

**BEFORE THE INSURANCE COMMISSIONER
FOR THE STATE OF ARKANSAS**

IN RE THE PROPOSED INVESTMENT IN:
FORETHOUGHT FINANCIAL GROUP, INC.
FORETHOUGHT LIFE INSURANCE COMPANY
FORETHOUGHT LIFE ASSURANCE COMPANY
AND ARKANSAS NATIONAL LIFE INSURANCE COMPANY
BY CENTURY CAPITAL PARTNERS III, L.P.,
CCP CAPITAL III, L.P., CCP CAPITAL III, NC.,
CENTURY CAPITAL MANAGEMENT, LLC,
CENTURY CAPITAL PARTNERS IV, L.P.,
CCP CAPITAL IV, L.P., CCP CAPITAL IV, LLC,
FRANK BAZOS, CHARLES KLINE, RICHARD SMITH
JAMES STRADTNER, GERARD VECCHIO,
DAVIS FULKERSON, AND ALEXANDER THORNDIKE

AID # 2007 - 029

ORDER

The proposed investment in Forethought Financial Group, Inc. ("FFG"), the ultimate parent company of Forethought Life Insurance Company, Forethought Life Assurance Company, Arkansas National Life Insurance Company (the "Domestic Insurer"), by Century Capital Partners III, L.P. ("CCP III"), CCP Capital III, L.P. ("CCP III, L.P."), CCP Capital III, Inc. ("CCP III, Inc."), Century Capital Management, LLC ("CCM"), Century Capital Partners IV, L.P. ("CCP IV"), CCP Capital IV, L.P. ("CCP IV, L.P."), CCP Capital IV, LLC ("CCP IV, LLC"), Frank Bazos, Charles Kline, Richard Smith, James Stradtner, Gerard Vecchio, Davis Fulkerson and Alexander Thorndike (together, the "Acquiring Parties") came before the Hearing Officer Jay Morgan, Deputy Commissioner and General Counsel of the Arkansas Department of Insurance ("Hearing Officer"), at a public hearing ("Hearing") on June 21, 2007, commencing at approximately 1:00 p.m. in the offices of the Arkansas Department of Insurance ("Department"), 401 West Markham, Little Rock, Arkansas.

After considering all the evidence and arguments, and being fully advised, the Hearing Officer, hereby enters the following Findings of Fact, Conclusions of Law, and Recommendations:

FINDINGS OF FACT

The Parties

1. The Domestic Insurer is a “domestic insurer” as that term is defined in Ark. Code Ann. § 23-60-102, with its principal offices located in Little Rock, Arkansas.
2. FFG, a Delaware corporation, is the ultimate parent company of the Domestic Insurer. Its principal executive offices are located in Indianapolis, Indiana.
3. The Acquiring Parties are each affiliated with the Century Capital Private Equity Funds, independent investment organizations specializing in the financial services industry.
 - a. Century Capital Partners III, L.P. (“CCP III”) and Century Capital Partners IV, L.P. (“CCP IV”), the direct investors in FFG, are each Delaware limited partnerships. CCP III and CCP IV were formed in 2002 and 2006, respectively. Their principal executive offices are in Boston, Massachusetts.
 - b. The general partner of CCP III is CCP III, L.P., a Delaware limited partnership.¹ The general partner of CCP III, L.P. is CCP III, Inc., a Delaware corporation. The stockholders of CCP III, Inc. are CCM (83%), Mr. Fulkerson (8.5%) and Mr. Thorndike (8.5%). Voting control of CCM is shared equally by Mr. Fulkerson and Mr. Thorndike, who each own 50% of the voting shares of CCM.

¹ CCP III has limited partners as well, but such limited partners do not have any decision-making authority or power with respect to CCP III.

c. The general partner of CCP IV is CCP IV, L.P., a Delaware limited partnership.² The general partner of CCP IV, L.P. is CCP IV, LLC, a Delaware limited liability company. Management of CCP IV, LLC resides in its Board of Managers. Members of CCP IV, LLC's current Board of Managers are Mr. Bazos, Mr. Kline, Mr. Smith, Mr. Stradtner, Mr. Vecchio, Mr. Fulkerson and Mr. Thorndike.

Procedural History

4. On March 16, 2007, CCP III, CCP III, L.P., CCP III, Inc., CCM, Mr. Fulkerson and Mr. Thorndike (the "CCP III Entities") filed a Form A Statement with the Department, together with exhibits.

5. On April 17, 2007, the CCP III Entities provided the Commissioner with a letter dated the same from Rick Campbell of Mitchell, Williams, Selig, Gates & Woodyard, P.L.L.C., with attachments, providing certain exhibits to complete the Form A Statement filed on March 16, 2007.

