000	1,780,000	68,833
D1	4115934.0001	852060AG7	S	SPRINT CAP CORP	2,000,000	0.782169	1,564,338	4,217
D1	4116404.0001	29266RJ*0	ENR	ENERGIZER HLDGS SR NTS PVT	2,000,000	0.978053	1,956,106	44,953
D1	4119672.0001	165167BU0	CHK	CHESAPEAKE ENERGY CORP	300,000	0.860033	258,010	10,141
D1	4121290.0001	231021AJ5	CMI	CUMMINS INC	1,000,000	0.955193	955,193	14,052
D1	4121469.0001	93045#AD0	WAGNER	WAGNER EQUIPMENT CO 06-A PVT	2,000,000	0.958242	1,916,484	33,550
D1	4124086.0001	743410AJ1	PLD	PROLOGIS TRUST	1,000,000	0.874294	874,294	27,656
D1	4125084.0001	12189TAX2	BNI	BURLINGTON NTHRN SANTA FE	2,000,000	0.918375	1,836,750	29,967
D1	4126796.0001	17252MAG5	CTAS	CINTAS CORP	3,000,000	0.874375	2,623,125	44,588
D1	4128978.0001	487836AT5	K	KELLOGG CO SER B	1,000,000	1.087742	1,087,742	8,485
D1	4128980.0001	71343PAC5	PAS	PEPSIAMERICAS INC	1,250,000	0.857723	1,072,154	33,802
D1	4130106.0001	562953AY7	MGM	MGM MIRAGE INC	350,000	0.727500	254,625	2,740
D1	413118.0001	126409GH0	CSX	CSX CORP	2,500,000	0.805473	2,013,683	17,063
D1	4132052.0001	718337AE8	PHG	PHILIPS ELEC NV PUT JUNE 06	5,000,000	1.025279	5,126,395	161,000
D1	4180425.0001	581557AV7	MCK	MCKESSON CORP	2,000,000	0.943777	1,887,554	22,463
D1	4134283.0001	45665QAC7	IPCC	INFINITY PROP & CASUALTY	3,300,000	0.987529	3,258,846	42,350
D1	4134479.0001	942749A@1	WTS	WATTS WATER TECH SER B PVT	1,750,000	0.955597	1,672,295	47,065

Schedule 1.3(d)(1)
 Invested Assets to be Transferred as of the Close Date

Statutory Schedule	Holding Number/loan number	CUSIP	Issuer	Description	Current Par	9/30 Price	Designated Value	Accrued
D1	4139231.0001	73208PAE1	POMGEN	POMONA CA PENSION OBLIG REV	1,500,000	0.931170	1,396,755	31,933
D1	4140980.0001	884903AY1	TOCCN	THOMSON CORP	1,000,000	0.802286	802,286	13,292
D21	4145857.0001	05529MAA0	BBT	BB&T CAP TRUST I	1,250,000	0.635529	794,411	17,063
D1	4249670.0001	913017BK4	UTX	UNITED TECH CORP	4,000,000	0.931825	3,727,300	108,228
D1	4180268.0001	77509NAP8	RCICN	ROGERS CABLE INC	1,750,000	0.980822	1,716,439	18,703
D21	4157056.0001	46627VAA5	JFM	JP MORGAN CHASE XVII	1,500,000	0.890452	1,035,678	24,619
D1	4160710.0001	487836AT5	K	KELLOGG CO SER B	2,500,000	1.087742	2,719,355	21,212
D1	4160866.0001	21987BAL2	CDEL	CODELCO INC 144A	1,750,000	0.889670	1,558,923	5,381
D1	4160867.0001	45475QAQ6	VVC	INDIANA GAS CO	1,500,000	0.923175	1,384,763	15,556
D1	4161279.0001	29273RAF6	VTC	ENERGY TRANSFER PTNRS	1,000,000	0.836878	836,878	4,969
D1	4246373.0001	925524AX8	VIA	VIACOM INC	1,000,000	0.790512	790,512	2,292
D1	4164204.0001	011903BU4	AKSDEV	AK INDL DEV & EXPT AUTH REV	2,000,000	0.902910	1,805,820	20,906
D1	4164454.0001	11041RAL2	BAPLC	BRITISH AEROSPACE FIN 144A	2,500,000	1.093791	2,734,478	68,229
D1	4164455.0001	172967DR9	C	CITIGROUP INC	4,000,000	0.667546	2,670,184	52,403
D1	4164937.0001	17252MAG5	CTAS	CINTAS CORP	3,500,000	0.874375	3,060,313	52,019
D1	4247476.0001	010869CD5	ALATRN	ALAMEDA CORRIDOR TRANS AUTH REV	2,000,000	1.003600	2,007,200	15,033
D1	4168827.0001	172967DR9	C	CITIGROUP INC	6,000,000	0.867547	4,005,282	78,604
D1	4169555.0001	29273RAF6	ETP	ENERGY TRANSFER PTNRS	1,000,000	0.836878	836,878	4,969
D1	4210479.0001	78391*AA1	WAG	SB PPTYS (WALGREEN) - CTL	1,142,379	1.122544	1,282,371	2,749
D1	4235193.0001	313865DTZ2	FNR	FNR 06-50 PE	7,000,000	0.920800	6,445,600	10,694
D1	4235693.0001	31395LR94	FHR	FHR 2921 NG	5,000,000	0.927065	4,635,325	7,839
D1	4244977.0001	031162AW0	AMGN	AMGEN INC	1,500,000	0.930470	1,395,705	42,766
D1	4244978.0001	031162AW0	AMGN	AMGEN INC	4,000,000	0.930470	3,721,880	114,042
D1	4250434.0001	29273RAJ8	ETP	ENERGY TRANSFER PTNRS	1,000,000	0.943378	943,378	27,292
D1	4255441.0001	50047ZAC9	PHG	PHILIP'S ELECTRONICS NV	1,000,000	1.015866	1,015,866	11,649
D1	4258724.0001	071813AY5	BAX	BAXTER INTL	2,000,000	0.950258	1,900,516	50,764
D1	4258725.0001	893570BX8	WMB	TRANSCONT GAS PIPE CORP 144A	0	0.925501	0	0
D1	4259158.0001	84603MXU5	SOV	SOVEREIGN BANCORP INC	1,200,000	0.663548	820,258	51,333
D21	4259161.0001	94986EAA8	WFC	WELLS FARGO CAP	1,500,000	0.872010	1,308,015	14,758
D1	4259746.0001	902133AG2	TEL	TYCO ELECTRONICS GRP	500,000	0.896356	448,178	4,057
D1	4260560.0001	444859AZ5	HUM	HUMANA INC	1,500,000	0.954327	1,431,491	53,315
D1	4263352.0001	22303QAH3	COV	COVIDIEN INTL FINL	1,000,000	0.974711	974,711	4,913
D1	4263353.0001	22303QAH3	COV	COVIDIEN INTL FINL	1,000,000	0.974711	974,711	4,913
D1	4263354.0001	22303QAH3	COV	COVIDIEN INTL FINL	3,000,000	0.974711	2,924,133	14,738
D1	4263355.0001	22303QAH3	COV	COVIDIEN INTL FINL	2,000,000	0.974711	1,949,422	9,825
D1	4263356.0001	22303QAH3	COV	COVIDIEN INTL FINL	1,000,000	0.974711	974,711	4,913
D1	4263358.0001	84265VAA3	PCU	STHRN COPPER CORP	1,000,000	0.889652	444,828	10,938
D1	4263821.0001	91055*AB7	UGIP	UNITED GRP INV PTNRS SER B PVT	2,000,000	0.920009	1,840,018	14,863
DE	4277399.0001	74433GK13	PRU	PRUDENTIAL FDG LLC COMM PAPER	0	0.999943	0	0
D1	4275780.0001	61745M2C6	MSC	MSC 05-IQ9 A3	4,300,000	0.940527	4,044,266	5,965
D1	4272503.0001	94980LAA8	WFMB	WFMB 04-8 A1	1,863,270	0.942813	1,756,716	2,847

