

**EXHIBIT C**

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**ADMINISTRATIVE SERVICES AGREEMENT**

**by and between**

**LINCOLN BENEFIT LIFE COMPANY**

**and**

**ALLSTATE LIFE INSURANCE COMPANY**

**Effective as of [     ]**

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## ADMINISTRATIVE SERVICES AGREEMENT

This ADMINISTRATIVE SERVICES AGREEMENT (this "Agreement"), effective as of [            ], (the "Inception Date"), is entered into by and between LINCOLN BENEFIT LIFE COMPANY, a Nebraska domiciled stock life insurance company (the "Company"), and ALLSTATE LIFE INSURANCE COMPANY, an Illinois domiciled stock life insurance company (the "Administrator"), and together with the Company, the "Parties", and each a "Party").

### RECITALS:

WHEREAS, the Administrator owns 100% of the issued and outstanding capital stock of the Company;

WHEREAS, the Administrator, Resolution Life Holdings, Inc., a corporation organized under the laws of the State of Delaware (the "Buyer") and, solely for the purposes of Section 5.25 and Article X thereof, Resolution Life L.P., a Bermuda limited partnership, have entered into a Stock Purchase Agreement dated as of July 17, 2013 (the "Stock Purchase Agreement"), pursuant to which the Administrator proposes to sell, and the Buyer proposes to purchase, 100% of the issued and outstanding capital stock of the Company;

WHEREAS, the Stock Purchase Agreement provides, among other things, for the Company and the Administrator to enter into this Agreement;

WHEREAS, pursuant to the Amended and Restated Reinsurance Agreement entered into between the Company and the Administrator, effective as of 12:01 a.m. Central Time on [     ] (the "Reinsurance Agreement"), the Administrator (in its capacity as Reinsurer) has agreed to indemnify the Company for (i) on a coinsurance basis, one hundred percent (100%) of the General Account Liabilities of the Company, (ii) on a modified coinsurance basis, one hundred percent (100%) of the Separate Account Liabilities of the Company and (iii) one hundred percent (100%) of the Reinsurer Extra Contractual Obligations (each as defined in the Reinsurance Agreement);

WHEREAS, the Company wishes to appoint the Administrator to provide the administrative services with respect to the LBL Contracts, the Ceded Reinsurance Contracts, the Shared Separate Account and the Separate Account (each as defined below) set forth in this Agreement, and the Administrator desires to provide such administrative services;

WHEREAS, the Company and the Administrator are parties to the General Account Reinsurance Agreement and the Variable Annuity Reinsurance Agreement, pursuant to which the Administrator reinsures liabilities in respect of the variable annuity contracts written by the Company (the "VA Business"), and the VA ASA, pursuant to which the Administrator is obligated to provide administrative services to the Company in respect of the VA Business, and such agreements will continue in full force and effect in accordance with its terms following the Inception Date;

WHEREAS, the Company is also a party to a reinsurance agreement, effective September 30, 2012 (the "Vermont Captive Reinsurance Agreement"), pursuant to which the Company

cedes to its current Affiliate, Lincoln Benefit Reinsurance Company, a Vermont domiciled captive insurance company (the "Vermont Captive"), one hundred percent (100%) of the policy benefits under specified universal life insurance policies written by the Company with issue dates within the range set forth in the Vermont Captive Reinsurance Agreement (the "Vermont Captive Contracts");

WHEREAS, the Company also wishes to appoint the Administrator to provide the administrative services with respect to the Vermont Captive Contracts and the Vermont Captive Reinsurance Agreement set forth in this Agreement, and the Administrator desires to provide such administrative services.

NOW, THEREFORE, in consideration of the covenants and agreements set forth herein, the Parties hereto agree as follows:

## ARTICLE I

### DEFINITIONS

Section 1.1 Definitions. Any capitalized term used but not defined herein, unless otherwise indicated, shall have the meaning set forth in the Reinsurance Agreement. As used in this Agreement, the following terms shall have the following meanings:

"Action" shall have the meaning specified in the Stock Purchase Agreement.

"Administered Business" shall mean the LBL Contracts, the portion of the Shared Separate Account that relates to the LBL Contracts, the Separate Account, the Vermont Captive Contracts, the Vermont Captive Reinsurance Agreement and the portion of the Ceded Reinsurance Contracts that relates to LBL Contracts.

"Administrative Services" shall have the meaning specified in Section 2.1.

"Agreement" shall have the meaning specified in the Preamble.

"Annual Adjustment" shall have the meaning specified in Section 12.3.

"Applicable Law" shall have the meaning specified in the Stock Purchase Agreement.

"Claims" shall have the meaning specified in the Section 6.1.

"Claimants" shall have the meaning specified in the Section 6.2.

"Company" shall have the meaning specified in the Preamble.

"Company Business" shall have the meaning specified in the Stock Purchase Agreement.

“Covered Insurance Policies” means the LBL Contracts and the Vermont Captive Contracts.

“Customer Information” shall have the meaning specified in the Section 16.1.

“Customers” shall have the meaning specified in the Section 16.1.

“Designated Company Conversion Policies” means (i) Underwriting Period Conversion Policies and (ii) Post-Underwriting Period Conversion Policies.

“Disaster Recovery Policies” shall have the meaning specified in the Section 3.6.

“Excluded Conversion Policies” means policies issued from and after the Inception Date as a result of the exercise of a policyholder of any conversion right in a Pre-Closing Policy or a Post-Closing Policy, other than Designated Company Conversion Policies.

“Inception Date” has the meaning specified in the Preamble.

“Information Security Program” shall have the meaning specified in the Section 16.1.

“Insolvency Fund Quarterly Accounting” shall have the meaning specified in Section 11.1.

“LBL Contracts” shall have the meaning specified in the Reinsurance Agreement; provided, however, that for purposes of this Agreement, LBL Contracts shall not include any Post-Underwriting Period Conversion Policies.

“Licensed Names and Marks” shall have the meaning specified in Section 18.2.

“Licensor Standards” shall have the meaning specified in Section 18.2.

“Materials” shall have the meaning specified in Section 18.2.

“New Conversion Policy Form” shall have the meaning specified in Section 4.3(b).

“Post-Inception Date Assessments” shall have the meaning specified in Section 11.1.

“Post-Underwriting Period Conversion Policies” shall have the meaning specified in Section 4.3(b).

“Premium Tax Credits” shall have the meaning specified in Section 12.2.

“Principal Underwriting Agreement” shall have the meaning specified in the Stock Purchase Agreement.



**“Quarterly Accountings”** shall have the meaning specified in Section 11.1.

**“Quarterly Premium Tax Accounting”** shall have the meaning specified in Section 11.1.

**“Reinsurance Agreement”** shall have the meaning specified in the Preamble.

**“Reinsured Convertible Policy”** shall have the meaning specified in Section 4.3(a).

**“Reinsurer”** means the Administrator in its capacity as reinsurer under the Reinsurance Agreement.

**“Replacement Policy”** shall have the meaning specified in Section 4.3(a).

**“Retained Services”** shall have the meaning specified in Section 2.3.

**“Separate Account”** means the registered separate account of the Company established by the Administrator in accordance with the Transition Services Agreement into which the separate account assets held in respect of the LBL Contracts (but not in respect of the Company Business) will be transferred from the Shared Separate Account pursuant to the Transition Services Agreement in connection with the separation of the administration of the variable life insurance policies included in the LBL Contracts from the administration of the variable life insurance policies included in the Company Business.

**“Separate Account Separation”** shall mean the formation of a new registered separate account of the Company and the transfer from the Shared Separate Account to such new separate account of all assets and amounts held in the Shared Separate Account in respect of the LBL Contracts.

**“Shared Separate Account”** means the Lincoln Benefit Life Variable Life Account 40 Act File No. 811-9154, but only so long as such separate account includes assets held in respect of LBL Contracts. For clarity, after the effective time of the Separate Account Separation, the Lincoln Benefit Life Variable Life Account 40 Act File No. 811-9154 shall not be a Shared Separate Account under this Agreement, and the Administrator shall have no obligations under this Agreement to, among other things, provide any services with respect to the Lincoln Benefit Life Variable Life Account 40 Act File No. 811-9154.

**“Subcontractor”** shall have the meaning specified in Section 3.3.

**“Transaction Agreements”** shall have the meaning specified in the Stock Purchase Agreement.

**“Transition Services Agreement”** shall have the meaning specified in the Stock Purchase Agreement.

“Underwriting Period Conversion Policy” shall have the meaning specified in Section 4.1(a).

“Underwriting Termination Date” means (i) with respect to annuity contracts, December 31, 2013, and (ii) with respect to life insurance policies, December 31, 2015.

“VA ASA” means the Administrative Services Agreement by and between the Administrator and the Company, effective as of June 1, 2006.

“Vermont Captive” shall have the meaning specified in the Preamble.

“Vermont Captive Contracts” shall have the meaning specified in the Preamble.

“Vermont Captive Reinsurance Agreement” shall have the meaning specified in the Preamble.

## ARTICLE II

### AUTHORITY; RETAINED SERVICES

Section 2.1 Authority. Subject to Section 2.3, the Company hereby appoints the Administrator, and the Administrator hereby accepts appointment, to provide as an independent contractor of the Company, from and after the Inception Date, on the terms and subject to the limitations as set forth in this Agreement, all administrative services necessary or appropriate with respect to the Administered Business, including those provided by or on behalf of the Administrator specifically with respect to the Administered Business prior to the Inception Date (unless the Administrator and the Company mutually decide any such services are no longer necessary or appropriate, which decision of each of the Parties shall not be unreasonably withheld, conditioned or delayed), and those set forth in this Agreement and on Schedule A, other than the Retained Services (the “Administrative Services”). At all times during the term of this Agreement, the Administrator shall hold, possess and maintain, either directly or through the appointment of Subcontractors permitted pursuant to Section 3.3, any and all licenses, franchises, permits, privileges, immunities, approvals and authorizations from any Governmental Entity that are necessary to perform the Administrative Services.

Section 2.2 Violations of Applicable Law and Applicable Contracts. Notwithstanding any other provision of this Agreement to the contrary, the Company shall have the right to direct the Administrator to perform any action necessary for the Administered Business or the administration thereof to comply with Applicable Law or the terms of the LBL Contracts, Ceded Reinsurance Contracts or Vermont Captive Contracts, or to cease performing any action that constitutes a violation of Applicable Law or the terms of the LBL Contracts, Ceded Reinsurance Contracts or Vermont Captive Contracts, to the extent such action, inaction or administration is within the control of the Administrator, taking into account the recommendations of the Administrator provided to the Company hereunder, which the Company shall only reject in good faith and in light of the intent of the parties to and the stated purposes of the Stock Purchase Agreement, this Agreement and the other Transaction Agreements. The Administrator shall have the right to direct the Company to perform any action necessary for the Administered Business or the administration thereof to comply with Applicable Law or the terms of the LBL

Contracts, Ceded Reinsurance Contracts or Vermont Captive Contracts, or to cease performing any action that constitutes a violation of Applicable Law or the terms of the LBL Contracts, Ceded Reinsurance Contracts or Vermont Captive Contracts, in either case to the extent such action, inaction or administration constitutes a Retained Service.