6. Also on April 17, 2007, CCP IV, CCP IV, L.P., CCP IV, LLC, Mr. Bazos, Mr. Kline, Mr. Smith, Mr. Stradtner and Mr. Vecchio (the "CCP IV Entities") filed with the Department a Disclaimer of Control in order to rebut the presumption that CCP IV would control FFG, which presumption arises because CCP IV intends to acquire more than 10% of FFG's voting common stock.

² CCP IV has limited partners as well, but such limited partners do not have any decision-making authority or power with respect to CCP IV.

7. On June 13, 2007, the CCP IV Entities withdrew their Disclaimer of Control and instead, the Acquiring Parties collectively filed Amendment No. 1 to the Form A Statement to incorporate the CCP IV Entities as acquiring parties.

8. In addition to the items specifically listed here, at various points throughout the process, the Department requested, and the Acquiring Parties provided, additional information supplementing the Form A Statement and Change No. 1 to the Form A Statement which is included in the record of this proceeding.

9. The Form A Statement, as supplemented and amended (the "Form A"), is in compliance with and satisfies the requirements of Ark. Code Ann. § 23-63-506 and the regulations promulgated thereunder.

10. Pursuant to Ark. Code Ann. § 23-63-510, and upon agreement of all of the parties, the Commissioner set a hearing to consider the proposed acquisition for June 21, 2007 (the "Hearing").

The Hearing

11. All persons attending the Hearing were provided the opportunity to present evidence, examine witnesses, and/or offer argument. The Acquiring Parties presented evidence and argument through counsel and through the testimony of Davis Fulkerson, Managing Partner of CCM. Mr. Fulkerson was authorized to offer testimony on behalf of all of the Acquiring Parties. Also present at the Hearing were Lowell Short, CFO of FFG; and David Mullen, Vice President, General Counsel, and Secretary of FLIC, FLAC, and the Domestic Insurer. Mr. Short presented testimony on behalf of FFG and the Domestic Insurer.

12. No objections were made at the Hearing or otherwise to the proposed investment in FFG by the Acquiring Parties.

The Proposed Transaction

13. The transactions that are the subject of the Form A Statement are new or additional investments in FFG. CCP III and CCP IV, together with several institutional and individual investors, are each prepared to make an investment in FFG, with the aggregate amount of all such investments totaling approximately \$128 million. CCP III, is an existing stockholder of FFG that intends to acquire additional shares; other investors, including CCP IV, are first time investors in FFG.

14. CCP III and CCP IV propose to enter into a Securities Purchase Agreement providing for the transfer of the shares from selling stockholders to CCP III and CCP IV, among other investors (the "Selling Stockholder Agreement"). As a result, CCP III will acquire approximately 41,000 additional shares of FFG Class A (voting) common stock, which will bring its total holdings of voting stock to 66,026 shares (14.01%) of FFG Class A (voting) common stock. The total consideration for CCP III's purchase of additional shares will be approximately \$8 million. CCP IV will acquire approximately 83,014 shares (17.61%) of FFG Class A (voting) common stock. The total consideration for CCP IV's purchase of the FFG shares will be approximately \$16 million.

15. The consideration for the purchase of the FFG shares will be cash. CCP III's portion of the cash will come from capital contributed to CCP III by its general partner, CCP, LP, and CCP III's limited partners. CCP, LP will contribute 1% of CCP III's portion of the cash consideration and the limited partners of CCP III will collectively contribute 99% of CCP III's portion the cash consideration based on such limited

partners respective pro rata ownership interests in CCP III. Likewise, CCP IV's cash consideration will come from capital contributed by its general partner, CCP IV, LP, and CCP IV's limited partners. CCP IV, LP will contribute 1% of CCP IV's portion of the cash consideration and the limited partners of CCP IV will collectively contribute 99% of CCP IV's portion of the cash consideration based on such limited partners respective pro rata ownership interests in CCP IV.

16. The nature and amount of the consideration to be paid by the Acquiring Parties was determined through arm's length negotiations between representatives of the Acquiring Parties and the Domestic Insurer.

17. In addition, in connection with the investments, FFG will amend and restate its existing stockholders agreement (the "Amended and Restated Stockholder Agreement"). Each of FFG's stockholders, including CCP III and CCP IV, will be a party to the Amended and Restated Stockholders Agreement. The Amended and Restated Stockholders Agreement will contain provisions related to the composition of FFG's Board and Directors and various transfer restrictions on the stockholders.

Future Plans for the Domestic Insurer

18. The Acquiring Parties do not anticipate that, following the proposed acquisitions, the business operations of FFG and the Domestic Insurer will change materially. CCP III is the only Acquiring Party with the right to appoint a director to FFG's Board of Directors, which initial appointee will be Davis Fulkerson. Otherwise, the Acquiring Parties intend that the existing management of FFG and the Domestic Insurer will continue to manage the day-to-day operations of FFG and the Domestic Insurer.