Schedule 1.3(d)(1)
 Invested Assets to be Transferred as of the Close Date

Statutory Schedule	Holding Number/loan number	CUSIP	Issuer	Description	Current Par	9/30 Price	Designated Value	Accrued
D1	4275779.0001	40046JAV9	TELVIS	GRUPO TELEVISIA	2,000,000	0.913274	1,826,548	19,875
D1	4273788.0001	755111AP6	RTN	RAYTHEON CO	4,572,000	0.989029	4,521,841	9,779
D1	4254244.0001	665228B@0	GAS	NORTHERN ILL GAS CO PVT	7,500,000	0.910346	6,827,595	113,281
D1	4265681.0001	127097B#9	COG	CABOT OIL & GAS CORP PVT SER A	500,000	0.934992	467,451	10,376
D1	4265682.0001	127097C@0	COG	CABOT OIL & GAS CORP PVT SER C	2,500,000	0.938222	2,345,555	53,992
B	1247			Canterbury House-Mann Road	2,955,797	0.935372	2,764,770	5,518
B	1198			Goodlette Corners	5,394,921	0.998210	5,385,264	10,748
B	1205			Marsh & McLennan Office Bldg	2,375,355	0.965824	2,294,175	4,819
B	1215			Memorial Health System	3,752,590	0.988722	3,710,268	7,224
B	1186			Northern Tool Retail Building	3,076,124	0.984070	3,027,121	6,016
B	1254			Britax Building	6,377,979	0.973339	6,207,935	12,102
B	1313			Pottery Barn Building	2,994,178	0.954035	2,856,550	5,434
B	1084			Smith Wholesale Drug Company	4,832,345	0.954507	4,612,507	8,534
B	1094			Pacific Oncology	2,932,472	0.951268	2,789,567	5,296
B	1105			1200 Washington Avenue	2,878,682	0.973678	2,802,910	5,471
B	1175			Main Street Commons	1,960,342	0.953423	1,869,035	3,917
B	1291			Social Security Administration Office	3,181,502	0.940276	2,991,490	6,105
B	1472			American Art Clay Company	3,304,426	0.981049	3,241,804	6,613
B	1578			Seasons Villas	2,200,000	1.180232	2,596,510	3,879
B	1035			RollingRidge Center	931,240	0.964863	898,612	1,722
B	1033			Meadowbrook Office Bldg	3,891,492	0.962484	3,745,499	7,123
B	1011			Midway Corporate Office Park - Phase I	2,746,718	0.908328	2,494,921	5,027
Subtotal					292,395,404		267,743,316	3,434,990

Grandtotal

339,921,786

294,216,246 7,440,593

Schedule 1.3(d)(2)

Statutory Reserves, Other Reserves and Accruals

CSHI Assignment to CLIC
Schedule 1.3(d)(2)

Line #	Description	Amount in USD
1	Net Reserves	351,639,304
2	Historical IMR	3,552,344
3	IMR Generated by Transaction	(15,444,788)
4	Policy Loans	(6,947,469)
5	Other balance sheet accounts	1,502,696
6	Initial Ceding Allowance	(35,700,000)
7	Sub-total (1)+(2)+(3)+(4)+(5)+(6)	298,602,086
8	Initial Net Consideration Interest @ 6.38% through Transfer Date	2,275,514
9	Initial Net Consideration (7)+(8)	300,877,600
10	Activity from Effective Date Through Oct 24 with Interest @ 6.38% to Transfer Date (Schedule 1.8)	1,303,708
11	Net Amount Payable to Reinsurer (9)+(10)	302,181,308
Cash and Invested Assets Transferred at Close		
12	Assets transferred, designated value - see listing	294,216,246
13	Accrued - see listing	7,440,593
14	Cash	524,469
15	Total value transferred	302,181,308

Schedule 1.8

Partial Quarterly Accounting

CSHI Assignment to CLIC

Schedule I.8

Activity from 10/1 until 10/24

Interest calculated through November 12, 2008

Activity	Date	Amount	Days	Int Rate	Interest	Total
Day 1	10/02/08	509.76	41	6.38%	3.70	513.46
Day 2	10/03/08	16,236.27	40	6.38%	115.10	16,351.37
Day 3	10/06/08	179,670.48	37	6.38%	1,178.14	180,848.62
Day 4	10/07/08	357,568.55	36	6.38%	2,281.29	359,849.84
Day 5	10/08/08	305,202.17	35	6.38%	1,893.10	307,095.27
Day 6	10/09/08	8,197.71	34	6.38%	49.40	8,247.11
Day 7	10/10/08	189,697.29	33	6.38%	1,109.41	190,806.70
Day 8	10/11/08	251.20	32	6.38%	1.42	252.62
Day 9	10/12/08	669.89	31	6.38%	3.68	673.57
Day 10	10/13/08	145,985.70	30	6.38%	776.16	146,761.86
Day 11	10/14/08	44,143.57	29	6.38%	226.87	44,370.44
Day 12	10/15/08	(201,953.90)	28	6.38%	(1,002.14)	(202,956.04)
Day 13	10/16/08	(271,957.90)	27	6.38%	(1,301.32)	(273,259.22)
Day 14	10/17/08	(58,615.31)	26	6.38%	(270.09)	(58,885.40)
Day 15	10/18/08	2,548.09	25	6.38%	11.29	2,559.38
Day 16	10/20/08	80,707.43	23	6.38%	328.97	81,036.40
Day 17	10/21/08	291,110.41	22	6.38%	1,135.01	292,245.42
Day 18	10/22/08	314,025.78	21	6.38%	1,168.70	315,194.48
Day 19	10/23/08	(107,735.28)	20	6.38%	(381.86)	(108,117.14)
Day 20	10/24/08	118.45	19	6.38%	0.40	118.85
Total Transfers		<u>1,296,380.36</u>			<u>7,327.23</u>	<u>1,303,707.59</u>
Interest					7,327.23	
Total		<u>1,303,707.59</u>				