**Section 2.3 Retained Services.** The Parties hereby agree that, notwithstanding anything herein to the contrary, the Company shall, for the term of this Agreement, continue to provide on its own behalf (i) those administrative services described in Schedule B, (ii) those administrative services that the Company is required by Applicable Law to perform without the Administrator or a third party acting on its behalf and (iii) the preparation of accounting reports, tax returns, guaranty fund reports, and other reports and certifications contemplated in Articles XI and XII, in each instance based on information with respect to the LBL Contracts and Vermont Captive Contracts provided by the Administrator as contemplated therein (collectively, the "Retained Services"), in each case, (i) in accordance with the applicable terms of this Agreement, (ii) in compliance with Applicable Law, (iii) in a professional, competent and workmanlike manner, with the skill, diligence and expertise that would reasonably be expected from experienced and qualified personnel performing such duties in like circumstances, and (iv) at a level no lower than the service standards applied by the Company to other comparable insurance business administered by the Company for its own account. The Administrator shall have no obligation to provide such Retained Services but shall provide assistance with respect to the Administered Business reasonably requested by the Company in connection therewith in a timely manner to enable the Company to perform such Retained Services. The Company shall not be deemed to be in breach of this Agreement as a result of any failure to perform, or inadequacy in the performance of, Retained Services hereunder to the extent the performance of such Retained Services is reasonably dependent upon Administrative Services or the performance by the Administrator or its Affiliates of their obligations under the Transaction Agreements that have not been performed. The Administrator shall promptly reimburse the Company for any documented and reasonable out-of-pocket costs or expenses incurred by it in the performance of the Retained Services to the extent (a) such Retained Services (1) relate solely to the Administered Business, (2) do not constitute entity-level services required to be performed by or on behalf of the Company and (3) are not in the ordinary course of business of the Company, and (b) such out-of-pocket costs and expenses in aggregate exceed \$15,000 in the calendar month for which such costs and expenses are being sought for reimbursement or \$120,000 in the calendar year for which such costs and expenses are being sought for reimbursement.

**Section 2.4 Power of Attorney.** Subject to the terms and conditions herein, the Company hereby appoints and names the Administrator, acting through its authorized Subcontractors, and each of their respective officers and employees, as the Company's lawful attorney-in-fact, from and after the Inception Date for so long as the Administrator is authorized to perform the Administrative Services and solely to the extent necessary to provide the Administrative Services, (a) to do any and all lawful acts that the Company might have done with respect to the Administered Business, and (b) to proceed by all lawful means (i) to perform any and all of the Company's obligations with respect to the Administered Business, (ii) to enforce any right and defend (in the name of the Company, when necessary) against any liability arising with respect to the Administered Business, (iii) to sue or defend (in the name of the Company, when necessary) any Action arising from or relating to the Administered Business,

(iv) to collect any and all Recoveries due or payable under or relating to the LBL Contracts, the Separate Account, the Shared Separate Account with respect to the LBL Contracts, and the Ceded Reinsurance Contracts; (v) to collect any and all amounts due or payable to the Company under or relating to the Vermont Captive Contracts; (vi) to sign (in the Company's name, when necessary) vouchers, receipts, releases and other papers in connection with any of the foregoing matters, (vii) to enforce the rights and perform the obligations of the Company under any agency, distribution or service arrangements to the extent related to the LBL Contracts or the Vermont Captive Contracts; (viii) to take actions necessary, as may be reasonably determined by the Administrator, to maintain the Administered Business in compliance with Applicable Law; (ix) to request rate and form changes for the LBL Contracts in accordance with Article IV herein; and (x) to do everything lawful in connection with the satisfaction of the Administrator's obligations and the exercise of its rights under this Agreement.

### ARTICLE III

#### STANDARD FOR SERVICES; FACILITIES; SUBCONTRACTING, ETC.

Section 3.1 Services; Standard for Services. Subject to Article II, from and after the Inception Date and thereafter during the term of this Agreement (unless otherwise specified), the Administrator shall perform the Administrative Services, and the Administrator's performance of the Administrative Services shall comply with and be subject in all events to the standards set forth in this Section 3.1. The Administrator shall provide the Administrative Services in all material respects in accordance with the terms of the LBL Contracts, the Ceded Reinsurance Contracts, the Vermont Captive Contracts and the Vermont Captive Reinsurance Agreement and, if applicable, their respective registration statements. In addition, the Administrator shall provide the Administrative Services (i) in accordance with the applicable terms of this Agreement, (ii) in compliance with Applicable Law, (iii) in a professional, competent and workmanlike manner, with the skill, diligence and expertise that would reasonably be expected from experienced and qualified personnel performing such duties in like circumstances, and (iv) at a level no lower than the service standards applied by Administrator to other comparable insurance business administered by the Administrator for its own account.

Section 3.2 Facilities and Personnel. The Administrator shall at all times maintain either directly or through the appointment of Subcontractors, sufficient facilities and trained personnel of the kind necessary to perform its obligations under this Agreement in accordance with the performance standards set forth herein.

Section 3.3 Subcontracting. The Administrator may subcontract for the performance of any Administrative Service to: (a) any Person if the service to be subcontracted is primarily a routine task or function; (b) an Affiliate of the Administrator; (c) any reinsurer under a Ceded Reinsurance Contract or an ALIC Outward Reinsurance Contract or its Affiliates; (d) an existing subcontractor that was providing such service to the Company immediately before the Closing Date; (e) any subcontractor to which Administrator or an Affiliate subcontracts the same or similar services for business administered for its own account; and (f) any other Person with the prior written consent of the Company, such consent not to be unreasonably withheld, conditioned or delayed (each such subcontracting party, a "Subcontractor"), provided that no such subcontracting shall relieve the Administrator from any of its obligations or liabilities hereunder,

and the Administrator shall remain responsible for all obligations or liabilities of such Subcontractor with respect to the providing of such service or services as if provided by the Administrator.

**Section 3.4 Independent Contractor.** For all purposes hereof, except as explicitly set forth herein, the Administrator shall at all times act as an independent contractor and the Administrator and its Affiliates, on the one hand, and the Company and its Affiliates, on the other hand, shall not be deemed an agent, lawyer, employee, representative, joint venturer or fiduciary of one another, nor shall this Agreement or the Administrative Services or any activity or any transaction contemplated hereby be deemed to create any partnership or joint venture between the Parties or among their Affiliates.

**Section 3.5 Limitation on Services.** The Administrator shall not be deemed to be in breach of this Agreement as a result of any failure to perform, or inadequacy in the performance of, Administrative Services hereunder to the extent the performance of such Administrative Services is reasonably dependent upon Retained Services or the performance by Buyer or its Affiliates of their obligations under the Transaction Agreements (other than the Company's obligations under the Principal Underwriting Agreement with respect to the LBL Contracts, solely to the extent that the Administrator is responsible hereunder for the Company's performance of such obligations) that have not been performed. This Section 3.5 shall not be construed to limit the rights and remedies otherwise available to the Administrator or its Affiliates in the event of any breach by the Company, Buyer or any of their Affiliates of any of the Transaction Agreements.

**Section 3.6 Disaster Recovery.** The Administrator has made available to the Company its backup, business continuation and disaster recovery plans applicable to the business of the Administrator (the "Disaster Recovery Policies") in effect as of the Inception Date. From time to time upon the Company's written request, the Administrator shall deliver a copy of its then-current Disaster Recovery Policies to the Company. For as long as Administrative Services are provided hereunder, the Administrator shall, and shall cause its Affiliates to, abide by the Disaster Recovery Policies with respect to the Administered Business. At all times during the term of this Agreement, the Disaster Recovery Policies applicable to the Administered Business shall be no less protective of the Administered Business than the backup, business continuation and disaster recovery plans applicable to insurance business administered by the Administrator for its own account.

## ARTICLE IV

### UNDERWRITING; CONVERSION AND REPLACEMENT; PRODUCERS

**Section 4.1 Post-Closing Contracts.** Subject to the terms of this Article IV:

(a) from the Inception Date until the first to occur of (i) the Underwriting Termination Date or (ii) the termination of this Agreement, the Administrator shall be authorized to (x) issue, in the name of the Company, life insurance policies and annuity contracts of the types included in, and utilizing the same forms, rates and prospectuses as are in use for, the Pre-Closing Contracts, with amendments to such forms, rates and prospectuses from time to time as

are necessary for the issuance of such policies or contracts to comply with Applicable Law or for any other business purpose, and shall be authorized to file and seek necessary approvals from applicable Governmental Entities, in the name of the Company, with respect to any such amendments; provided that the Administrator's authority to file amendments to any such rates shall be subject to the prior written consent of the Company (not to be unreasonably withheld, conditioned or delayed), and (y) withdraw such products, forms, rates and prospectuses. Life insurance policies issued by the Administrator pursuant to this Section 4.1(a) upon conversion of a Pre-Closing Policy or a Post-Closing Policy produced by an Exclusive Producer are referred to herein as "Underwriting Period Conversion Policies";

(b) the Administrator shall be authorized to issue, in the name of the Company from and after the Inception Date, solely to the extent required to comply with Applicable Law, life insurance policies and annuity contracts as required to replace or remediate LBL Contracts or Vermont Captive Contracts.

#### Section 4.2 Parties' Responsibilities.

(a) The Administrator, at its sole cost and expense (but without duplication of amounts payable under the Reinsurance Agreement), shall assume all responsibility for (i) the provision of all applications and other contractholder materials to agents and persons seeking to apply for Post-Closing Policies (other than the Post-Underwriting Period Conversion Policies), (ii) all underwriting necessary or appropriate with respect to such applicants pursuant to the underwriting guidelines utilized by the Company as of the Inception Date, or as may be otherwise agreed by the Parties (the agreement of the Company not to be unreasonably withheld, conditioned or delayed), (iii) the processing of underwriting-related transactions in respect of the Post-Closing Policies (other than the Post-Underwriting Period Conversion Policies) and (iv) the issuance of Post-Closing Policies (other than the Post-Underwriting Period Conversion Policies).

(b) The Company shall assume all responsibility for (i) the provision of all applications and other contractholder materials to agents and persons seeking to apply for Post-Underwriting Period Conversion Policies and Excluded Conversion Policies, (ii) with respect to Post-Underwriting Period Conversion Policies, all underwriting necessary or appropriate with respect to such applicants pursuant to the underwriting guidelines as may be agreed by the Parties (the agreement of the Parties not to be unreasonably withheld, conditioned or delayed), (iii) if needed, with respect to Excluded Conversion Policies, all underwriting necessary or appropriate with respect to such applicants, (iv) the processing of underwriting-related transactions in respect of the Post-Underwriting Period Conversion Policies and Excluded Conversion Policies and (v) the issuance of Post-Underwriting Period Conversion Policies and Excluded Conversion Policies. Without limiting the generality of Article XV or any other provision of this Agreement, the Administrator shall reasonably cooperate and provide all assistance, information and records reasonably available to it as may reasonably be requested by the Company in connection with the Company's performance of the foregoing obligations.<sup>1</sup>

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<sup>1</sup> **Note to Draft:** Provision requiring the Company to administer the Post-Underwriting Period Conversion Policies is subject to agreement as to expense allowance payable to Company under the Reinsurance Agreement.