19. The Acquiring Parties intend to retain all of the Domestic Insurer's employees and to keep the Domestic Insurer as an Arkansas domiciled company.

20. The Acquiring Parties have testified that they are not in the business of operating or owning the companies in which they invest and that they have no intention of controlling or changing the business plans of FFG or of the Domestic Insurer.

21. The Acquiring Parties do not have any plans to change the structure, operations or services of the Domestic Insurer. As a result, the Domestic Insurer's policyholders should not perceive any changes as a result of the acquisition. The Domestic Insurers will continue to offer the same products and level of service to which its policyholders are accustomed.

Disclaimers of Affiliation

22. There are other investors in addition to the Acquiring Parties that intend to acquire shares of FFG stock pursuant to the Selling Stockholder Agreement and/or a Securities Purchase Agreement with FFG, which agreement provides for the purchase of newly issued shares from FFG (the "Company Agreement"). Two of these investors are CxFore LLC, Caxton Associates, L.L.C., and Mr. Bruce Kovner (together, "Caxton"), and OZ Management, L.L.C., Och-Ziff Associates, L.L.C., Oz Master Funding, Ltd. and Oz Global Special Investments Master Fund, L.P. (together, "Och-Ziff").

23. Caxton is registered with the U.S. Securities and Exchange Commission as an investment adviser under the U.S. Investment Act of 1940, as amended. It is also registered under the Commodity Exchange Act, as amended, as a commodity pool operator and commodity trading adviser, and is a member of the National Futures Association in such capacities.

24. Och-Ziff is a global institutional asset management firm and is registered as an investment adviser with the U.S. Securities and Exchange Commission.

25. Pursuant to the Selling Stockholder Agreement and/or the Company Agreement, Caxton will acquire 46,650 shares of Class A (voting) common stock of FFG (9.90% of the issued and outstanding voting shares of FFG) and 208,222 shares of Class B (nonvoting) common stock of FFG (50.25% of the issued and outstanding non-voting shares of FFG).

26. Also pursuant to the Selling Stockholder Agreement and/or the Company Agreement, Och-Ziff will acquire 70,258 shares of Class A (voting) common stock of FFG and 186,152 shares of Class B (non-voting) common stock of FFG. These shares will represent 14.90% of the voting securities of FFG and 28.95% of the total stock of FFG on an undiluted basis.

27. The investments by Caxton and Och-Ziff in FFG will be passive, non-controlling investments. Caxton and Och-Ziff will hold their voting securities under conditions precluding their exercise of control over FFG or the Domestic Insurers. Accordingly, Caxton and Och-Ziff filed Disclaimers of Control dated April 17, 2007, with the Department for review concurrent with the Form A (the "Disclaimers").

CONCLUSIONS OF LAW

Based upon the foregoing Findings of Fact, and other matters, facts and things before the Hearing Officer, the Hearing Officer concludes as follows:

28. The Commissioner has jurisdiction over the subject matter and parties herein.

29. The acquisition of control of the Domestic Insurer by the Acquiring Parties would not tend to affect adversely the contractual obligations of the Domestic Insurer or its ability and tendency to render service in the future to its policyholders and the public.

30. The effect of the acquisition of control of the Domestic Insurer would not be substantially to lessen competition in any line of insurance business in any section of the State of Arkansas or tend to create a monopoly therein.

31. The financial condition of the Acquiring Parties is not such as might jeopardize the financial stability of the Domestic Insurer or prejudice the interests of its policyholders.

32. Other than as described in the Form A, the Acquiring Parties have no plans or proposals to: liquidate the Domestic Insurer, sell its assets or consolidate or merge the assets with any person; or to make any other material change in the investment policy, business, corporate structure, or management of the Domestic Insurer.

33. The plans or proposals of the Acquiring Parties with respect to the Domestic Insurer as set forth in the Form A and as presented at the Hearing are fair and reasonable to policyholders of the Domestic Insurer and in the public interest.

34. Based upon the information previously provided to the Department, the competence, experience, and integrity of those persons who would control the operation of the Domestic Insurer are such that the acquisition of control would not tend to affect adversely the general capacity or intention of the Domestic Insurer to transact the business of insurance in a safe and prudent manner.

35. The Form A is properly supported by the required documents and meets all the requirements of law for its approval.

36. Both Caxton and Och-Ziff hold their shares of FFG as passive non-controlling investments. Accordingly, neither Caxton nor Och-Ziff will be deemed to “control” FFG within the meaning of Ark. Code Ann. § 23-63-514 as a result of their respective investments of FFG.