Exhibit A to Assignment Agreement

CONSECO LIFE INSURANCE COMPANY
11825 North Pennsylvania Street
Carmel, Indiana 46032

NOTICE AND CERTIFICATION OF ASSUMPTION

Pursuant to the terms of an Assignment Agreement, dated November 12, 2008, between Conseco Senior Health Insurance Company ("SHIP") and Conseco Life Insurance Company ("CLIC"), all of the rights, liabilities and obligations of SHIP, an insurance company duly organized and existing under the laws of the Commonwealth of Pennsylvania, under certain policies of insurance (including and amendment or modifications thereto) heretofore written by SHIP, including your [] policy, will be assumed by CLIC, an insurance company duly organized and existing under the laws of the State of Indiana.

This change is effective as of October 1, 2008.

All terms and conditions of your policy with us, including any rights you may have to surrender the policy subject to the terms of the policy, remain unchanged, except that CLIC shall become directly and primarily liable for the obligations of SHIP under your policy. All payments, premiums, notices, claims and suits or actions on your policy shall hereafter be made to CLIC as though it were your original insurer. You can request a copy of the Assignment Agreement by sending a written request to:

Conseco Life Insurance Company
11825 North Pennsylvania Street
Carmel, Indiana 46032

Please be advised that you retain all rights against SHIP, your original insurer, with respect to your policy. For example, in the event CLIC, the assuming insurer, is unable to fulfill its obligations, SHIP, your original insurer, remains liable to you notwithstanding the terms of the above-referenced Assignment Agreement.

This Notice and Certificate of Assumption forms a part of and is to be attached to your policy.

IN WITNESS WHEREOF, SHIP has caused its corporate seal to be affixed hereto and this Notice and Certification of Assumption to be executed by its duly authorized officers.

By: _____
Name:
Title:

[SEAL]

FORM NO. _____

Exhibit B to Assignment Agreement

Form of Trust Agreement

(attached)

TRUST AGREEMENT

by and among

CONSECO LIFE INSURANCE COMPANY

(hereinafter referred to as the "Grantor")

and

SENIOR HEALTH INSURANCE COMPANY OF PENNSYLVANIA

(hereinafter referred to as the "Beneficiary")

and

THE BANK OF NEW YORK MELLON

(hereinafter referred to as the "Trustee")

TRUST AGREEMENT

THIS TRUST AGREEMENT, dated as of the date set forth below (this "Trust Agreement"), by and among **CONSECO LIFE INSURANCE COMPANY**, an insurance company domiciled in the State of Indiana ("Grantor"), **SENIOR HEALTH INSURANCE COMPANY OF PENNSYLVANIA**, an insurance company domiciled in the Commonwealth of Pennsylvania, which was formerly known as Conseco Senior Health Insurance Company ("Beneficiary"), and The Bank of New York Mellon, a New York banking corporation ("Trustee").

WITNESSETH:

WHEREAS, Grantor and Beneficiary have entered into an Assignment Agreement dated as of the date hereof (the "Assignment Agreement"), under which Beneficiary's interest in the Transferred Assets (as defined in the Assignment Agreement) will be transferred to and vested in Grantor and under which Grantor will automatically assume the Transferred Liabilities (as defined in the Assignment Agreement);

WHEREAS, this Trust Agreement is the Trust Agreement as defined and contemplated under Section 3.1 of the Assignment Agreement; and

WHEREAS, as a condition to Beneficiary entering into the Assignment Agreement, Grantor has agreed to enter into this Trust Agreement whereby Grantor creates a trust to hold assets as security for the satisfaction of the obligations of Grantor under the Assignment Agreement with respect to the liabilities assumed thereunder.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, Grantor, Beneficiary, and Trustee agree as follows:

ARTICLE I

Defined Terms

1.1 Definitions. The following terms, when used in this Trust Agreement, shall have the meanings set forth in this Section 1.1. The terms defined below shall be deemed to refer to the singular or plural, as the context requires.

(a) "**Assignment Agreement**" shall have the meaning ascribed to such term in the first "Whereas" clause.

(b) "**Authorized Persons**" shall have the meaning ascribed to such term in Section 3.3.

(c) "**Authorized Securities**" shall have the meaning ascribed to such term in Section 2.2.

(d) "**Beneficiary**" shall have the meaning ascribed to such term in the Preamble.

(e) "**Book-Entry System**" shall have the meaning ascribed to such term in Section 2.1.3.

(f) "**Business Day**" shall mean any day of the year, excluding Saturday, Sunday and any other day on which national banks are required or authorized to close in the State of Indiana.

(g) "**Depositories**" shall have the meaning ascribed to such term in Section 2.1.3.

(h) "**Executive Officers**" shall have the meaning ascribed to such term in Section 5.2.

(i) "**Initial Contribution Amount**" shall mean an amount equal to the Effective Date Reserves (as defined in the Assignment Agreement).

(j) "**Grantor**" shall have the meaning ascribed to such term in the Preamble.

(k) "**Required Trust Balance**" shall have the meaning ascribed to such term in Section 2.2.1.

(l) "**Subject Contracts**" shall mean the insurance or reinsurance policies or contracts written by Beneficiary and transferred and assumed under the Assignment Agreement.

(m) "**Transferred Liabilities**" shall have the meaning assigned to it in the Assignment Agreement.

(n) "**Transferred Obligations**" shall mean an initial amount equal to the Initial Contribution Amount, and, thereafter, an amount equal to 100% of the outstanding reserves relating to the Transferred Liabilities as reported on Grantor's statutory financial statements.

(o) "**Trust Account**" shall have the meaning ascribed to such term in Section 2.1.1.

(p) "**Trust Agreement**" shall have the meaning ascribed to such term in the Preamble.

(q) "**Trust Assets**" shall have the meaning ascribed to such term in Section 2.1.1.

(r) "**Trustee**" shall have the meaning ascribed to such term in the Preamble.