(c) The Administrator shall promptly notify the Company of all revisions to the LBL Contracts and Vermont Captive Contracts made pursuant to Section 4.1 and shall, on behalf of the Company, prepare and provide to Contractholders all such revisions to the LBL Contracts and Vermont Captive Contracts to be made by the Company.

#### Section 4.3 Conversion and Replacement.

(a) From and after the Inception Date, the Administrator shall be entitled, to the extent permitted by Applicable Law, to offer to any holder of a Pre-Closing Policy or a Post-Closing Policy, in each case that entitles the holder thereof to convert such policy to another policy written by the Company (a "Reinsured Convertible Policy"), the opportunity to convert such Reinsured Convertible Policy into a policy written by the Administrator or one of its Affiliates (a "Replacement Policy"). If such offer is not accepted, or if no such offer is timely made, then subject to the terms of this Article IV, (i) the Administrator shall issue, in the name of the Company, an Underwriting Period Conversion Policy upon exercise by the policyholder of a Reinsured Convertible Policy, on or prior to December 31, 2015, of such policyholder's right to receive a conversion policy issued by the Company, and (ii) the Company shall issue a Post-Underwriting Period Conversion Policy upon exercise by the policyholder of a Reinsured Convertible Policy, on or after January 1, 2016, of such policyholder's right to receive a conversion policy issued by the Company, as applicable.

(b) From and after January 1, 2016, the Company may (i) amend any of its policy forms, rates and prospectuses from time to time, (ii) cease offering any such policy forms, rates and prospectuses and (iii) withdraw any such product, form, rate or prospectus, provided, however, that until such time as no Reinsured Convertible Policies are outstanding, the Company shall maintain in effect at least one (1) new life policy form and associated rate filing developed jointly by the Parties, that meets the requirements of each Reinsured Convertible Policy for a conversion policy issued by the Company. In connection with the Company's requirement to maintain such policy form and associated rate filings, after the Inception Date the Parties will work together to develop and submit to appropriate Governmental Entities, as soon as practicable, a life insurance policy form and associated rate filing that meets the requirements of each Reinsured Convertible Policy for a conversion policy (the "New Conversion Policy Form"), provided, that if such form and associated rate filings have not been agreed to by the Parties by [September 30, 2014] then the Administrator's approval of any such policy form and associated rate filing developed in good faith by the Company (after providing the Administrator reasonable opportunity to comment thereon and taking into account the recommendations of the Administrator) shall not be unreasonably withheld, conditioned or delayed. Any policy issued on a New Conversion Policy Form to meet the conversion requirements of a Reinsured Convertible Policy originally produced by an Exclusive Producer shall constitute a "Post-Underwriting Period Conversion Policy." Any amendments to the New Conversion Policy Form (including the associated rate filing) shall require the prior written consent of each Party in order for any such amended policy to continue to be eligible for issuance as a Post-Underwriting Period Conversion Policy. For the avoidance of doubt: (x) other than the New Conversion Policy Form, no policy issued to satisfy the conversion requirements of a Reinsured Convertible Policy produced by an Exclusive Producer shall constitute a Post-Underwriting Period Conversion Policy, and (y) subject to the Administrator's rights pursuant to Section 4.1(a), nothing contained herein shall be construed to limit the Company's right to develop and maintain

policy forms, rates and prospectuses other than the New Conversion Policy Form, or require the Company to discontinue offering any policy form, associated rate or prospectus.

(c) Subject to the foregoing, the Administrator will share equally with the Company the reasonable costs associated with the Company and Administrator's joint development, filing, approval and maintenance of a New Conversion Policy Form, for use from and after December 31, 2015, which costs to the Administrator shall not exceed five hundred thousand dollars (\$500,000).

(d) The Company shall not, and shall cause each of its Affiliates not to, target any LBL Contract for replacement with another policy written by the Company or any other Person other than in accordance with the terms of this Article IV, provided, however, that the restrictions in this Section 4.3(d) shall not restrict general marketing and solicitation activities (i) not specifically targeted or directed to holders of LBL Contracts or (ii) subject to clause (i), targeted or directed to holders of insurance policies and contracts included in the Company Business regardless of whether such holders are also holders of LBL Contracts. From and after the Inception Date, Company shall not, directly or indirectly, sell, convey or transfer all or substantially all of its properties or assets to, any Person, in one transaction or a series of transactions that are part of a common plan, or any transaction that constitutes the functional equivalent of any of the foregoing, unless the acquiring Person in such transaction or transactions expressly agrees to assume all of the obligations of the Company under this Section 4.3(d).

(e) Upon a specific written request by the Administrator, and at the Administrator's sole cost and expense, the Company shall provide such information to Administrator for the use of the Exclusive Producers as is reasonably necessary to permit Exclusive Producers to offer Designated Company Conversion Policies on behalf of the Company to the holders of Reinsured Convertible Policies.

**Section 4.4 Producers.** From and after the Inception Date, the Administrator shall have the sole and exclusive right and obligation, on behalf of the Company, to (i) appoint and enter into agreements with Exclusive Producers for the LBL Contracts, (ii) monitor the performance and licensing of the Exclusive Producers for the LBL Contracts to the extent required by Applicable Law, (iii) calculate and pay all commissions to Exclusive Producers in respect of the LBL Contracts and (iv) terminate Exclusive Producers' authority and agreements with Exclusive Producers with respect to the LBL Contracts, provided, that the Administrator shall indemnify and hold harmless the Company Indemnified Parties from and against any and all Indemnifiable Losses incurred by any of them in connection with such actions.

## ARTICLE V

### COLLECTIONS

**Section 5.1 Collection Services.** From and after the Inception Date and subject to Section 2.3, the Administrator shall assume all responsibility for the receipt and processing of all premiums, deposits, policy loan interest or repayments and other Recoveries with respect to the LBL Contracts and the Vermont Captive Contracts and the allocation of such amounts between the General Account of the Company and, if applicable, the Separate Account or Shared Separate



Account in accordance with the terms of the LBL Contracts, the Vermont Captive Contracts, the Reinsurance Agreement and this Agreement. The Administrator, on behalf of the Company, shall process payment of any amounts to be paid out of each Separate Account or Shared Separate Account in accordance with the terms of the applicable LBL Contract or Vermont Captive Contract, to the extent of sufficient funds therein. The Parties shall cooperate to establish procedures to prevent the commingling of assets attributable to the Administered Business, on the one hand, and the business of the Company that is not Administered Business, on the other hand, including by establishment of separate lockboxes with respect to the LBL Contracts and Vermont Captive Contracts, on the one hand, and the business of the Company that is not Administered Business, on the other hand, and otherwise to ensure that funds are traceable to the appropriate Company insurance policy.

(a) The Company shall promptly remit to the Administrator all premiums, deposits, policy loan interest and repayments, claims expenses, expense allowance and all other Recoveries received by it with respect to the LBL Contracts, the Separate Account, the Shared Separate Account with respect to the LBL Contracts, the Vermont Captive Contracts or the Vermont Captive Reinsurance Agreement and the Administrator shall promptly remit to the Company all premiums, deposits, policy loans, interest and repayments received by it with respect to the Company Business.

## ARTICLE VI

### CLAIMS HANDLING

Section 6.1 Claim Administration Services. From and after the Inception Date, subject to Section 2.3, the Administrator shall acknowledge, consider, review, investigate, deny, settle, pay or otherwise dispose of each claim for benefits and disbursements reported under each LBL Contract and Vermont Captive Contract (each, a "Claim" and collectively the "Claims").

Section 6.2 Description of Claim Administration Services. Without limiting the foregoing, the Administrator shall:

- (i) provide claimants under the LBL Contracts and Vermont Captive Contracts and their authorized representatives (collectively, "Claimants") with Claim forms and provide reasonable explanatory guidance to Claimants in connection therewith;
- (ii) establish, maintain and organize Claim files and maintain and organize other Claims-related records;
- (iii) review all Claims and determine whether the Claimant is eligible for benefits and if so, the nature and extent of such benefits;
- (iv) prepare and distribute to the appropriate recipients and Governmental Entities any Claims reports as required by Applicable Law;
- (v) respond to all written or oral Claims-related communications that the Administrator reasonably believes to require a response;

(vi) maintain a complaint log with respect to the LBL Contracts and Vermont Captive Contracts in accordance with applicable requirements of Governmental Entities, and at the Company's request, provide a copy of such log; and

(vii) respond to and manage any Claims-related matters pursuant to Article VII.

## ARTICLE VII

### REGULATORY AND LEGAL PROCEEDINGS

**Section 7.1 Notice of Action.** If the Company or the Administrator receives notice of or otherwise becomes aware of any examination or Action instituted or threatened in writing against the Company that relates exclusively or in part to the Administered Business, such Party shall promptly notify the other Party thereof, and in no event more than five (5) Business Days after receipt of notice thereof, and shall promptly furnish to such other Party copies of all pleadings in connection therewith.

#### **Section 7.2 Defense of Regulatory Complaints and Actions.**

(a) From and after the Inception Date, with respect to any examination or Action initiated by a Governmental Entity with respect to the Administered Business, the Administrator shall supervise and control the investigation, contest, defense and/or settlement of all such Actions at its own cost and expense, in the name of the Company when necessary, subject to Sections 2.3 and clauses (b), (c) and (d) below. The Administrator's supervision and control of such examinations and Actions shall not constitute a waiver of any right to indemnification or payment that it may have under the terms of the Stock Purchase Agreement, the Reinsurance Agreement, this Agreement or any other Transaction Agreement.

(b) The Company authorizes the Administrator to prepare, with a copy to the Company, a response to any such examination or Action initiated by a Governmental Entity with respect to the Administered Business within the Governmental Entity's requested time frame for response or, if no such time frame is provided, within the time frame as allowed by Applicable Law; provided, that, subject to meeting such time frames, the Administrator shall provide its proposed response to the Company for its prior review and comment; provided, further, that with respect to such examinations or Actions that relate in part to the Company Business, the Administrator shall not respond to any such examinations or Actions without taking into account in good faith any recommendations of the Company provided to the Administrator with respect to such matters and shall not unreasonably reject such recommendations.

