

PRESS RELEASE

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For Immediate Release

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Insurance Department Settles Enforcement Action Against Two Assurant Companies, John Alden and Fortis. Companies Will Pay the Department \$900,000.00

Concord, New Hampshire – December 1, 2008 Commissioner Roger Sevigny announced today that John Alden Life Insurance Company and Fortis Insurance Company have entered into a Consent Order with the New Hampshire Insurance Department that includes a \$900,000.00 payment to the Department and restitution valued at approximately \$1,000,000.00 to policyholders of John Alden and Fortis.

The Consent Order resolves an enforcement action brought by the New Hampshire Insurance Department against John Alden and Fortis insurance companies relating to the sale of certain health insurance policies that contain “exclusionary riders.” These “exclusionary riders” prevent individual policyholders from receiving coverage benefits for certain specified pre-existing conditions and are not allowed in New Hampshire.

Under the Consent Order, John Alden and Fortis Insurance Companies agreed to remove exclusionary riders from all existing policies with no change in premium, and also agreed to pay \$700,000.00 to the Insurance Department to settle the enforcement action, and \$200,000.00 to reimburse the department’s expenses. The companies will readjudicate the claims of policyholders affected by these riders.

New Hampshire Insurance Commissioner Roger A. Sevigny said, “I am especially pleased that this resolution will benefit individual policyholders by ensuring their claims are readjudicated and that the language excluding certain claims will no longer apply. As part of the settlement the companies have put measures in place to assure future compliance.”

Under the Consent Order, the companies will readjudicate and pay claims that they previously denied based on the existence of an exclusionary rider. The companies will also send a notice to every policyholder with a policy that contained a exclusionary rider from 2002 to the present. The notice will explain that claims that arose within that time

frame may now be submitted for payment, even if the claim had not been previously submitted due to the presence of a exclusionary rider in the policy.

The Consent Order's requirement that John Alden and Fortis pay \$900,000.00 to the New Hampshire Insurance Department in final settlement, includes a \$200,000.00 payment to reimburse the Department for its investigation expenses, and a payment of \$700,000.00 in settlement of the department's enforcement action.

Commissioner Sevigny also stated that "Policyholders with questions about this action or any notice or correspondence they receive from the companies may contact the Department's consumer services staff toll free at 1-800-852-3416 for assistance."

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