ARTICLE II

Provisions Relating to the Trust Account

2.1 Establishment of Trust Account.

2.1.1 Grantor hereby establishes the Trust Account, hereinafter defined, with Trustee for use in accordance with the terms and conditions hereinafter set forth. For all purposes of this Trust Agreement, the term "Trust Account" means the funds and securities held by Trustee hereunder constituting the principal of the trust as defined under the laws of the State of New York (the "Trust Assets") and does not include the income received by Trustee and deposited in the Income Account (as defined below). Grantor hereby pledges with and grants to Beneficiary a security interest in the Trust Assets held in the Trust Account by Trustee as custodian for Grantor.

2.1.2 Grantor and Beneficiary hereby appoint Trustee as trustee under this Trust Agreement and Trustee hereby accepts appointment as trustee and agrees to establish and maintain the Trust Account as provided hereunder.

2.1.3 Trustee is authorized to receive such funds and securities as Grantor from time to time may transfer to Trustee, and to hold, invest, reinvest, manage and dispose of the same at its office in the United States, for the purposes and according to the provisions herein. Trustee is authorized and instructed to utilize the book-entry system for securities maintained at The Federal Reserve Bank of New York (the "Book-Entry System"), depositories such as the Depository Trust Company and Participants Trust Company ("Depositories"), and the receipt and delivery of physical certificates or any combination thereof in connection with its performance hereunder. Securities held at the Book-Entry System or a Depository will be represented in accounts at the Book-Entry System and the appropriate Depository in the names of Grantor and Trustee or its nominee which include only assets held by Trustee for customers, including, but not limited to, accounts in which Trustee acts in a fiduciary or agency capacity. The Trust Account shall at all times be maintained separate and distinct from all other accounts of Trustee.

2.2 Trust Account Assets. Grantor shall pay the Initial Contribution Amount into the Trust Account as contemplated by Section 3.1 of the Assignment Agreement. The Initial Contribution Amount shall be invested in cash (United States legal tender), certificates of deposit (issued by a United States bank and payable in United States legal tender) or securities that qualify as admitted assets under the insurance laws of the State of Indiana, provided that such investments are issued by an institution that is not the parent, subsidiary or an affiliate of either Grantor or Beneficiary ("Authorized Securities").

2.2.1 Grantor shall maintain the Trust Account balance ("Required Trust Balance") at an aggregate current fair market value equal to 100% of the then current Transferred Obligations with respect to the Subject Contracts.

2.2.2 Grantor shall have investment authority with respect to the assets held in the Trust Account; provided, however, that such assets shall (i) not consist of investments in, or loans to, affiliates of Beneficiary or Grantor, and (ii) be Authorized Securities.

2.2.3 Within twenty (20) Business Days following the end of each calendar quarter, Grantor shall provide Beneficiary and Trustee a written statement of the Required Trust Balance (defined above) as of the calendar quarter end and the fair market value of the Trust Assets held in the Trust Account as of the calendar quarter end (both on an asset-by-asset and a cumulative basis). Grantor shall permit Beneficiary reasonable access to audit its records in order to determine its compliance with this Section 2.2.3. Access to Grantor and its employees by Beneficiary in connection with such audit shall be at reasonable times during regular business hours upon reasonable prior written notice (including by e-mail) in a manner which does not unreasonably interfere with the business or operations of Grantor.

2.3 Adjustment of Trust Account Assets and Release of Assets to Grantor.

2.3.1 If the fair market value of the Trust Assets maintained in the Trust Account as of any calendar quarter end (or, if the parties agree, as of the end of any more frequent period) is greater than the Required Trust Balance as of such calendar quarter end (or other time agreed by the parties), then within thirty (30) days of Trustee's receipt of the statement set forth in Section 2.2.3 and subject to the written approval of Beneficiary, which shall not be unreasonably withheld, Trustee shall at the direction of Grantor withdraw from the Trust Account and transfer to Grantor Trust Assets having a fair market value to Grantor of up to an amount equal to such excess.

2.3.2 If the fair market value of the Trust Assets maintained in the Trust Account as of any calendar quarter end is less than the Required Trust Balance as of such calendar quarter end (or, if the parties agree, as of the end of any more frequent period), then within thirty (30) days of the statement set forth in Section 2.2.3, Grantor shall cause to be deposited into the Trust Account such additional Trust Assets as are necessary to ensure that the fair market value to Grantor of the Trust Assets maintained in the Trust Account is no less than the Required Trust Balance.

2.3.3 Grantor shall be permitted to make withdrawals of Trust Assets to make payment or, reimburse itself for, any amount which it may be required to pay under or arising out of the Subject Contracts to the extent relating to Transferred Liabilities.

2.4 Release of Trust Assets to Beneficiary. Beneficiary represents and covenants that it shall make withdrawals of Trust Assets to satisfy amounts due without diminution because of the insolvency of Beneficiary or Grantor, for the following purposes only:

(a) To make payment or, or reimburse itself for, any amount which it may be required to pay under or arising out of the Subject Contracts to the extent relating to Transferred Liabilities; or

(b) To make payment to Grantor of any amounts held in the Trust Account that exceed the Required Trust Balance; or

(c) Where Beneficiary has received written notification of termination of the Trust Account and where any of Grantor's obligations under the Assignment Agreements remain unliquidated and undischarged ten (10) days prior to such termination date, to withdraw amounts equal to such obligations and deposit such amounts in a separate account in the name of Beneficiary in any United States bank or trust company, apart from its general assets in trust for such uses and purposes specified in (a) and (b) above as may remain executory after such withdrawal and for any period after such termination date.

2.5 Withdrawal Instructions.

2.5.1 Subject to the provisions of Section 2.4, Beneficiary shall have the right to withdraw Trust Assets from the Trust Account without notice to Grantor at any time and from time to time, subject only to written notice from Beneficiary to Trustee. No statement or document need be presented by Beneficiary to Trustee in order to withdraw Trust Assets from the Trust Account. Beneficiary may, however, be required by Trustee to acknowledge receipt of such assets. Upon receipt of the aforementioned Beneficiary's notice, Trustee shall immediately take any and all necessary steps to transfer absolutely and unequivocally to Beneficiary all right, title, and interest in the Trust Assets being withdrawn and, when appropriate, to deliver the physical custody thereof to Beneficiary. Trustee shall be protected in relying upon such notice from Beneficiary for such withdrawal and shall not be obligated to investigate or ascertain that Beneficiary intends to, or uses the Trust Assets withdrawn for the purposes set forth herein. Trustee shall not be liable to Grantor or Beneficiary or any third party, for any transfer of assets made pursuant to Beneficiary's written notice.