(c) Notwithstanding anything in this Agreement to the contrary, the Company, upon written notice to the Administrator and at its own cost and expense, shall have the right at any time to supervise and exclusively control the defense and/or settlement of any examination or Action initiated by a Governmental Entity that, if successful, would reasonably be expected to materially interfere with the business, financial condition or reputation of the Company or any of its Affiliates; provided, however, the Company shall not respond to any such examinations or Actions that relate to the Administered Business without taking into account in good faith any recommendation of the Administrator provided to the Company with respect to

such matters and shall not unreasonably reject such recommendation, and shall not settle or compromise any such examinations or Actions without the Administrator's prior written consent (which consent shall not be unreasonably withheld, delayed or conditioned). The Company's supervision and control of such examinations and Actions shall not constitute a waiver of any right to indemnification or payment that it may have under the terms of the Stock Purchase Agreement, the Reinsurance Agreement, this Agreement or any other Transaction Agreement.

(d) The Administrator shall not settle or compromise any examination or Action described in Section 7.2(a) without the Company's prior written consent (which consent shall not be unreasonably withheld, delayed or conditioned) unless (i) there is no finding or admission of any violation of Applicable Law or any violation of the rights of any Person by the Company or any of its Affiliates, (ii) the sole relief provided is monetary damages that are paid in full by the Administrator or its Affiliates and a full and complete release is provided to the Company and its Affiliates and (iii) the settlement does not encumber any of the assets of the Company or its Affiliates or contain any restriction or condition that would materially adversely affect the Company or its Affiliates.

### Section 7.3 Other Actions.

(a) From and after the Inception Date, with respect to any Action with respect to the Administered Business by any Person other than a Governmental Entity, the Administrator shall:

(i) subject to Sections 2.3 and clauses (b), (c) and (d) below, supervise and control the investigation, contest, defense and/or settlement of all such Actions at its own cost and expense, in the name of the Company when necessary; and

(ii) keep the Company fully informed of the progress of all Actions supervised or controlled by the Administrator in which the Company is a named party and, at the Company's request, provide to the Company a report summarizing the nature of such Action, the alleged actions or omissions giving rise to such Actions and copies of any files or other documents that the Company may reasonably request in connection with its review of such matters, in each case other than such files, documents and other information as would, in the judgment of counsel to the Administrator, lead to the loss or waiver of legal privilege.

The Administrator's supervision and control of such Actions shall not constitute a waiver of any right to indemnification or payment that it may have under the terms of the Stock Purchase Agreement, the Reinsurance Agreement, this Agreement or any other Transaction Agreement.

(b) The Company shall have the right to engage its own separate legal representation, at its own expense, and to participate fully in the defense of any Action (other than Actions brought by a Governmental Entity, which are the subject of Section 7.2) relating to the Administered Business with respect to which the Company is a named party if such Action, if successful, reasonably could be expected to materially interfere with the business, financial condition or reputation of the Company or any of its Affiliates, without waiving any right to

indemnification or payment that it may have under the terms of the Stock Purchase Agreement, the Reinsurance Agreement, this Agreement or any other Transaction Agreement.

(c) The Administrator shall not settle or compromise any Action described in Section 7.3(b) without the Company's prior written consent (which consent shall not be unreasonably withheld, delayed or conditioned) unless (i) there is no finding or admission of any violation of Applicable Law or any violation of the rights of any Person by the Company or any of its Affiliates, (ii) the sole relief provided is monetary damages that are paid in full by the Administrator or its Affiliates and a full and complete release is provided to the Company and its Affiliates, (iii) the settlement does not encumber any of the assets of the Company or its Affiliates or contain any restriction or condition that would materially adversely affect the Company or its Affiliates and (iv) the Action neither is certified, nor seeks certification, as a class action.

(d) The Company, upon written notice to the Administrator and at its own cost and expense, shall have the right at any time to assume sole and exclusive control over the response, defense, settlement or other resolution of any Action (other than Actions brought by a Governmental Entity, which are the subject of Section 7.2) that, if successful, reasonably could be expected to materially interfere with the business, financial condition or reputation of the Company or any of its Affiliates; provided, however, the Company shall not respond to any such Actions without taking into account in good faith any recommendation of the Administrator provided to the Company with respect to such Actions and shall not unreasonably reject such recommendation, and shall not settle or compromise any such Actions without the Administrator's prior written consent (which consent shall not be unreasonably withheld, delayed or conditioned). The Company's supervision and control of such examinations and Actions shall not constitute a waiver of any right to indemnification or payment that it may have under the terms of the Stock Purchase Agreement, the Reinsurance Agreement, this Agreement or any other Transaction Agreement.

Section 7.4 Cooperation. Each Party hereto shall cooperate with and assist the controlling Party in responding to, defending, prosecuting and settling any examination or Action under this Article VII; provided, that neither Party shall be required to waive any applicable attorney-client, attorney work product or other evidentiary privileges, and provided, further that neither Party shall be required to provide the other Party access to any federal, state, or local consolidated income Tax Return that includes the responding Party or its Affiliates. Without limiting the generality of the foregoing, each of the Parties shall assist each other and cooperate with the other Party in doing all things necessary, proper or advisable in a commercially reasonable manner in connection with any and all market conduct or other Governmental Entity examinations to the extent related to the Administered Business. Notwithstanding anything to the contrary contained in this Agreement, neither the Company nor the Administrator shall have the authority to institute, prosecute or maintain any regulatory proceeding on behalf of the other Party without the prior written consent of such other Party, except as expressly contemplated in this Agreement.

## ARTICLE VIII

### SEPARATE ACCOUNT ADMINISTRATIVE SERVICES

Section 8.1 Separate Account Administrative Services. From and after the Inception Date, subject to Section 2.3, in addition to the services described in any Article of this Agreement, the Administrative Services with respect to, or as a result of, the Shared Separate Account and the Separate Account shall include those services set forth on Schedule A attached hereto.

Section 8.2 Changes to Fund Options. Prior to the Separate Account Separation, the Administrator may make recommendations to the Company as to changes in Fund options for the Shared Separate Account from and after the Inception Date and the Company shall not unreasonably reject such recommendations, but the Administrator will not change Fund options for the Shared Separate Account from and after the Inception Date and prior to the Separate Account Separation unless such changes are made: (a) with the prior written consent of the Company, such consent not to be unreasonably withheld, conditioned or delayed, (b) in fulfillment of the fiduciary obligations of the Company or (c) by the Board of Trustees of a Fund to liquidate, merge or remove a Fund pursuant to the terms of the then-existing fund participation agreements or through a regulatory process. From and after the Separate Account Separation, the Company shall accept the recommendations of the Administrator as to Fund options for the Separate Account, unless implementing such recommendations would result in a breach of the Company's fiduciary duties or result in a violation of Applicable Law or the applicable LBL Contract. If the Administrator makes a change in the LBL Contracts, the Shared Separate Account or the Separate Account in connection with the change of a Fund option as permitted above, the Administrator shall, at its own expense, prepare for signature by the Company and transmit on behalf of the Company to the appropriate Governmental Entity any SEC exemptive application, no-action letter or other regulatory filing necessary to reflect or implement such change.

Section 8.3 Changes to Separate Account Fees. Prior to the Separate Account Separation, the Administrator may propose changes to any fees or other amounts receivable from or in respect of Fund options for the Shared Separate Account to the extent related to the LBL Contracts for approval by the Company, which approval shall not be unreasonably withheld, conditioned or delayed. From and after the Separate Account Separation, the Administrator may, in its sole discretion, make changes to any fees or other amounts receivable from or in respect of Fund options for the Separate Account to the extent related to the LBL Contracts, except as would result in a violation of Applicable Law or the applicable LBL Contract.

## ARTICLE IX

### MISCELLANEOUS SERVICES

Section 9.1 Ceded Reinsurance Contracts.

(a) From and after the Inception Date, subject to Section 2.3, the Administrator shall have the authority and responsibility to, and shall, manage and administer the

portion of the Ceded Reinsurance Contracts that relates to the LBL Contracts, including providing all reports and notices that relate to the LBL Contracts required with respect to the Ceded Reinsurance Contracts to the reinsurers within the time required by the applicable Ceded Reinsurance Contract and doing all other things necessary to comply with the terms and conditions of the Ceded Reinsurance Contracts. Without limiting the foregoing, the Administrator shall timely pay all reinsurance premiums due to reinsurers under the Ceded Reinsurance Contracts with respect to the LBL Contracts, and collect from such reinsurers all reinsurance recoverables due thereunder with respect to the LBL Contracts. The Administrator shall also have the authority to exercise any of the Company's rights with respect to trust accounts, letters of credit or other security posted for the benefit of the Company in respect of the LBL Contracts under any Ceded Reinsurance Contract that is not a Shared Reinsurance Agreement. Notwithstanding the foregoing, in the event that the Administrator materially fails to perform its obligations under this Section 9.1(a) with respect to any Shared Reinsurance Agreement, then upon written notice to the Administrator, the Company may assume the authority and responsibility to manage and administer the portion of such Shared Reinsurance Agreement that relates to the LBL Contracts, and the Administrator shall use reasonable best efforts timely to provide any data, information, premiums and other amounts necessary in connection with such management and administration and shall otherwise cooperate in good faith with the Company in connection therewith. Notwithstanding the foregoing, the Company shall reasonably cooperate with Administrator, at Administrator's expense, in the administration of the Ceded Reinsurance Contracts to the extent that the Company's participation is required thereunder or is reasonably requested by the counterparty to any Ceded Reinsurance Contract.

(b) The Company shall have the authority and responsibility to, and shall, manage and administer the portion of the Shared Reinsurance Agreements that does not relate to the LBL Contracts, including providing all reports and notices that relate to policies other than the LBL Contracts required with regard to such Shared Reinsurance Agreements to the reinsurer within the time required by such Shared Reinsurance Agreements and doing all other things necessary to comply with the terms and conditions of such Shared Reinsurance Agreements. Without limiting the foregoing, the Company shall timely pay all reinsurance premiums due to the reinsurer under such Ceded Reinsurance Contracts with respect to the policies other than LBL Contracts, and collect from such reinsurer all reinsurance recoverables due thereunder with respect to the policies other than the LBL Contracts. Notwithstanding the foregoing, in the event that the Company materially fails to perform its obligations under this Section 9.1(b) with respect to such Shared Reinsurance Agreement, then upon written notice to the Company, the Administrator may assume the authority and responsibility to manage and administer the portion of such Shared Reinsurance Agreement that does not relate to the LBL Contracts, and the Company shall use reasonable best efforts timely to provide any data, information, premiums and other amounts necessary in connection with such management and administration and shall otherwise cooperate in good faith with the Administrator in connection therewith. In the event that (i) the Company has not materially failed to perform its obligation under this Section 9.1(b) with respect to a Shared Reinsurance Agreement but (ii) the Company is determined to be obligated to provide consolidated reporting with respect to such Shared Reinsurance Agreement, the Parties shall cooperate in good faith to develop a mutually agreeable method to manage and administer such Shared Reinsurance Agreement. The Company shall have the right to exercise all of its rights with respect to trust accounts, letters of credit or other security posted for the benefit of the Company under any Shared Reinsurance Agreement; provided that it shall hold in

trust for the benefit of the Administrator, and transfer to the Administrator, any amounts withdrawn by the Company from any such trust accounts, letters of credit or other security that relate to the LBL Contracts (which amounts constitute Recoveries under the Reinsurance Agreement); provided, however, that the Company shall honor Administrator's requests for collateral draws with respect to the LBL Contracts to the extent permitted under such Shared Reinsurance Agreement.