RECOMMENDATIONS OF THE HEARING OFFICER

WHEREFORE, based upon the foregoing Findings of Fact, Conclusions of Law, and other matters before the Hearing Officer, the Hearing Officer recommends:

1. The proposed acquisition of control of the Domestic Insurer by the Acquiring Parties, pursuant and subject to the terms and conditions of the Form A, as supplemented and amended, and these Findings of Fact and Conclusions of Law should be approved in all respects, provided that the Acquiring Parties shall inform the Commissioner within 30 days after the effective date of any change in the directors, executive officers, managers, or persons in similar capacities, of Century Capital Partners III, L.P., CCP Capital III, L.P., CCP Capital III, Inc., Century Capital Management, LLC, Century Capital Partners IV, L.P., CCP Capital IV, L.P., CCP Capital IV, LLC and file biographical affidavits and such other information with respect thereto as shall reasonably be required by the Commissioner; and

2. That the customary third party background checks of Frank Robert Brazos, Charles Lysle Kline, Richard Elston Smith, Gerald Veechio, John Arthur Graf, Davis Rand Fulkerson, Steven Alfano, Alexander Lowell Thorndike, and James Bernard Stradtner (the "Individuals"), each of whom is associated with the Acquiring Parties and the Domestic Insurer, be promptly delivered to the Department for review. The Department may request additional information from any of the Individuals within 30

days after the receipt of the background checks. Further, if the competence, experience, or integrity of any of the Individuals is found to be inconsistent with the interests of Domestic Insurer's policyholders and the public, the Department may, within 30 days after receipt of all additional biographical information requested by the Department, place conditions on such Individual's involvement with Domestic Insurer and FFG, subject to an opportunity for hearing and appeal of the Department's decision by Domestic Insurer, FFG or the Individual(s). The conditions upon the Individual's involvement with the company shall, at minimum, require that the Individual refrain from participating in any decisions regarding the management of the Domestic Insurer until any hearing or appeal of the Department's decision is finally resolved.


JAY MORGAN
DEPUTY COMMISSIONER,
GENERAL COUNSEL AND
HEARING OFFICER

CERTIFICATION

I, Julie Benafield Bowman, Insurance Commissioner for the State of Arkansas, do hereby certify that the above Findings of Fact, Conclusions of Law and Recommendations were made by and under my authority and supervision by Mr. Jay Morgan, Deputy Commissioner, General Counsel, and Hearing Officer for the Department, in this proceeding. I hereby adopt the Hearing Officer's Findings of Fact, Conclusions of Law, and Recommendations in full and enter this Order.

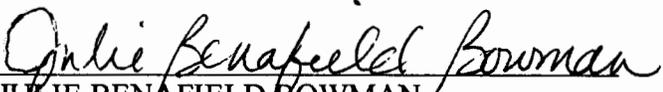
IT IS THEREFORE ORDERED THAT the proposed acquisition of control of the Domestic Insurer by the Acquiring Parties, pursuant and subject to the terms and

conditions of the Form A, as supplemented and amended, and these Findings of Fact, Conclusions of Law and Recommendations is hereby approved in all respects, provided that the Acquiring Parties shall inform the Commissioner within 30 days after the effective date of any change in the directors, executive officers, managers, or persons in similar capacities, of Century Capital Partners III, L.P., CCP Capital III, L.P., CCP Capital III, Inc., Century Capital Management, LLC, Century Capital Partners IV, L.P., CCP Capital IV, L.P., CCP Capital IV, LLC and file biographical affidavits and such other information with respect thereto as shall reasonably be required by the Commissioner.

IT IS FURTHER ORDERED THAT the customary third party background checks of Frank Robert Brazos, Charles Lysle Kline, Richard Elston Smith, Gerald Veechio, John Arthur Graf, Davis Rand Fulkerson, Steven Alfano, Alexander Lowell Thorndike, and James Bernard Stradtner (the "Individuals"), each of whom is associated with the Acquiring Parties and the Domestic Insurer, be promptly delivered to the Department for review. The Department may request additional information from any of the Individuals within 30 days after the receipt of the background checks. Further, if the competence, experience, or integrity of any of the Individuals is found to be inconsistent with the interests of Domestic Insurer's policyholders and the public, the Department may, within 30 days after receipt of all additional biographical information requested by the Department, place conditions on such Individual's involvement with Domestic Insurer and FFG, subject to an opportunity for hearing and appeal of the Department's decision by Domestic Insurer, FFG or the Individual(s). The conditions upon the Individual's

involvement with the company shall, at minimum, require that the Individual refrain from participating in any decisions regarding the management of the Domestic Insurer until any hearing or appeal of the Department's decision is finally resolved.

IT IS SO ORDERED this 26th day of June, 2007.


JULIE BENAFIELD BOWMAN
ARKANSAS INSURANCE COMMISSIONER