2.5.2 Subject to the provisions of Section 2.3.3, Grantor shall have the right to withdraw Trust Assets from the Trust Account without notice to Beneficiary at any time and from time to time, subject only to written notice from Grantor to Trustee. No statement or document need be presented by Grantor to Trustee in order to withdraw Trust Assets from the Trust Account. Grantor may, however, be required by Trustee to acknowledge receipt of such assets. Upon receipt of the aforementioned Grantor's notice, Trustee shall immediately take any and all necessary steps to transfer absolutely and unequivocally to Grantor all right, title, and interest in the Trust Assets being withdrawn and, when appropriate, to deliver the physical custody thereof to Grantor. Trustee shall be protected in relying upon such notice from Grantor for such withdrawal and shall not be obligated to investigate or ascertain that Grantor intends to, or uses the Trust Assets withdrawn for the purposes set forth herein. Trustee shall not be liable to Grantor or Beneficiary or any third party, for any transfer of assets made pursuant to Grantor's written notice.

2.6 Substitution of Trust Account Trust Assets. Grantor shall be entitled to withdraw Trust Assets from the Trust Account and deposit in the Trust Account a like amount of assets which qualify as Authorized Securities, upon five (5) days written notice prior to the substitution date to Beneficiary and Trustee. Beneficiary may object to such substitution, but only on the

basis that the assets to be substituted do not qualify as Authorized Securities. If Grantor is so permitted such substitution, the then current fair market value of the assets so substituted shall not be less than the current fair market value of the Trust Assets withdrawn. Trustee shall have no obligation at any time to determine the current fair market value of the Trust Assets.

2.7 Negotiation of Trust Assets. Grantor shall, prior to depositing assets with Trustee, and as required thereafter, execute assignments, endorsements or appropriate stock or bond powers with respect to all Trust Assets in the Trust Account so that Beneficiary or Trustee upon direction by Beneficiary may whenever necessary negotiate such Trust Assets without consent or signature from Grantor or any other person or entity. Trustee shall determine that the requirements of this Section 2.7 as to form for Trust Assets deposited in the Trust Account have been complied with by Grantor.

2.8 Investment of Trust Assets. Grantor shall be responsible for directing Trustee to invest and reinvest the Trust Assets and the income thereof and, unless and until directed by Grantor, Trustee shall not be required to take any action with respect to the investment or reinvestment of Trust Assets in the Trust Account or the income thereof. Trustee shall invest and reinvest the Trust Assets in such investments as Grantor shall direct which are Authorized Securities and consistent with the requirements hereof. Trustee shall have no liability to Grantor or Beneficiary with respect to investments made in compliance with such directives, and any loss incurred from any such investment shall be borne exclusively by the Trust Account, except, in each case, for Trustee's negligence, willful misconduct, or bad faith in complying with such instructions. Trustee or any of its affiliates may receive compensation with respect to any investment directed hereunder.

2.9 Income. All payments of interest, dividends and other income in respect to Trust Assets in the Trust Account shall be posted and credited by the Trustee, subject to deduction of the Trustee's compensation and expenses as provided in Section 3.8 of this Agreement, in the separate income column of the custody ledger (the "Income Account") established and maintained by the Grantor at an office of the Trustee in New York City. Any interest, dividend or other income automatically posted and credited on the payment date to the Income Account which is not subsequently received by the Trustee shall be reimbursed by the Grantor to the Trustee and the Trustee may debit the Income Account for this purpose. The interest, dividends and other income shall be paid to the Grantor or credited to an account of the Grantor in accordance with written instructions provided from time to time by the Grantor to the Trustee.

2.10 Statements of Assets. Trustee shall provide Grantor and Beneficiary statements of Trust Assets in the Trust Account, and statements of account (such statements to be in the form and content like those that Trustee customarily maintains for custody accounts similar to the Trust Account) showing all transactions in the Trust Account upon its inception and thereafter within fifteen (15) days of the end of each calendar month. Trustee shall also furnish to Grantor and Beneficiary notice of any deposits to or withdrawals from the Trust Account within ten (10) days following the occurrence of such event. Any discrepancies in any such account statement shall be noted by Grantor and Beneficiary to Trustee within sixty (60) calendar days after receipt thereof. Failure to inform Trustee in writing of any discrepancies in any such account statements within said sixty (60) day period shall conclusively be deemed confirmation of such account statement in its entirety. For purposes of this paragraph, each

account statement shall be deemed to have been received by the party to whom directed on the earlier to occur of: (i) actual receipt thereof and (ii) three Business Days after the deposit thereof in the United States Mail, postage prepaid.

ARTICLE III

Provisions Relating to Trustee

3.1 Responsibilities. Trustee shall be liable for the safekeeping and administration of the Trust Account in accordance with the provisions of this Trust Agreement, provided that the duties and responsibilities of Trustee hereunder shall be determined solely by the express provisions of this Trust Agreement and no other or further duties or responsibilities shall be implied. Trustee shall not be liable or responsible for any loss to the Trust Account unless the same is caused by its own negligence, willful misconduct, lack of good faith or breach of fiduciary duty. Trustee shall have no obligation hereunder for costs, expenses, damages, liabilities, or claims, including attorneys' fees, which are sustained or incurred by reason of any action or inaction by the Book-Entry System or any Depository, or their respective successors or nominees. In no event shall Trustee be liable to Grantor, Beneficiary or any third party for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action. In the event of any conflicting or inconsistent claims or demands being made in connection with the subject matter of this Trust Agreement, or in the event Trustee is in doubt as to what action it should take hereunder, Trustee may, at its option, refuse to comply with any claims or demand upon it, or refuse to take any other action hereunder so long as such disagreement continues or such doubt exists, and in such event, Trustee shall not be or become liable in any way to any person by reason of its failure or refusal to act, and Trustee shall be entitled to continue to refrain from acting until (i) the rights of all persons making claim or demand upon Trustee have been fully and finally adjudicated by a court of competent jurisdiction, or (ii) all differences shall have been settled and all doubt resolved by agreement among all of the interested persons, and Trustee shall have been notified of such agreement in a writing signed by all of such interested persons. No party to this Trust Agreement is liable to any other party for losses due to, or if it is unable to perform its obligations under the terms of the Trust Agreement because of, acts of God, fire, war, terrorism, floods, strikes, electrical outages, equipment or transmission failure, or other causes reasonably beyond its control.

3.2 Indemnification of Trustee. Grantor and Beneficiary agree, jointly and severally, to indemnify Trustee and to hold it harmless against any and all costs, expenses, damages, liabilities or claims, including reasonable fees and expenses of counsel, which Trustee may sustain or incur or which may be asserted against Trustee by reason of or as a result of any action taken or omitted by Trustee in connection with operating under this Trust Agreement or incurred by Trustee in a successful defense of claims by Grantor and/or Beneficiary, except those costs, expenses, damages, liabilities or claims arising out of Trustee's negligence, willful misconduct, lack of good faith or breach of fiduciary duty. This indemnity shall be a continuing obligation of Grantor and Beneficiary notwithstanding the termination of this Trust Agreement. The Grantor and Beneficiary hereby acknowledge that the foregoing indemnities shall survive the resignation or discharge of the Trustee or the termination of this Agreement and hereby grants the Trustee a

lien, right of setoff and security interest in the Income Account for the payment of any claim for compensation, reimbursement or indemnity hereunder.