**Section 9.2 Amendments and Replacements.** From and after the Inception Date, the Administrator shall have the right to terminate, amend or replace with a new reinsurance agreement between the Administrator and the applicable reinsurer, in whole or in part, any of the Ceded Reinsurance Contracts to the extent such termination, amendment or replacement relates to the LBL Contracts or Vermont Captive Contracts, respectively; provided such termination, amendment or replacement does not affect the reinsurance coverage or other reinsurance terms provided thereunder with respect to the Company Business. The Company shall, upon the Reinsurer's request, cooperate with the Administrator and take all actions reasonably requested by the Administrator to cause such terminations, amendments or replacements of Ceded Reinsurance Contracts or to cause such new Ceded Reinsurance Contracts to be entered into. The Administrator shall reimburse the Company for all reasonable and documented out-of-pocket costs and expenses incurred by the Company or its Affiliates in connection with such terminations, amendments or replacements of Ceded Reinsurance Contracts or the entering into of such new Ceded Reinsurance Contracts.

**Section 9.3 Vermont Captive Reinsurance Agreement.** The Administrator shall have the authority and responsibility on behalf of the Company to manage and administer the Vermont Captive Reinsurance Agreement, including providing all reports and notices required thereunder to be provided by the Company within the time required thereby.

**Section 9.4 Non-Guaranteed Elements.**

(a) With respect to the LBL Contracts, in accordance with the terms of the Reinsurance Agreement, the Administrator may provide recommendations to the Company as to the setting of all Non-Guaranteed Elements.

(b) With respect to the Vermont Captive Contracts, the Administrator, in consultation with the Vermont Captive, may, from time to time, make recommendations to the Company with respect to Non-Guaranteed Elements so long as the recommendations comply with the written terms of the Vermont Captive Contracts, Applicable Law and Actuarial Standards of Practice promulgated by the Actuarial Standard Board governing redetermination of non-guaranteed charges. The Company shall establish Non-Guaranteed Elements, taking into account the recommendations of the Administrator (in consultation with the Vermont Captive) with respect thereto. The Company shall fully consider any such recommendations and act reasonably and in good faith in determining whether any such recommendations should be accepted and shall not unreasonably delay implementation of any accepted recommendations after such recommendations are provided in writing, except to the extent that an applicable Governmental Entity finally determines that Applicable Law would require the implementation of such recommendations to apply to any policy or contract that constitutes Company Business.

(c) Notwithstanding anything to the contrary contained herein, in the event that an applicable Governmental Entity finally determines that Applicable Law would require the implementation of Administrator's recommendations with respect to one or more LBL Contracts or Vermont Captive Contracts to apply to any policy or contract that constitutes Company Business (a) the Parties shall cooperate in good faith to develop a mutually agreeable plan to set Non-Guaranteed Elements with respect to such LBL Contracts or Vermont Captive Contracts and such Company Business, and the Parties shall implement any such plan so agreed and (b) the Company shall not be liable for any Indemnified Losses incurred by the Administrator as a result of the Company's failure to implement Administrator's recommendations. In the event that the Company is notified by an applicable Governmental Entity that it proposes making a determination that Applicable Law would require the implementation of such recommendations to apply to any policy or contract that constitute Company Business, the Company shall promptly notify the Administrator of such notification. The Parties will thereafter cooperate in good faith and use their reasonable best efforts to reach agreements with such Governmental Entity that will avoid a final determination to such effect. The Administrator acknowledges that the Company has certain indemnification rights under the Reinsurance Agreement for Indemnifiable Losses resulting from the Company's acceptance and implementation of the Administrator's recommendations in accordance with this Section 9.4.

Section 9.5 Contractholder Services. From and after the Inception Date subject to Section 2.3, the Administrator shall provide all contractholder services in connection with the LBL Contracts and Vermont Captive Contracts.

Section 9.6 Principal Underwriting Agreement. The Administrator shall have the authority and responsibility on behalf of the Company to perform the services and other obligations required of the Company, and to enforce the Company's rights, under the Principal Underwriting Agreement, in each case to the extent relating to the LBL Contracts covered thereunder; provided, however, that the Administrator shall have no responsibility to perform any indemnification obligations of the Company under the Principal Underwriting Agreement to the extent such obligations arise out of any act or omission of the Company (other than an act or omission for which Administrator is responsible hereunder).

Section 9.7 Other Services. Subject to Section 2.3, the Administrator shall provide such other administrative services as are necessary or appropriate to fully effectuate the purpose of the Reinsurance Agreement, the Vermont Captive Reinsurance Agreement and this Agreement, including such services as are not performed by or on behalf of Company on the date hereof but the need for which may arise due to changes or developments in Applicable Law and are consistent with the allocation of the services set forth herein between the Administrator and the Company.

## ARTICLE X

### NOTIFICATION TO CONTRACTHOLDERS

Section 10.1 Notification to Contractholders. If required by Applicable Law, the Administrator shall send to applicable contractholders under the LBL Contracts and the Vermont Captive Contracts a written notice prepared by the Administrator and reasonably acceptable to



the Company to the effect that the Administrator has been appointed by the Company to provide the Administrative Services with respect to the LBL Contracts and the Vermont Captive Contracts, as applicable. The Administrator shall send such notice by first class U.S. mail at a time reasonably acceptable to the Company and the Administrator and in all events in accordance with Applicable Law. Unless otherwise required by Applicable Law, the Administrator may include such notice in a regularly scheduled mailing to such contractholders in lieu of a separate mailing.

## ARTICLE XI

### QUARTERLY PREMIUM TAX AND INSOLVENCY FUND ACCOUNTINGS

Section 11.1 Quarterly Accountings. Subject to Section 2.3, from and after the Inception Date, within [ten (10)] Business Days after the end of each calendar quarter that this Agreement is in effect (or more frequently as mutually agreed by the Parties), the Company shall submit to the Administrator a written statement of accounting in a form and containing such information to be agreed upon by the Parties hereto (each, an "Insolvency Fund Quarterly Accounting") setting forth the insolvency fund amounts assessed against or payable by the Company, to the extent that such assessments constitute the Company's General Account Liabilities in respect of the LBL Contracts and the Vermont Captive Contracts (collectively, the "Post-Inception Date Assessments"). In addition, within twenty (20) Business Days after the last day of each calendar quarter that this Agreement is in effect (or more frequently as mutually agreed by the Parties), the Administrator shall submit to the Company a written statement of accounting in a form and containing such information to be agreed upon by the Parties hereto (each, a "Quarterly Premium Tax Accounting", and together with the Insolvency Fund Quarterly Accountings, the "Quarterly Accountings") setting forth the estimated premium taxes due with respect to the LBL Contracts and the Vermont Captive Contracts as a result of premiums collected or annuitizations occurring during such quarter. Concurrent with the delivery of each Quarterly Premium Tax Accounting, the Administrator shall remit to the Company the amount set forth on such Quarterly Premium Tax Accounting with respect to such estimated premium taxes due and the amount set forth in such Insolvency Fund Quarterly Accounting with respect to the Post-Inception Date Assessments, and any other amounts owed to the Company pursuant to this Agreement.

Section 11.2 Adjustments Regarding Quarterly Accountings. In the event that subsequent data or calculations require revision of any of the Quarterly Accountings, the required revision and appropriate payments thereunder shall be made within twenty (20) Business Days after the Parties hereto mutually agree as to the appropriate revision.

## ARTICLE XII

### CERTAIN ACTIONS BY COMPANY

Section 12.1 Filings. Subject to Section 2.3, the Company shall prepare and timely file any filings required to be made with any Governmental Entity that relate to the Company generally and not just to the LBL Contracts or the Vermont Captive Contracts, including filings with guaranty associations and filings and premium tax returns with taxing authorities. The

Administrator shall timely provide to the Company upon request all information in the possession of the Administrator with respect to the LBL Contracts and the Vermont Captive Contracts that may be reasonably required for the Company to prepare such filings and tax returns.

Section 12.2 Annual Adjustment. The Company shall pay or provide to the Administrator the benefit of any Post-Inception Date Assessments which have been applied to reduce the Company's premium tax liability ("Premium Tax Credits"). The Company shall provide to the Administrator by April 15 of each year a statement of the amount (the "Annual Adjustment") of (i) premium taxes (including retaliatory taxes) paid with respect to premiums collected or annuitizations occurring during the prior calendar year (to the extent that such taxes constitute the Company's General Account Liabilities), less (ii) estimated premium taxes paid by the Administrator to the Company with respect to such premiums under the provisions of Article XI, less (iii) Premium Tax Credits for the prior calendar year. By May 31 of each year the Administrator shall pay to the Company the Annual Adjustment, if a positive amount, and the Company shall pay or credit to the Administrator the absolute value of the Annual Adjustment, if a negative amount.

### ARTICLE XIII

#### REGULATORY MATTERS AND REPORTING

Section 13.1 Regulatory Compliance and Reporting. Subject to Section 2.3, upon the timely and reasonable request of the Company, the Administrator shall provide to the Company such information with respect to the LBL Contracts and the Vermont Captive Contracts as is reasonably required to enable the Company timely to comply with regulatory and financial reporting requirements applicable to the Company from time to time, other than such regulatory and financial reporting requirements that are required because the Company or its Affiliates are subject to non-U.S. legal or regulatory requirements and industry standards. Without limiting the foregoing, the Administrator shall provide the reports and information set forth on Schedule A within the timeframes indicated therein. In addition, and without limiting the Administrator's obligation to provide the Administrative Services hereunder, upon the timely and reasonable request of the Company, the Administrator shall promptly provide to the Company copies of all existing records relating to the Administered Business (including, with respect to records maintained in machine readable form, hard copies) that are reasonably necessary to satisfy any requirements imposed by Applicable Law or any Governmental Entity upon the Company with respect to the Administered Business. All (i) such information and (ii) such records furnished in the ordinary course of business relating to the Administered Business shall be furnished at the Administrator's sole cost and expense. Without limiting the generality of the foregoing, upon the timely and reasonable request of the Company, the Administrator shall promptly prepare and furnish to Governmental Entities, to the extent permitted by Applicable Law, all reports and related summaries (including, statistical summaries), certificates of compliance and other reports required or requested by any such Governmental Entity with respect to the Administered Business, other than such reports, summaries and certificates that are required or requested because the Company or its Affiliates are subject to non-U.S. legal or regulatory requirements and industry standards. Without limiting the foregoing:

(i) As soon as practicable but not more than ten (10) Business Days after the end of each month that this Agreement is in effect (or, with respect to any January, within fifteen (15) Business Days after the end of such month), the Administrator shall provide to the Company reports and summaries of transactions (and upon the reasonable request of the Company, detailed supporting records) related to the LBL Contracts and the Vermont Captive Contracts as may be reasonably required for use in connection with the preparation of the Company's GAAP financial statements (or any consolidated GAAP financial statements of the Company or its Affiliates, as applicable), including all premiums received and all benefits paid. The Parties shall cooperate in good faith to establish the manner for the providing of such reports.

