

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

**IN THE MATTER OF
MONARCH LIFE INSURANCE COMPANY**

A.I.D. NO. 2009- 064

CONSENT ORDER

Now on this day the matter of Monarch Life Insurance Company ("Company"), is taken under consideration by Jay Bradford, Insurance Commissioner for the State of Arkansas ("Commissioner"), as presented by Amanda Capps Rose, Associate Counsel, Legal Division of the Arkansas Insurance Department ("Department") and by the Finance Division of the Department. The Commissioner and the Company are in agreement concerning this matter. Therefore, the Commissioner and the Company consent and agree to the following:

1. The Commissioner has jurisdiction over the parties and subject matter herein.
2. The Company, NAIC No. 66265, is a life and health insurer domiciled in the Commonwealth of Massachusetts.
3. Pursuant to Arkansas Certificate of Authority No. 78, the Company is authorized to transact life, variable contracts and accident and health insurance business in the State of Arkansas.
4. On June 9, 1994, the Commonwealth of Massachusetts placed the Company in rehabilitation proceedings.
5. In the Commissioner's discretion, without advance notice or a hearing thereon, the Commissioner may suspend the certificate of authority of any foreign insurer as to which delinquency proceedings have been commenced by its domiciliary state.
6. Special counsel to the Massachusetts Insurance Commissioner, in her capacity as the Company's Rehabilitator, has expressed a preference that the Company be allowed to maintain its Arkansas Certificate of Authority.

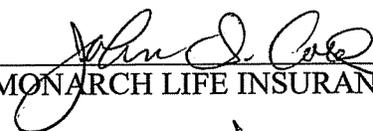
7. In consideration of the Commissioner allowing the Company to maintain its Arkansas Certificate of Authority, the Company has agreed that it will cease writing any and all new business in the State of Arkansas as of the date of this Consent Order. The Company has further agreed that it will not resume writing new business in the State of Arkansas unless and until the Commissioner so orders.

8. This Consent Order may be amended or modified only in writing signed by all parties hereto.

9. The Company agrees at this time to knowingly and voluntarily waive any and all of the rights or privileges granted to it by the following statutory provisions, including but not limited to, any rights to notice or a hearing prior to Department action: (1) Ark. Code Ann. §§ 23-63-201, *et seq.*, regarding suspension or revocation of the Company's certificate of authority; and (2) Ark. Code Ann. §§ 23-68-101, *et seq.*, regarding rehabilitation and liquidation of insurance companies.

10. Pursuant to the waiver provisions of Department Rule 56, the Company's payment of the Rule 56 fee ("CFRF") is waived; further, under the provisions of Department Rule 5, any anti-fraud assessments are also hereby waived for the Company during the duration of this Consent Order.

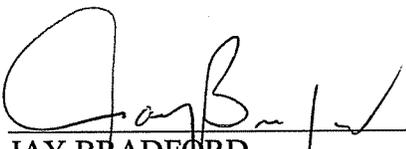
IT IS SO ORDERED THIS 7th DAY OF JULY, 2009.



MONARCH LIFE INSURANCE COMPANY

Printed Name: JOHN S. COULTON

Title: SENIOR VICE PRESIDENT AND GENERAL COUNSEL



JAY BRADFORD
INSURANCE COMMISSIONER
STATE OF ARKANSAS