3.3 Identification of Authorized Persons. Grantor and Beneficiary agree to deliver to Trustee a certificate, Exhibit A, listing the persons authorized by Grantor and Beneficiary, respectively, to provide instructions to Trustee hereunder ("**Authorized Persons**"). Such certificate shall also contain the facsimile signature of such Authorized Persons. Any statement, certificate, notice, request, consent, approval, or other instrument to be delivered or furnished by Grantor or Beneficiary shall be sufficiently executed if it purports to be executed in the name of the respective party by an Authorized Person.

3.4 Reliance by Trustee. Trustee shall be under no obligation to determine whether or not any instructions given by Grantor or Beneficiary are contrary to any provision of law. Trustee shall be protected in acting upon any statement, notice, instruction, electronic media, facsimile, certificate, report, letter, or other document believed by Trustee to be genuine and which purports to have been signed, sent, or presented by an Authorized Person. Any instructions delivered to Trustee by telephone shall immediately thereafter be confirmed in writing by an Authorized Person, and Trustee shall incur no liability for Grantor's or Beneficiary's failure to send such confirmation in writing, or the failure of any such written confirmation in writing to conform to the telephone instructions that Trustee received. Grantor and Beneficiary shall notify Trustees in writing forthwith of any change of address from that listed on the signature page hereof.

3.5 Trustee's Counsel. Trustee may consult with counsel of its own choice and shall have full and complete authorization and protection for any action taken, omitted, or suffered by it hereunder in good faith in accordance with the opinion of such counsel and in the absence of negligence, willful misconduct, lack of good faith, or breach of fiduciary duty. In the event Trustee has any doubts as to the course of action it should take under this Trust Agreement, and cannot resolve such doubts after consultation with Grantor and Beneficiary or any other person making claim or demand upon Trustee, Trustee is authorized to file a petition in the United States District Court for the Southern District of New York situated in New York, New York seeking a declaratory judgment or to interplead such amount of the Trust Assets as shall be in dispute into the registry of such court. Grantor and Beneficiary hereby jointly and severally agree to indemnify Trustee and hold it harmless from any liability or losses occasioned by such action on the part of Trustee, taken in accordance with the standards set forth in this Section, and agree that Trustee's fees, costs and expenses, including counsel fees and expenses, may be recovered out of any amounts deposited into the registry of the court, in accordance with local rules and applicable law.

3.6 Administration of Trust Assets.

3.6.1 When Trustee is directed to deliver Trust Assets of the Trust Account against payment, delivery will be made in accordance with generally accepted market practice.

3.6.2 Trustee is authorized and empowered in its sole administrative discretion, with respect to the Trust Account:

- (1) to make, execute, acknowledge and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers granted herein;
- (2) to collect all interest, dividends and other income payable with respect to Trust Assets in the Trust Account, and to surrender securities at maturity or when advised of earlier call for redemption, provided that Trustee shall not be liable for failure to surrender any security in the Trust Account for redemption prior to maturity or take other action if notice of such redemption or other action was not provided to Trustee by the issuer, Grantor, Beneficiary or one of the nationally recognized bond or corporate action services to which Trustee subscribes;
- (3) to exchange securities in temporary form for securities in definitive form, and to effect an exchange of shares where the par value is changed; and
- (4) To endorse for collection checks, drafts or other negotiable instruments.

3.6.3 When fractional shares of stock of a declaring corporation are received as a stock distribution, Trustee is authorized to sell the fraction unless otherwise instructed by Grantor. Trustee is authorized to exchange securities in bearer form for securities in registered form unless Grantors specifically instruct in writing to the contrary. If the issuer of any security held in the Trust Account so requests, Trustee may, until Trustee receives contrary instructions, release the identity of Grantor to such issuer for the specific purpose of direct communication between such issuer and Grantor.

3.6.4 With respect to all securities, however registered, it is understood that the voting and other rights and powers shall be exercised by Grantor. Trustee's only duty shall be to mail to Grantor any documents received, including proxy statements and offering circulars, with any proxies for securities registered in a nominee name executed by such nominee. Where warrants, options, tenders, or other securities or rights have fixed expiration dates, Grantor understands that in order for Trustee to act, it must receive Grantor's instructions at its offices in New York, addressed as Trustee may from time to time request, by no later than noon Eastern Standard Time at least one Business Day prior to the last scheduled date to act with respect thereto (or such earlier date or time as Trustee may specify to Grantor). Absent Trustee's timely receipt of such instructions, Trustee shall not be liable if such instruments expire.

3.6.5 On the written instructions and for the account and risk of Grantor, and subject to the provisions hereof, Trustee will use its best efforts in placing or negotiating orders to buy or sell Trust Assets for Grantor and the Trust Account. Trustee or any of its

subsidiaries or affiliates, acting as principal, may sell such property to, or buy such property from, Grantor and the Trust Account, and may act as agent for, provide banking and other services to, and generally engage in any kind of business with, issuers of securities and money market instruments purchased for Grantor and the Trust Account to the same extent as if Trustee were not custodian hereunder.

3.7 Records. Trustee shall keep full and complete records of the administration of the Trust Account. Grantor or Beneficiary may upon reasonable notice to Trustee examine such records during business hours by any person or persons duly authorized in writing by Grantor or Beneficiary as the case may be.

3.8 Compensation of Trustee. Grantor hereby agrees to compensate Trustee for the services to be rendered hereunder at rates on Exhibit B and at such times as Grantor and Trustee shall agree, and to pay or reimburse Trustee upon request for all expenses, disbursements and advances, including reasonable attorneys' fees, incurred or made by it in connection with carrying out its duties hereunder or defending itself against any claim of liability. Trustee is entitled to receive its compensation and other expenses from the income paid with respect to the Trust Account or Trust Assets prior to the payment thereof to Grantor. Grantor and Trustee acknowledge that the Trust Assets are established solely for the benefit of Beneficiary and may not be invaded for the purpose of paying compensation to, or reimbursing, Trustee.