(ii) As soon as practicable but not more than twelve (12) Business Days after the end of each calendar quarter that this Agreement is in effect, (or more frequently as mutually agreed by the Parties), the Administrator shall timely provide to the Company reports and summaries of transactions (and upon the reasonable request of the Company, detailed supporting records) related to the LBL Contracts and the Vermont Captive Contracts as may be reasonably required for use in connection with the preparation of the Company's statutory financial statements, U.S. tax returns and other required U.S. financial reports and to comply with the requirements of the U.S. regulatory authorities having jurisdiction over the Company (or any consolidated statutory financial statements, U.S. tax returns or other U.S. financial reports of the Company or its Affiliates, as applicable), including all premiums received and all benefits paid. The Parties shall cooperate in good faith to establish the manner for the providing of such reports.

(iii) The Administrator shall promptly provide notice to the Company of any changes in the reserve methodology used by the Administrator in calculating statutory reserves for the LBL Contracts and the Vermont Captive Contracts.

(iv) Within thirty (30) Business Days after each calendar year end (or such longer time as may be agreed by the Parties) that this Agreement is in effect, the Administrator shall provide to the Company an actuarial analysis of statutory reserves for the LBL Contracts and the Vermont Captive Contracts, reasonably adequate to support opinions prepared according to accepted actuarial standards of practice to be issued by the Company, and as otherwise required for regulatory reporting purposes. The Administrator shall also provide supporting documentation as reasonably requested by the Company or as required by Governmental Entities or actuarial standards of practice. In the event that Applicable Law imposes (a) a legal requirement on the Administrator, in its capacity as reinsurer under the Reinsurance Agreement or administrator under this Agreement, to provide an actuarial opinion as to the adequacy of statutory reserves for the LBL Contracts or the Vermont Captive Contracts, or (b) a legal requirement on the Company to obtain such an actuarial opinion from the Administrator in any such capacity, the Administrator shall timely provide such opinion directly to the applicable Governmental Entity in substantially the form required by Applicable Law.

Section 13.2 Additional Reports and Updates. For so long as this Agreement remains in effect, upon reasonable notice, each Party shall from time to time furnish to the other such other reports and information related to Administered Business as may be reasonably required by

such other Party for regulatory, tax or similar purposes and reasonably available to it, and such reports or information shall be prepared and delivered on a timely basis in order for the receiving Party to comply with any filing deadlines required by Applicable Law or by contract.

Section 13.3 Additional Reports. The Administrator shall provide such subcertifications with respect to the LBL Contracts and the Vermont Captive Contracts to enable the Company to meet its requirements under Section 302 of the Sarbanes-Oxley Act of 2002 or any Applicable Law requiring the making of certifications by an unaffiliated third party, in a form to be mutually agreed upon by the Parties hereto.

#### ARTICLE XIV

#### BOOKS AND RECORDS

##### Section 14.1 Maintenance of Books and Records.

(a) As of and following the Inception Date, the Administrator shall maintain books and records of all transactions pertaining to the Administered Business (i) in accordance with any and all Applicable Laws, (ii) in accordance with the Administrator's internal record retention procedures and policies, and (iii) in a format accessible by the Company and its representatives. All original books and records with respect to the LBL Contracts and Vermont Captive Contracts shall be or remain the property of the Company and shall not be destroyed without the consent of the Company; provided, that the Administrator shall continue to have custody of such books and records for so long as is reasonably required for the Administrator to carry out its duties under this Agreement.

(b) During the term of this Agreement, upon any reasonable request from the Company or its representatives, the Administrator shall (i) provide to the Company and its representatives reasonable access during normal business hours to the books and records under the control of the Administrator pertaining to the Administered Business; provided that such access shall not unreasonably interfere with the conduct of the business of the Administrator, (ii) permit the Company and its representatives to make copies of such records and provide reasonable access to employees concerning the information in such records and (iii) permit the Company and its representatives to review or copy any Tax Returns for which the Administrator is responsible that relate to the Administrative Services. Nothing herein shall require the Administrator to disclose any information to the Company or its representatives to the extent such information does not pertain to the Administered Business or if such disclosure would jeopardize any attorney-client privilege, the work product immunity or any other legal privilege or similar doctrine or contravene any Applicable Law or any contract (including any confidentiality agreement to which the Administrator or any of its Affiliates is a party) (it being understood that the Administrator shall use its reasonable best efforts to enable such information to be furnished or made available to the Company or its representatives without so jeopardizing privilege or contravening such Applicable Law or contract) or require the Administrator to disclose any personnel or related records.

(c) During the term of this Agreement, upon any reasonable request from the Administrator or its representatives, the Company shall (i) provide to the Administrator and its

representatives reasonable access during normal business hours to the books and records under the control of the Company pertaining to the Administered Business or the Retained Services; provided that such access shall not unreasonably interfere with the conduct of the business of the Company, and (ii) permit the Administrator and its representatives to make copies of such records. Nothing herein shall require the Company to disclose any information to the Administrator or its representatives if such disclosure would jeopardize any attorney-client privilege, the work product immunity or any other legal privilege or similar doctrine or contravene any Applicable Law or contract (including any confidentiality agreement to which the Company or any of its Affiliates is a party) (it being understood that the Company shall use its reasonable best efforts to enable such information to be furnished or made available to the Administrator or its representatives without so jeopardizing privilege or contravening such Applicable Law or contract) or require the Company to disclose its tax records (other than premium tax filings) or any personnel or related records.

(d) The Administrator shall maintain facilities and procedures that are in accordance with Applicable Law and commercially reasonable standards of insurance recordkeeping for safekeeping the books and records maintained by the Administrator or its Affiliates that pertain to the Administered Business. The Administrator shall back up all of its computer files relating to the Administered Business or otherwise used in the performance of the Administrative Services under this Agreement on a daily basis and shall maintain back-up files in an off-site location.

## ARTICLE XV

### COOPERATION

Section 15.1 Cooperation. Each Party hereto shall cooperate fully with the other in all reasonable respects in order to accomplish the objectives of this Agreement including making available to each their respective officers and employees for interviews and meetings with Governmental Entities and furnishing any additional assistance, information and documents as may be reasonably requested by a Party from time to time.

## ARTICLE XVI

### PRIVACY REQUIREMENTS

Section 16.1 Confidentiality Obligations. In providing the Administrative Services provided for under this Agreement, and in connection with maintaining, administering, handling and transferring the data of the Contractholders and other recipients of benefits under the LBL Contracts and Vermont Captive Contracts, the Administrator shall, and shall cause its Affiliates to, comply with any Applicable Law and/or regulations with respect to privacy or data security relative to Customer Information (as defined below), and shall implement and maintain an effective information security program (the "Information Security Program") designed to protect Customer Information in compliance with all applicable privacy laws and other Applicable Law:

(i) to ensure the security, integrity and confidentiality of Customer Information;

(ii) to protect against any anticipated threats or hazards to the security or integrity of such Customer Information; and

(iii) to protect against unauthorized access to or use of Customer Information which could result in substantial harm or inconvenience to the owner thereof or its Affiliates, or to Customers or potential Customers thereof.

The Administrator has made a copy of such Information Security Program in effect as of the Inception Date available to the Company. From time to time upon the Company's written request, the Administrator shall deliver a copy of its then-current Information Security Program to the Company. For as long as Administrative Services are provided hereunder, the Administrator shall, and shall cause its Affiliates to, abide by the Information Security Program with respect to the Administered Business. At all times during the term of this Agreement, the Information Security Program shall be no less protective of the Administered Business than the information security program of the Administrator applicable to the insurance business administered by the Administrator for its own account.

"Customer Information" is defined as all tangible and intangible information provided or disclosed hereunder about present or former contract holders, annuitants, or other beneficiaries (collectively, hereinafter "Customers") or potential Customers of any Party or its Affiliates, including, but not limited to, name, address, telephone number, email address, account or policy information, and any list, description, or other grouping of Customers or potential Customers, and any medical records or other medical information of such Customers or potential Customers and any other type of information deemed "nonpublic" and protected by privacy laws and any other Applicable Law.

#### Section 16.2 Security Incidents.

(a) In the event that any Party discovers a security breach that has resulted or may reasonably result in unauthorized access to or disclosure of, or have any material adverse effect on, the security of any Customer Information related to the LBL Contracts or the Vermont Captive Contracts (a "Security Incident") such Party shall (i) within 24 hours, notify the other Party of said Security Incident; and (ii) work with the other Party to take all measures reasonably necessary to restore the security of such Customer Information. The Company shall have the exclusive right to provide notice of any Security Incident to any Customers of the LBL Contracts or the Vermont Captive Contracts, any law enforcement Person or any other Governmental Authorities and to determine the content and timing of any such notice; provided, any such notice shall be subject to review and approval by the Administrator.

(b) Each Party acknowledges that the breach of its obligations under this Section 16.2 may cause irreparable injury and damages, which may be difficult to ascertain. Therefore a Party shall be entitled to seek injunctive relief with respect to any breach or threatened breach of this Section 16.2 by the other Party and its Affiliates. This provision shall not in any way limit such other remedies as may be available to any Party at law or in equity.

## ARTICLE XVII

### CONSIDERATION FOR ADMINISTRATIVE SERVICES

Section 17.1 Consideration for Administrative Services. Except as set forth herein, with respect to the LBL Contracts, apart from the performance by the Company of its obligations under the Reinsurance Agreement, there shall be no fee or other consideration due to the Administrator for the performance of the Administrative Services and the Administrator's other obligations under this Agreement. With respect to the Vermont Captive Contracts, the Administrator shall be entitled to collect and retain all claims expense, expense allowance or similar amounts due to the Company under the terms of the Vermont Captive Reinsurance Agreement, and the Company hereby sells, assigns, transfers and delivers to the Administrator all of its rights, title and interest in one hundred percent of such amounts actually received or receivable at or after the Inception Date by the Company or the Administrator.

## ARTICLE XVIII

### BANK ACCOUNTS; TRADEMARKS

#### Section 18.1 Establishment of Bank Accounts.

(a) The Administrator shall have the right to open and maintain the Bank Accounts in respect of the LBL Contracts in accordance with the terms of the Reinsurance Agreement, provided that the Administrator shall notify the Company in writing upon opening any such Bank Account in the name of the Company.