3.9 Resignation or Removal of Trustee.

3.9.1 Trustee may resign, by written notice of resignation, effective not less than ninety (90) days after receipt by Grantor and Beneficiary of such notice; provided that no such resignation shall be effective until a successor trustee has been duly appointed and approved by Beneficiary and Grantor and all assets have been duly transferred to the new trustee. Grantor may remove Trustee at any time, without assigning any cause therefore, upon ninety (90) days prior written notice to Trustee; provided that no such removal shall be effective until a successor trustee has been duly appointed and approved by Beneficiary and Grantor and all assets have been duly transferred to the new trustee. Grantor and Beneficiary shall appoint and approve a successor Trustee upon receipt of Trustee's notice of resignation, or upon removal. Trustee's sole responsibility after such 90-day notice period expires shall be to hold the Trust Assets (without any obligation to reinvest the same) and to deliver the same to Beneficiary as directed under Section 2.5 or to a designated substitute trustee, if any. Trustee reserves the right, in the event of its resignation or removal to seek appropriate judicial relief in the event a successor Trustee has not been appointed or approved within ninety (90) days after the effective date of Trustee's resignation. In case of appointment of a successor trustee, all of the powers, rights, and duties of Trustee named herein shall survive and continue in the successor trustee and every successor trustee shall succeed to, take and have all the estate, powers, rights, and duties that belonged to or were held by its predecessor. In the case of the resignation or removal of a trustee, such trustee shall have the right to an accounting with respect to the Trust Account and payment of any and all fees, and expenses and other obligations owing to such trustee.

3.9.2 Any successor trustee shall be a bank or trust company (i) approved by the National Association of Insurance Commissioners and (ii) organized and existing under the laws of the State of New York or a member of the Federal Reserve System of the United States of America, and shall not be parent, subsidiary or affiliate of either Grantor or Beneficiary.

ARTICLE IV

Termination

4.1 Termination. This Trust Agreement may be terminated by: (1) written agreement of Grantor and Beneficiary; or (2) upon thirty (30) days, but not more than forty-five (45) days, advance written notice by Grantor to Beneficiary and Trustee at any time when the Required Trust Balance is less than \$10 million. Upon the termination of this Trust Agreement and the Trust Account, Trustee shall, after deduction of any and all fees and expenses of Trustee, transfer, pay over and deliver to Grantor any undistributed income and with written approval of Beneficiary all of the Trust Assets not previously withdrawn by Beneficiary (without adjustment for any accrued income), and such payment, transfer and delivery shall constitute a full and sufficient discharge and release of Trustee in respect thereof.

ARTICLE V

Miscellaneous Provisions

5.1 Tax Matters. Any payments of income shall be subject to applicable withholding regulations then in force in the United States or any other jurisdiction, as applicable. In the event that any earnings remain undistributed at the end of any calendar year, Trustee shall report to the Internal Revenue Service or such other authority such earnings as it deems appropriate or as required by any applicable law or regulation or, to the extent consistent therewith, as directed in writing by Grantor and Beneficiary. In the absence of such written directions, undistributed earnings will be attributed to and reported on as belonging to Grantor. In addition, Trustee shall withhold any taxes it deems appropriate and shall remit such taxes to the appropriate authorities. Any tax returns or reports required to be prepared and filed on behalf of or by the Trust Assets will be prepared and filed by Grantor or Beneficiary, as applicable, and Trustee shall have no responsibility for the preparation and/or filing or any tax return with respect to any income earned by the Trust Assets.

5.2 Funds Transfer. In the event funds transfer instructions are given (other than in writing at the time of execution of this Trust Agreement), whether in writing, by telefax, or otherwise, Trustee is authorized to seek confirmation of such instructions by telephone call-back to the person or person designated on Exhibit C hereto, and Trustee may rely upon the confirmations of anyone purporting to be the person or persons so designated. If Trustee is unable to contact any of the authorized representatives identified in Exhibit C, Trustee is hereby authorized to seek confirmation of such instructions by telephone call-back to any one or more of Grantor's or Beneficiary's respective executive officers, ("**Executive Officers**"), which shall include the titles of President or Chief Financial Officer for Grantor and President, Executive Vice President, Senior Vice President or Vice President for Beneficiary, as Trustee may select.

Such "Executive Officer" shall deliver to Trustee a fully executed incumbency certificate, and Trustee may rely upon the confirmation of anyone purporting to be any such officer. The persons and telephone numbers for call-backs may be changed only in writing actually received and acknowledged by Trustee. The parties to this Trust Agreement acknowledge that such security procedure is commercially reasonable.

5.3 Governing Law. This Trust Agreement, and any amendments thereto, shall be administered, governed by, and construed in accordance with, the internal substantive laws of the State of New York. Grantor, Beneficiary and Trustee each consents to the jurisdiction of the United States District Court for Southern District of New York, situated in New York, New York in connection with any dispute arising hereunder. Each party hereto irrevocably waives any objection on the grounds of venue, forum non-conveniens or any similar grounds and irrevocably consents to service of process by mail or in any other manner permitted by applicable law and consents to the jurisdiction of the courts located in the State of New York. The parties further hereby waive any right to a trial by jury with respect to any lawsuit or judicial proceeding arising or relating to this Trust Agreement.

5.4 Amendments. This Trust Agreement may not be amended or modified in any manner except by a written agreement executed by all parties.

5.5 Notices. Unless otherwise specifically provided herein, every notice required or permitted to be given under this Trust Agreement shall be given in writing by personal delivery to the party to whom it is directed at the following address:

Trustee: The Bank of New York Mellon
Insurance Trust Unit
101 Barclay Street, 8W
New York, NY 10286
Attention: Karen Vaporean
Phone: 212-815-5282
Facsimile: 212-815-5877

Grantor: Conseco Life Insurance Company
11825 N. Pennsylvania Street
Carmel, IN 46032
Attention: Thomas D. Barta
SVP, Financial Planning and Analysis
Facsimile: (317) 817-5439

with copies to (which shall not constitute notice for purposes of this Section 5.5)

Conseco Life Insurance Company
11825 N. Pennsylvania Street
Carmel, IN 46032

Attention: Matthew J. Zimpfer
EVP and General Counsel
Facsimile: (317) 817-2826

Beneficiary: Senior Health Insurance Company of Pennsylvania
600 West Chicago Avenue
Chicago, IL 60610
Attention: John W. Wells
President and Chief Executive Officer
Facsimile: (312) 396-5922

5.6 Severability. In the event any provisions of this Trust Agreement shall be held invalid or unenforceable for any reason, such invalidity or unenforceability shall not affect the validity, legality, or enforceability of any other provision.

5.7 Assignment. This Trust Agreement shall extend to and shall be binding upon the parties hereto, and their respective successors and assigns; provided, however, that this Trust Agreement shall not be assignable by any party without the written consent of the other parties.

5.8 Multiple Originals. This Trust Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but such counterparts shall together, constitute only one instrument. All signatures of the parties to this Trust Agreement may be transmitted by electronic media or facsimile, and such electronic media or facsimile will, for all purposes, be deemed to be the original signature of such party whose signature it reproduces, and will be binding upon such party.

5.9 Entire Agreement. This Trust Agreement constitutes the entire Agreement of the parties hereto with respect to the Trust Account and is not subject to any conditions or qualifications not expressed herein.

5.10 Compliance with Court Orders. In the event that any Trust Assets shall be attached, garnished or levied upon by any court order, or the delivery thereof shall be stayed or enjoined by an order of a court, or any order, judgment or decree shall be made or entered by any court order affecting the property deposited under this Agreement, Trustee is hereby expressly authorized, in its sole discretion, to obey and comply with all writs, orders or decrees so entered or issued, which it is advised by legal counsel of its own choosing is binding upon it, whether with or without jurisdiction, and in the event that Trustee obeys or complies with any such writ, order or decree it shall not be liable to any of the parties hereto or to any other person, firm or corporation, by reason of such compliance notwithstanding such writ, order or decree be subsequently reversed, modified, annulled, set aside or vacated.

5.11 USA PATRIOT Act. The Grantor and Beneficiary hereby acknowledge that the Trustee is subject to federal laws, including the Customer Identification Program (“CIP”) requirements under the USA PATRIOT Act and its implementing regulations, pursuant to which the Trustee must obtain, verify and record information that allows the Trustee to identify the Grantor and Beneficiary. Accordingly, prior to opening the Trust Account hereunder, the

Trustee will ask the Grantor and Beneficiary to provide certain information including, but not limited to, the Grantor's and Beneficiary's name, physical address, tax identification number and other information that will help the Trustee to identify and verify the Grantor's and Beneficiary's identity such as organizational documents, certificate of good standing, license to do business, or other pertinent identifying information. Each of the Grantor and Beneficiary agrees that the Trustee cannot open the Trust Account hereunder unless and until the Trustee verifies the Grantor's and Beneficiary's identity in accordance with the Trustee's CIP.

5.12 Required Disclosure. The Trustee is authorized to supply any information regarding the Trust Account and Trust Assets that is required by any law, regulation or rule now or hereafter in effect. Each of the Grantor and the Beneficiary agrees to supply the Trustee with any required information if it is not otherwise reasonably available to the Trustee.

IN WITNESS WHEREOF, the parties hereto have caused this Trust Agreement to be executed by their respective corporate officers, thereunto duly authorized, this ___ day of November, 2008.

GRANTOR

Address for Notice: See Section 5.5 of this Trust Agreement

CONSECO LIFE INSURANCE COMPANY

By: _____

Name:

Title:

BENEFICIARY

Address for Notice: See Section 5.5 of this Trust Agreement

SENIOR HEALTH INSURANCE COMPANY OF PENNSYLVANIA

By: _____

Name:

Title:

TRUSTEE

Address for Notice: See Section 5.5 of this Trust Agreement

THE BANK OF NEW YORK MELLON

By: _____

Name:

Title:

EXHIBIT A

Authorized Persons

Grantor:

Edward J. Bonach

Todd M. Hacker

Thomas D. Barta

John R. Kline

James M. Crafton

Michael D. Cates

Beneficiary:

John W. Wells

Dean G. Sarantos

Brian C. Wegner

EXHIBIT B

**Schedule of Fees
for
Trustee Services**

EXHIBIT C

**Telephone Number(s) for Call-backs and Person(s)
Designated to Confirm Funds Transfer Instructions**

If to Grantor:

	<u>Name</u>	<u>Telephone Number</u>	<u>Signature</u>
1.	Todd M. Hacker	317-817-3215	_____
2.	Paul A. Podgorny	317-817-4142	_____
3.	JoAnn M. Brown	317-817-6468	_____
4.	Sarah M. Prentice	317-817-3739	_____
5.	John R. Kline	317-817-6144	_____

If to Beneficiary:

	<u>Name</u>	<u>Telephone Number</u>	<u>Signature</u>
1.	Dean G. Sarantos	312-396-7409	_____
2.	Brian C. Wegner	317-817-6821	_____
3.	John W. Wells	312-396-6152	_____

Telephone call-backs shall be made to either Grantor or Beneficiary if joint instructions are required pursuant to the Agreement.

<i>SERFF Tracking Number:</i>	<i>CNSC-125977389</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Conseco Life Insurance Company</i>	<i>State Tracking Number:</i>	<i>41388</i>
<i>Company Tracking Number:</i>	<i>CLIC-CA</i>		
<i>TOI:</i>	<i>H01 Health - Assumption Agreement</i>	<i>Sub-TOI:</i>	<i>H01.000 Health - Assumption Agreement</i>
<i>Product Name:</i>	<i>CLIC-CA Assumption Certificate</i>		
<i>Project Name/Number:</i>	<i>CLIC-CA/</i>		

Superseded Attachments

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

Original Date:	Schedule	Document Name	Replaced Date	Attach Document
No original date	Form	Notice and Certification of Assumption	01/21/2009	Notice and Cert. of Assumption.pdf

CONSECO LIFE INSURANCE COMPANY
11825 North Pennsylvania Street
Carmel, Indiana 46032

NOTICE AND CERTIFICATION OF ASSUMPTION

Pursuant to the terms of an Assignment Agreement, dated November 12, 2008, between Senior Health Insurance Company of Pennsylvania (formerly known as Conseco Senior Health Insurance Company) ("SHIP") and Conseco Life Insurance Company ("CLIC"), all of the rights, liabilities and obligations of SHIP, an insurance company duly organized and existing under the laws of the Commonwealth of Pennsylvania, under certain policies of insurance (including any amendment or modifications thereto) heretofore written by SHIP, will be assumed by CLIC, an insurance company duly organized and existing under the laws of the State of Indiana.

This change is effective as of October 1, 2008.

All terms and conditions of your policy with us, including any rights you may have to surrender the policy subject to the terms of the policy, remain unchanged, except that CLIC shall become directly and primarily liable for the obligations of SHIP under your policy. All payments, premiums, notices, claims and suits or actions on your policy shall hereafter be made to CLIC as though it were your original insurer. You can request a copy of the Assignment Agreement by sending a written request to:

Conseco Life Insurance Company
11825 North Pennsylvania Street
Carmel, Indiana 46032

Please be advised that you retain all rights against SHIP, your original insurer, with respect to your policy. For example, in the event CLIC, the assuming insurer, is unable to fulfill its obligations, SHIP, your original insurer, remains liable to you notwithstanding the terms of the above-referenced Assignment Agreement.

This Notice and Certificate of Assumption forms a part of and is to be attached to your policy, and does not require any action on your part

IN WITNESS WHEREOF, CLIC has caused its corporate seal to be affixed hereto and this Notice and Certification of Assumption to be executed by its duly authorized officer.



Name: Karl W. Kindig
Title: Secretary