(b) During the term of this Agreement, the Administrator may use such Bank Accounts or open and maintain one or more additional bank accounts with banking institutions with respect to the Vermont Captive Contracts (the "Vermont Captive Bank Accounts"). The Administrator shall have the exclusive authority over the Vermont Captive Bank Accounts including, without limitation, the exclusive authority to (a) open the Vermont Captive Bank Accounts in the name of the Company, (b) designate the authorized signatories on the Vermont Captive Bank Accounts, (c) issue drafts on and make deposits in the Vermont Captive Bank Accounts in the name of the Company, (d) make withdrawals from the Vermont Captive Bank Accounts and (e) enter into agreements with respect to the Vermont Captive Bank Accounts on behalf of the Company; provided, that in no event shall the Company be responsible for any fees, overdraft charges or other payments, liabilities or obligations with respect to any such Bank Accounts or be obligated to provide funding for the Bank Accounts. The Company shall do all things necessary at the Reinsurer's expense to (x) enable and authorize the Administrator to use the Company's existing lockboxes with respect to the Vermont Captive Contracts, if any, and (y) enable the Administrator to open and maintain the Vermont Captive 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. The Company agrees that without the Reinsurer's prior written consent it shall not make any changes to the authorized signatories on the Vermont Captive Bank Accounts nor attempt to withdraw any funds therefrom.

Section 18.2 Trademarks. Administrator hereby acknowledges that the Company has adopted and is using the names and marks listed on Schedule C hereto in connection with the LBL Contracts and Vermont Captive Contracts (collectively, the "Licensed Names and Marks"). The Company and Administrator agree as follows:

(a) The Company hereby grants to the Administrator and Administrator hereby accepts a non-exclusive, non-transferable, royalty-free license to use the Licensed Names and Marks in connection with the Administrative Services, including Post-Closing Policies, during the term of, and subject to the terms and conditions set forth in this Agreement. Any of the rights in the foregoing license may be sublicensed by the Administrator in connection with any contract permitted by Section 3.3; provided, that such sublicense is limited to the use of the Licensed Names and Marks in connection with the Administrative Services, including Post-Closing Policies and does not extend the right to further sublicense any such Licensed Names and Marks. If the Administrator sublicenses any of the rights in the foregoing license, the Administrator shall remain liable for any actions or omissions by the sublicensee. The Administrator is granted no rights to use the Licensed Names and Marks, other than those rights specifically described and expressly licensed in this Agreement and no right is granted hereunder for the use of the Licensed Names and Marks in connection with any services other than the Administrative Services, including Post-Closing Policies. Other than in connection with the Administrative Services, including Post-Closing Policies, none of the rights licensed to the Administrator under this Section 18.2 may be assigned, sublicensed or otherwise transferred by the Administrator, nor shall such rights inure to the benefit of any trustee in bankruptcy, receiver or successor of the Administrator, whether by operation of law or otherwise, without the prior written consent of the Company, and any assignment, sublicense or other transfer without such consent shall be null and void. The merger of Administrator with or into another entity shall not constitute an assignment or other transfer of the rights licensed to the Administrator under this Section 18.2.

(b) The Administrator agrees that it will use the Licensed Names and Marks as the Company used them prior to the Closing and that the nature of such use on the Materials (as defined below) shall be at least equal to the standard of quality maintained by the Company in connection with such Licensed Names and Marks immediately prior to the Closing and consistent with established industry practice (collectively, the "Licensor Standards"). The Administrator agrees to make available for review, upon the Company's request, all materials that incorporate the Licensed Names and Marks including, but not limited to, advertising copy, labels, stickers, policies, brochures or other materials, including any applicable materials in connection with the Administrator's performance under this Agreement (collectively, the "Materials"). If the Company objects to the manner in which a Licensed Name or Mark is used in connection with any Materials, the Company may request that the Administrator take, and the Administrator shall promptly take, all steps necessary to remedy any such deficiencies within 15 days after such notification, including to promptly discontinue the use of any such Materials. The Administrator shall promptly notify the Company of any material complaints received in writing from third parties regarding the products or services offered or provided under the Licensed Names and Marks and, at the request of the Company, shall reasonably cooperate with the Company in addressing and mitigating the circumstances giving rise to such complaints. The Administrator shall (a) permit the Company or its representatives reasonable access to such of the Administrator's facilities and personnel as are actively involved in use of the Licensed



Names and Marks on reasonable prior written notice, and (b) make available to the Company or its representatives for inspection specimens demonstrating the Administrator's use of the Licensed Names and Marks on the Materials or otherwise in connection with the Licensed Names and Marks, as requested by the Company from time to time for the purpose of verifying that the Administrator's use complies with Licensor Standards and to the extent reasonably necessary to maintain the validity of the Licensed Names and Marks and the valuable goodwill and reputation established by the Licensed Names and Marks.

(c) The Administrator agrees not to adopt or use any service mark, logo or design confusingly similar to the Licensed Names and Marks. It is understood that the Company retains the right, in its sole discretion, to modify the Licensed Names and Marks, upon reasonable prior notice to the Administrator. Any material costs incurred by the Administrator associated with any mailings to Contractholders required under Applicable Law as a result of such modification shall be reimbursed by the Company.

(d) The Administrator recognizes the value of the goodwill associated with the Licensed Names and Marks and acknowledges that, as between the Administrator and the Company, all proprietary rights therein and the goodwill attached thereto belong exclusively to the Company. All uses of the Licensed Names and Marks by the Administrator shall, with respect to service mark ownership only, inure solely to the benefit of the Company and any registration of the Licensed Names and Marks shall be registered by the Company in its name, it being understood that the present license shall not in any way affect the ownership by the Company of the Licensed Names and Marks, each of which shall continue to be the exclusive property of the Company. The Company shall, in its own name and at its own expense, maintain appropriate service mark protection for the Licensed Names and Marks. The Administrator shall not at any time during the term of this Agreement or at any time thereafter do or cause to be done any act contesting the validity of the Licensed Names and Marks, contesting or in any way impairing or tending to impair the Company's entire right, title and interest in the Licensed Names and Marks and the registrations thereof or adversely affecting the value of the Licensed Names and Marks or the reputation and goodwill of the Company. The Administrator shall not represent that it has any right, title or interest in the reputation and good will of the Company. The Administrator shall not represent that it has any right, title or interest in the Licensed Names and Marks other than the rights expressly granted by this Agreement.

(e) Subject to the provisions of Article XIX hereof, except with respect to any uses of the Licensed Names and Marks not authorized under this Agreement, the Company will indemnify, defend and hold the Administrator harmless from any Losses from claims that the Licensed Names and Marks infringe on the rights of third parties. Subject to the provisions of Article XIX, the Administrator will indemnify, defend and hold the Company harmless from any Losses that arise in connection with the Administrator's use of the Licensed Names and Marks other than as authorized under this Agreement. This Section 18.2 shall survive the termination or expiration of this Agreement.

(f) The right to institute and prosecute actions for infringement of the Licensed Names and Marks is reserved exclusively to the Company, and the Company shall have the right to join the Administrator in any such actions as a formal party. The Company may also request, and the Administrator shall provide, assistance with respect to any such infringement

action. Any such action shall be conducted at the Company's expense. The Administrator shall provide prompt written notice to the Company of any infringement or unauthorized use of the Licensed Names and Marks of which it is aware, and agrees to assist the Company at the Company's expense in any such action brought by the Company. It is understood, however, that the Company is not obligated to institute and prosecute any such actions in any case in which it, in its sole judgment, may consider it inadvisable to do so. Any recovery obtained by the Company as a result of any such action shall belong solely to Company.

(g) The agreements and covenants contained in this Section 18.2 shall continue in effect until such time as this Agreement is terminated. Upon termination of this Agreement, the Administrator shall discontinue all use of the Licensed Names and Marks (but in no event will such use extend beyond sixty (60) calendar days after termination). Upon any such termination, the Administrator shall take all commercially reasonable actions necessary to effect such discontinuance. Upon termination, all of the Administrator's rights to the Licensed Names and Marks shall revert to and continue to reside with and be owned exclusively by the Company.

## ARTICLE XIX

### INDEMNIFICATION

Section 19.1 Administrator's Obligation to Indemnify. The Administrator shall indemnify, defend and hold harmless the Company and its Affiliates and their respective officers, directors, stockholders, employees, representatives, successors and assigns (collectively, the "Company Indemnified Persons") from and against any and all Indemnifiable Losses incurred by the Company Indemnified Persons to the extent arising from (i) any breach by the Administrator of the covenants and agreements of the Administrator contained in this Agreement (an "Administrator Breach"), (ii) any violations of Applicable Law by the Administrator or its Affiliates or Subcontractors (including without limitation under the Securities Act of 1933) or otherwise arising from any untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, contained in any registration statement or prospectus or other product materials relating to an LBL Contract or Vermont Captive Contract or any interest offered under an LBL Contract or Vermont Captive Contract or any amendment thereof, but only to the extent prepared or updated by Administrator and excluding any such statement or omission made in reliance upon and in conformity with information furnished in writing to Administrator by LBL or its Affiliates after the date hereof expressly for use therein, (iii) any indemnification payment by the Company pursuant to the Principal Underwriting Agreement in respect of LBL Contracts covered thereunder (except to the extent arising out of any act or omission of the Company for which Administrator is not responsible pursuant to this Agreement) and (iv) any successful enforcement of this indemnity; provided that, the Administrator shall have no obligation to indemnify any Company Indemnified Party to the extent such Indemnifiable Loss results from (i) any act or omission resulting from the negligence or willful misconduct of the Company after the Inception Date, or (ii) any Company Breach.

Section 19.2 Company's Obligation to Indemnify. The Company hereby agrees to indemnify, defend and hold harmless the Administrator and its Affiliates and their respective

officers, directors, stockholders, employees, representatives, successors and assigns (collectively, the "Administrator Indemnified Persons") from and against any and all Indemnifiable Losses incurred by the Administrator Indemnified Persons to the extent arising from (i) any breach by the Company of the covenants and agreements of the Company contained in this Agreement (a "Company Breach"), (ii) any untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, contained in any registration statement or prospectus or other product materials relating to an LBL Contract or Vermont Captive Contract or any interest offered under an LBL Contract or Vermont Captive Contract or any amendment thereof, in each case, that is made in reliance upon and in conformity with information provided in writing by the Company or an Affiliate after the Inception Date expressly for use by the Administrator in the preparation of such registration statement or prospectus and (iii) any successful enforcement of this indemnity; provided that, the Company shall have no obligation to indemnify any Administrator Indemnified Party to the extent such Indemnifiable Loss results from (i) any act or omission resulting from the negligence or willful misconduct of the Administrator or a Subcontractor, or (ii) any Administrator Breach.

**Section 19.3 Definitions. As used in this Agreement:**

**"Indemnitee"** means any Person entitled to indemnification under this Agreement;

**"Indemnitor"** means any Person required to provide indemnification under this Agreement;

**"Indemnifiable Losses"** means any and all damages, losses, Liabilities, obligations, costs and expenses (including reasonable attorneys' fees and expenses); provided, that any Indemnity Payment (x) shall in no event include any amounts constituting punitive damages relating to the breach or alleged breach of this Agreement (except to the extent actually paid to a third party in connection with a Third Party Claim) and (y) and shall be net of any amounts recovered by or recoverable by the Indemnitee for the Indemnifiable Losses for which such Indemnity Payment is made under any insurance policy, reinsurance agreement, warranty or indemnity or otherwise from any Person other than a Party hereto, and the Indemnitee shall promptly reimburse the Indemnitor for any such amount that is received by it from any such other Person with respect to an Indemnifiable Losses after any indemnification with respect thereto has actually been paid pursuant to this Agreement;

**"Indemnity Payment"** means any amount of Indemnifiable Losses required to be paid pursuant to this Agreement; and

**"Third Party Claim"** means any claim, action, suit, or proceeding made or brought by any Person that is not an Indemnitee.

**Section 19.4 Applicability of Stock Purchase Agreement. The procedures set forth in Section 7.5 of the Stock Purchase Agreement shall apply to Losses indemnified under this Article XIX.**

Section 19.5 No Duplication. To the extent that an Indemnitee has received payment in respect of an Indemnifiable Loss pursuant to the provisions of any other Transaction Agreement, such Indemnitee shall not be entitled to indemnification for such Indemnifiable Loss under this Agreement to the extent of such payment.

## ARTICLE XX

### DURATION; TERMINATION

Section 20.1 Duration. This Agreement shall commence on the Inception Date and continue with respect to each LBL Contract and each Vermont Captive Contract until no further Administrative Services in respect of such LBL Contract or Vermont Captive Contract are required, unless this Agreement is earlier terminated under Section 20.2.

#### Section 20.2 Termination.

(a) This Agreement is subject to immediate termination at the option of the Company, upon written notice to the Administrator, upon the occurrence of any of the following events:

(i) A voluntary or involuntary proceeding is commenced in any jurisdiction by or against the Administrator for the purpose of conserving, rehabilitating or liquidating the Administrator, and such proceeding shall continue undismissed for 60 days; or

(ii) There is a material and continuing breach by the Administrator of this Agreement and such breach is not cured within twenty (20) Business Days following receipt by Administrator of written notice of such breach from the Company; provided, however, if such material breach is not curable within such twenty (20) Business Day period, the Company may not terminate the Administrator's performance of the Administrative Services if the Administrator has, within such twenty (20) Business Day period, provided the Company with a detailed, written description of the Administrator's good faith plan to cure such material and continuing breach; provided, further, if such material and continuing breach is not cured within forty-five (45) days following the Administrator's delivery to the Company of such plan, the Company may terminate the Administrator's performance of the Administrative Services.

(b) This Agreement may be terminated at any time upon the mutual written consent of the Parties hereto, which writing shall state the effective date of termination.

(c) In the event that this Agreement is terminated under any of the provisions of Section 20.2(a):

(i) the Administrator and the Company shall each cooperate in the prompt transfer of the applicable Administrative Services and any books and records and other materials maintained by the Administrator related to such Administrative Services (or, where required by Applicable Law, copies thereof) to the Company or the Company's designee reasonably acceptable to the Administrator;

(ii) in the event there has occurred a Change in Control at or prior to such termination, the Administrator shall use its reasonable best efforts to provide the Company or a replacement servicer designated by the Company with a license to, or seek to obtain consents of third parties for the use of, software and systems used by the Administrator in performing the Administrative Services as reasonably necessary to permit the Company or such replacement servicer to perform the Administrative Services for a reasonable period following such termination, such that the Company or such replacement servicer shall be able to perform the applicable Services without interruption following termination of this Agreement; and

(iii) the Administrator shall reimburse the Company for (A) reasonable out-of-pocket costs for transitioning the Administrative Services to a substitute provider reasonably acceptable to the Company (provided that in the event the Reinsurance Agreement is in effect at the time of such termination, the Company shall obtain the Administrator's consent to such substitute provider, such consent not to be unreasonably withheld, conditioned or delayed, and the Administrator shall notify the Company of its decision with respect to such consent as soon as reasonably practicable and in any event within thirty (30) days following delivery of the Company's request for such consent), (B) any reasonable fees paid to any such substitute provider in connection with the performance of any Administrative Services and (C) any reasonable out-of-pocket costs incurred by the Company with respect to the Administrative Services after termination of this Agreement; provided, however, that the Administrator shall not be liable for the fees and expenses set forth in clauses (B) and (C) of this Section 20.2(c)(iii) that are incurred following the termination of the Reinsurance Agreement.

## ARTICLE XXI

### GENERAL PROVISIONS

Section 21.1 Schedules and Exhibits. The Schedules and Exhibits to this Agreement that are specifically referred to herein are a part of this Agreement as if fully set forth herein.

Section 21.2 Notices. All notices, requests, claims, demands and other communications under this Agreement shall be in writing and shall be delivered personally or by overnight courier (providing proof of delivery) to the Parties at the following addresses (or at such other address for a Party as shall be specified by like notice):

(a) if to the Company:

Lincoln Benefit Life Company

[       ]

[       ]

Attention: [   ]

with copies (which shall not constitute notice) to:

Debevoise & Plimpton LLP  
919 Third Avenue

New York, New York 10022  
Attention: Nicholas F. Potter  
David Grosgold

(b) if to the Administrator:

Allstate Life Insurance Company  
3100 Sanders Road  
Northbrook, Illinois 60062  
Attention: Jess Merten  
Email: Jess.Merten@allstate.com

with copies to:

Allstate Life Insurance Company  
3075 Sanders Road  
Northbrook, Illinois 60062  
Attention: Joy Thomas  
Email: Joy.Thomas@allstate.com

and

Allstate Life Insurance Company  
2775 Sanders Road  
Northbrook, Illinois 60062  
Attention: Beth Lapham  
Email: blapham@allstate.com

with copies (which shall not constitute notice) to:

Willkie Farr & Gallagher LLP  
787 Seventh Avenue  
New York, New York 10019  
Attention: John M. Schwolsky  
Alexander M. Dye

Notice given by personal delivery or overnight courier shall be effective upon actual receipt.

Section 21.3 Interpretation. When a reference is made in this Agreement to a Section, Exhibit or Schedule, such reference shall be to a Section of, or an Exhibit or Schedule to, this Agreement unless otherwise indicated. All references herein to any agreement, instrument, statute, rule or regulation are to the agreement, instrument, statute, rule or regulation as amended, modified, supplemented or replaced from time to time (and, in the case of statutes, includes any rules and regulations promulgated under said statutes) and to any section of any statute, rule or regulation including any successor to said section. The table of contents and headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Whenever the words "include," "includes" or "including" are

used in this 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. Whenever the word "Dollars" or the "\$" sign appear in this Agreement, they shall be construed to mean United States Dollars, and all transactions under this Agreement shall be in United States Dollars. This Agreement has been fully negotiated by the Parties hereto and shall not be construed by any Governmental Entity against either Party by virtue of the fact that such Party was the drafting Party.

Section 21.4 Entire Agreement; Third Party Beneficiaries. This Agreement (including all exhibits and schedules hereto) and the other Transaction Agreements constitute the entire agreement, and supersede all prior agreements, understandings, representations and warranties, both written and oral, among the Parties with respect to the subject matter of this Agreement. Except as set forth in Article XIX with respect to the Administrator Indemnified Parties and the Company Indemnified Parties, this Agreement is not intended to confer upon any Person other than the Parties hereto and their successors and permitted assigns any rights or remedies.

Section 21.5 Governing Law. This Agreement and any dispute arising hereunder shall be governed by, and construed in accordance with, the laws of the State of New York, regardless of the laws that might otherwise govern under applicable principles of conflicts of laws thereof.

Section 21.6 Assignment. Neither this Agreement nor any of the rights, interests or obligations under this Agreement shall be assigned, in whole or in part, by operation of law or otherwise (other than by operation of law in a merger), by either Party without the prior written consent of the other Party, and any such assignment that is not consented to shall be null and void. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of, and be enforceable by, the Parties and their respective successors and assigns.

Section 21.7 Jurisdiction; Enforcement.

(a) Each of the Parties hereto hereby irrevocably and unconditionally submits to the exclusive jurisdiction of any court of the United States or any state court, which in either case is located in the City and County of New York (each, a "New York Court") for purposes of enforcing this Agreement or determining any claim arising from or related to the transactions contemplated by this Agreement. In any such action, suit or other proceeding, each of the Parties hereto irrevocably and unconditionally waives and agrees not to assert by way of motion, as a defense or otherwise any claim that it is not subject to the jurisdiction of any such New York Court, that such action, suit or other proceeding is not subject to the jurisdiction of any such New York Court, that such action, suit or other proceeding is brought in an inconvenient forum or that the venue of such action, suit or other proceeding is improper; provided, that nothing set forth in this sentence shall prohibit any of the Parties hereto from removing any matter from one New York Court to another New York Court. Each of the Parties hereto also agrees that any final and unappealable judgment against a Party hereto in connection with any action, suit or other proceeding will be conclusive and binding on such Party and that such award or judgment may be enforced in any court of competent jurisdiction, either within or outside of the United States. A certified or exemplified copy of such award or judgment will be conclusive evidence of the fact and amount of such award or judgment. Any process or other paper to be served in

connection with any action or proceeding under this Agreement shall, if delivered or sent in accordance with Section 21.2, constitute good, proper and sufficient service thereof.

(b) EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (I) NO REPRESENTATIVE, AGENT OR ATTORNEY OR ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (II) IT UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF SUCH WAIVER, (III) IT MAKES SUCH WAIVER VOLUNTARILY AND (IV) IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 21.7.

**Section 21.8 Severability; Amendment; Modification; Waiver.**

(a) Whenever possible, each provision or portion of any provision of this Agreement will be interpreted in such manner as to be effective and valid under Applicable Law, but if any provision or portion of any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any Applicable Law in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or portion of any provision in such jurisdiction, and this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision or portion of any provision had never been contained herein.

(b) This Agreement may be amended or a provision hereof waived only by a written instrument signed by each of the Administrator and the Company.

(c) 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.

**Section 21.9 Specific Performance.** The Parties agree that irreparable damage would occur if any provision of this Agreement were not performed in accordance with the terms hereof and that the Parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement or to enforce specifically the performance of the terms and provisions hereof in any court of competent jurisdiction, in addition to any other remedy to which they are entitled at law or in equity. The Parties hereby waive, in any action for specific performance, the defense of adequacy of a remedy at law and the posting of any bond or other security in connection therewith.

**Section 21.10 Counterparts.** This Agreement may be executed in counterparts, all of which shall be considered one and the same agreement and shall become effective when counterparts have been signed by each of the Parties and delivered to the other Party. Each Party



may deliver its signed counterpart of this Agreement to the other Party by means of electronic mail or any other electronic medium utilizing image scan technology, and such delivery will have the same legal effect as hand delivery of an originally executed counterpart.

Section 21.11 Survival. Articles XVI, XIX, XX and XXI shall survive the termination of this Agreement.

*[Remainder of page intentionally left blank]*

IN WITNESS WHEREOF, the Company and the Administrator have caused this Agreement to be signed by their respective duly authorized officers, all as of the date first written above.

LINCOLN BENEFIT LIFE COMPANY

By: \_\_\_\_\_  
Name:  
Title:

ALLSTATE LIFE INSURANCE COMPANY

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title: