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In the Matter of
USI Consulting Group, Inc.
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March 4, 2009

**Agreement between the Attorney General of the State of Connecticut
and USI Consulting Group, Inc. and its subsidiaries
(collectively “USICG ”) dated March 4, 2009 (“the Agreement)**

WHEREAS, the Connecticut Attorney General caused an investigation to be made of USICG pursuant to Conn. Gen. Stat. § 35-24 *et seq.* (the Connecticut Antitrust Act) and Conn. Gen. Stat. § 42-110a *et seq.* (the Connecticut Unfair Trade Practices Act) related to USICG’s practices in the marketing, sales, or placement of single premium group annuities, including terminal and maturity funding annuities and single premium guaranteed immediate annuities (hereinafter collectively referred to as “SPGAs”) to defined benefit pension plan sponsors (“pension plan sponsors”) (hereinafter, the “Investigation”);

WHEREAS, the Connecticut Attorney General is prepared to make the following allegations (the “Allegations”) based on the above Investigation:

1. Since at least 1998, USICG has received approximately \$375,000 dollars in undisclosed compensation from insurance companies, including The Hartford Insurance Company (“The Hartford”), The Principal Financial Services Group, Inc. (“The Principal”), and Mutual of Omaha Insurance Company (“Mutual of Omaha”) (collectively, “the Carriers”).
2. Every year billions of dollars of retirement plan assets are invested in SPGAs by pension plan sponsors, including Fortune 500 companies, small businesses, healthcare systems and hospitals, public education systems, and other entities.

3. Competition for the investment of pension plan asset dollars among insurance companies is fierce, with many insurers competing for the relatively small number of plans that will purchase SPGAs annually.

4. Brokers play a significant and important role in assisting pension plan sponsors in the selection of an appropriate SPGA. The broker's role with respect to the purchase of a SPGA for a pension plan is to assist the client – often the plan administrator or fiduciary -- with assessing the myriad issues and factors necessary to selecting the “safest available annuity” for the benefit of retirement plan participants.

5. SPGA contracts range in size from tens of thousands of dollars in premium, to upwards of hundreds of millions of dollars in premium.

6. During the time period covered by the Investigation, a number of insurance companies were active in the market for SPGA contracts. Among the many insurance companies that sold SPGA contracts during the relevant time period are: The Hartford, The Principal, Travelers Insurance Co., AIG Life Insurance Co., John Hancock Life Insurance Co., Continental Assurance Company (“CNA”) and Mutual of Omaha.

7. Given the number of factors to be considered, the breadth and diversity of insurance companies in the market, the particular needs of a given plan, and the overarching requirement that the selected insurer meet the safest available annuity obligation imposed by the Employee Retirement Income Security Act of 1974 (“ERISA”), it is only prudent that a plan administrator or fiduciary should seek the guidance, expertise and experience of an SPGA broker to assist the plan in its due diligence in order to make an appropriate investment choice.

8. The process of purchasing an SPGA contract for a pension plan differs depending on the broker selected, but generally SPGA brokers follow a similar procedure that includes the following:

- Consult with the plan regarding the timing and structure of the annuity purchase;
- Prepare the request for proposal (“RFP”) incorporating all of the plan’s benefits;
- Send the RFP and accompanying plan participant data to all of the bidding insurance companies and answer their pre-bid questions;
- Conduct the bidding process;
- Negotiate each insurance company to its lowest price; and
- Provide the plan sponsor with a written recommendation regarding the most suitable SPGA for the plan.

9. The bid process followed by most SPGA brokers is generally accomplished in two phases: (a) a round of preliminary bidding, followed by (b) a round of final bidding.

10. Most, if not all preliminary bids, are conducted through an open bid, meaning that after the broker receives each bidding insurer’s preliminary bid, the broker will usually share the results of the preliminary bid with all the other bidders. Thus, each insurance company knows not only its own bid, but the bid of each of its competitors *prior* to the final bid.

11. The final bid is usually set to occur on a specific date at a specific time. Those bidding insurance companies that remain in the bidding after the preliminary round are expected to provide their final bid to the broker by a predetermined deadline. Sometimes, but by no means the rule, the broker might attempt to further negotiate with the two or three lowest bidders after the final round to obtain the lowest price for the plan.

12. Consistent with the broker's role as the pension plan sponsor's independent expert or fiduciary hired to guide the plan sponsor during the SPGA purchase, the plan expects, because the law requires, that the broker's duty is to act solely for the benefit of its principal – the plan sponsor.

13. Brokers are usually compensated for their services to the pension plan in one of two ways: (a) a fee negotiated between the plan sponsor and the broker, which is paid directly to the broker or (b) a commission agreed to by the plan sponsor and paid by the winning insurance company, which usually builds the commission into the final annuity premium.

14. USICG is headquartered in Glastonbury, Connecticut, and is part of USI Holdings Corporation (USI Holdings), the 9th largest property and casualty benefits broker in the United States.

15. On its website and through other promotional materials, USICG markets itself as a firm that does not address a client's particular needs with a "preconceived notion" as to what is the right solution. Rather, USICG claims that when a client "partners" with USICG, that client taps into the company's many consultants whose claimed goal is to "maximize the value of every dollar spent" and to provide the best in "value-added service" in selecting the right investment.

16. Unknown to its pension plan sponsor clients, USICG entered into certain undisclosed payment arrangements, variously called "Expense Reimbursement Agreements" ("ERA"), "Marketing Agreements," "Administrative Service Agreements" or "Override Agreements" (hereinafter referred to as "Contingent Compensation Agreements") with the Carriers.

17. The driving force in the late 1990s behind the creation of the Contingent Compensation Agreements were the SPGA brokers Brentwood Asset Advisors, LLC and

Dietrich & Associates, Inc., who together maintained a large share of the market for the placement of SPGAs. These brokers competed against fee-based consultants for pension plan investment placements, and wanted a financial arrangement with the Carriers that would enable them to show potential clients a lower commission cost than their consultant competitors while still receiving higher – albeit undisclosed – overall compensation.

18. Smaller brokers, such as USICG, which specialized in small market SPGA placements, had a sufficient client base to cause the Carriers to enter into the Contingent Compensation Agreements as well.

19. The Carriers offered the Contingent Compensation Agreements to select brokers, including USICG, as a means to ensure they would have an opportunity to quote on upcoming placements and to incentivize the brokers to ultimately direct SPGA business to the Carrier. The Contingent Compensation Agreements were an open secret among the Carriers, as evidenced in an email between Mutual of Omaha executives, which noted that USICG will give Mutual of Omaha “every opportunity for last look and competitive feedback that [a USICG executive] has not openly shared with our competitors, however, our competitors, like Hartford and principal [*sic*] are paying the additional bump in compensation.”

20. In exchange for the payments the Carriers offered USICG under these arrangements, which was in addition to, *not in lieu of*, the commission or fee agreed-upon between USICG and the plan, the Carriers expected USICG to provide them with preferential treatment in the bidding and selection process including, *inter alia*, last looks on bids, competitive information not otherwise made available to their competitors, disparaging the quality of a competing insurer’s credit worthiness and, recommending an insurer despite its having a credit rating that was lower than its competitor. The intent of all of these agreements,

as succinctly put by an executive with The Hartford, was “to change[] the buying habit of the intermediary . . . that is what we are trying to accomplish.”

21. Although the Contingent Compensation Arrangements purport to compensate USICG for *bona fide* marketing or administrative services provided to the Carriers or, in the case of ERAs, as reimbursement for expenses USICG supposedly incurred in placing a SPGA, at root they were nothing more than, as described by an executive of The Principal, “a means of adding some additional compensation without having to be completely up-front” about it.

22. Moreover, the Contingent Compensation Arrangements were viewed by USICG as an enhancement to the company’s revenue base because the additional compensation USICG received pursuant to the secret agreements increased the company’s overall compensation on those SPGA placements by as much as 33% - 50%. The significance of the payment of the additional income to Mutual of Omaha’s prospects of winning a placement is underscored by a company executive, who recounted how USICG’s Executive Vice President “has been adamant on a 1% kicker for all premium opportunities he places with us. Adamant as he has committed the additional revenue to USI Corporate.” This was reiterated in no uncertain terms to Mutual of Omaha by the same USICG executive in discussing a planned upcoming SPGA placement: “I also want to stress given the size of this case that the extra 1% soft dollar arrangement has to be firm in order to compete on comp. with Principal. Omaha and USI need to be on the same page on that issue. . . . maybe you can deliver the message in the right way to the right people.”

23. The Contingent Compensation Agreements were effective in directing business to the Carriers. For instance, in 1999, USICG maintained such an arrangement only with The Hartford. In that year, USICG placed close to 65% of its SPGA pension plan placements that year with that carrier. In the same year, USICG placed only 5% of its pension plan client

business with The Principal and none with Mutual of Omaha. In 2001, however, in addition to the Contingent Compensation Agreement it maintained with The Hartford, USICG executed similar arrangements with The Principal and Mutual of Omaha. Correspondingly, in 2001 USICG placed 34% of its SPGA client's business with The Principal, 32% with The Hartford and 32% with Mutual of Omaha.

24. Despite the success Mutual of Omaha achieved by using the Contingent Compensation agreements to attract new SPGA business from USICG, the company nevertheless debated internally whether it could beat its SPGA competitors by simply lowering the premiums it charged its customers – the pension plan sponsors. After debating the matter within its Institutional Retirement Products division, the company concluded that its Contingent Compensation Agreements would “create greater opportunity for sales vs. lower cost of annuity since it will encourage the broker” to give Mutual of Omaha last looks on bids or “to recommend [Mutual of Omaha] when our ratings may not be equivalent or better than our competitors.” In the end, Mutual of Omaha elected to continue using its “incentive programs” with USICG and hoped the “override” would eventually enable Mutual of Omaha “to write 90% of [USICG’s] 2004 annuity business.”

25. Mutual of Omaha, which maintained its Contingent Compensation Agreement with USICG through 2005, was touted by Mutual of Omaha’s regional sales executive to her home office in Nebraska as USICG’s preferred carrier, when she told the office that USICG’s President of Retirement Services “introduced me [to USICG salespeople and pension plan benefit consultants] as their top carrier of choice for group and individual annuity buyouts.” Both companies had substantial symmetry: USICG’s client base was primarily small and mid-sized businesses looking to purchase SPGAs in the “micro market,” which were generally

placements less than \$10 million and more on the order of \$2 million, a niche that Mutual of Omaha coveted.

26. Thus, over time, the majority of USICG's clients' SPGA placements went to Mutual of Omaha. By 2002 USICG placed close to 50% of its SPGA placements with the company. This swelled to 88% in 2003 and reached 95% by 2004, effectively surpassing Mutual of Omaha's goal of 90%. Over the time frame 2002 through 2005, Mutual of Omaha paid USICG an additional undisclosed \$182,112.

27. In essence, unknown to USICG's clientele, the broker that touted to its clients a disdain for a "preconceived notion" for their investment needs placed almost all of its clients' SPGA placements with Mutual of Omaha.

28. The Carriers never disclosed the true nature of the Contingent Compensation Agreements to their respective pension plan customers.

29. Neither did USICG.

30. Prior to May 2004, USICG made no disclosure whatsoever to its pension plan clients regarding the existence of the Contingent Compensation Agreements. In fact, USICG took active measures to conceal the additional payments from its pension plan clients.

31. For example, for certain SPGA placements, where the pension plan paid USICG a fee directly, USICG would pretend to follow its client's instructions and note on the RFP that "no commission" should be priced into the cost of the SPGA. Invariably, however, USICG instructed the Carriers to add a "1% ERA." For instance, for the 2001 SPGA placement for the Jewish Memorial Hospital, USICG directed Mutual of Omaha to remove the 2% commission, but keep the 1% ERA. After Mutual of Omaha won the Jewish Memorial Hospital business, it paid USICG an undisclosed fee of \$45,514.01.

32. In those SPGA placements where it was agreed between the client and USICG that the company would receive a commission from the winning carrier, USICG routinely instructed Carriers with whom it maintained Contingent Compensation Agreements to include the disclosed commission into the cost of the SPGA and add an additional undisclosed 1% ERA. For example, with the USCO Distribution Services, Inc. SPGA, where the agreed-upon commission was 2%, USICG directed The Hartford to be sure “[t]he client will see the 2% in the proposal. USI should receive the other 1% as an ERA.” For Mutual of Omaha, the existing understanding between the companies was articulated in an internal Mutual of Omaha email: “The standard for USI cases will to [sic] always include the ERA and they will ask to remove if necessary.”

33. Beginning in May 2004, after law enforcement and regulators began a broad series of investigations into undisclosed financial arrangements between insurers and brokers, USICG began to include a boilerplate disclosure to its clients prior to the consummation of any SPGA placement, stating that the company “may” receive “additional compensation” in certain instances and that such agreements “may be in effect” for that client’s particular placement. Rather than expressly and conspicuously disclosing all the compensation it earned on a placement – as the law requires a fiduciary such as USICG to do – the company used the “disclosure” to mislead at least one of its clients into believing there was no additional compensation for their specific SPGA placement.

34. For that client, Blickman, Inc., a \$703,888 SPGA that USICG placed with Mutual of Omaha, the broker included its new boilerplate disclosure but in the same email communication that contained the “disclosure”, USICG’s Executive Vice President went on to inform the client that: “[e]ven though the standard compensation to a broker for a contract of this

size is 4%, we have asked the carriers to waive half that for a net of 2% given your relationship with USI and the funding status of the plan.” What USICG’s executive hid from Blickman’s president was that Mutual of Omaha had agreed to pay USICG additional, undisclosed compensation of \$7,038.88 – a total of 3% compensation -- which was built into the cost of the SPGA.

35. In effect, the Contingent Compensation Agreements, as designed and implemented, were an undisclosed business arrangement between USICG and the Carriers. The written agreements were drafted and executed to provide an appearance of legitimacy for the transfer of money between the Carriers and USICG. Significantly, although the Carriers paid USICG hundreds of thousands of dollars over a 6-year period, they never once audited USICG to verify its claimed “expenses” pursuant to the ERA agreements; sought USICG’s “special” marketing expertise pursuant to the Marketing Agreements, or, pursuant to the Administrative Services Agreement, obtained any unique administrative service function that a Carrier was not already receiving from any other SPGA broker that did have such an arrangement.

36. USICG was paid undisclosed compensation apart from agreed-upon fees or disclosed commissions in numerous SPGA placements throughout the United States, including Connecticut, from at least 1998 through at least 2005. The pension plans sponsors that hired USICG to advise and assist in their purchase of SPGA contracts, which resulted in the additional undisclosed payments to USICG, are comprised of a diverse set of private and public companies, non-profit organizations and other entities.

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37. Based on these allegations, the Connecticut Attorney General is prepared to allege that USICG: (a) unlawfully engaged in unfair and deceptive trade practices; (b) breached its

fiduciary duties to its pension plan sponsor clients; (c) conspired with the Carriers in a scheme to engage in unfair and deceptive trade practices resulting in a breach of the USICG's fiduciary duties; and (d) made affirmative misrepresentations of material fact to plan sponsors in contravention of established law.

WHEREAS, pursuant to previous SPGA investigations and settlements entered into between the Connecticut Attorney General and the Carriers, affected pension plan sponsors were eligible to obtain restitution from the Carriers;

WHEREAS, pursuant to the Investigation by the Connecticut Attorney General, the parties are entering into this Agreement prior to any court making any findings of fact or conclusions of law relating to the allegations of the Connecticut Attorney General;

WHEREAS, USICG denies the above Allegations; and contends that: (1) USICG consistently made insurance placement recommendations in the best interests of its clients; (2) USICG's clients were generally placed with the lowest bidder, unless other factors including, but not limited to, client choice prevailed; (3) USICG provided actuarial services not generally provided by other SPGA brokers; (4) in calendar year 2000, USICG placed over 70% of its SPGA pension plan premium with carriers who paid no contingent compensation, despite USICG having a contingent compensation agreement with The Hartford; and (5) USICG is supportive of the objective of greater transparency in disclosure in the SPGA market;

WHEREAS, USICG has been and is continuing to cooperate fully with the Investigation being conducted by the Connecticut Attorney General and wishes to resolve the Investigation;

WHEREAS, the Connecticut Attorney General finds that the relief and agreements contained in this Agreement are appropriate and in the public interest, and is willing to accept this Agreement as a settlement of the Connecticut Attorney General's Investigation;

WHEREAS, the Connecticut Attorney General and USICG wish to enter into this Agreement to resolve the Connecticut Attorney General's Investigation and avoid the cost of litigation over the Allegations;

WHEREAS, this Agreement is entered into solely for the purpose of resolving the Connecticut Attorney General's Investigation and (1) will not be used for any other purpose, and (2) will not be offered, received or construed as an admission or evidence of any liability or wrongdoing by USICG;

WHEREAS, nothing herein shall be construed to apply to any business or operations other than USICG's SPGA business; and

WHEREAS, as a result of the Connecticut Attorney General's Investigation, USICG agrees to implement the business reforms stated herein;

NOW THEREFORE, USICG and the Connecticut Attorney General hereby enter into this Agreement, and agree as follows:

A. MONETARY RELIEF

1. Within 10 business days of the date of this Agreement, USICG shall pay \$375,000 to the State of Connecticut, which payment is intended by the Connecticut Attorney General as disgorgement of the undisclosed contingent compensation USICG received from the Carriers.

2. Within 10 business days of the date of this Agreement, USICG shall pay \$95,000 as a penalty, by wire transfer to the State of Connecticut.

B. BUSINESS REFORMS

1. Within 90 days of the date of this Agreement, USICG shall undertake the following reforms with respect to its practices in the marketing, sale or placement of SPGAs.

USICG will not undertake any transaction for the purpose of circumventing the prohibitions contained in this Agreement. These reforms shall not apply to any other current business or products brokered or sold by USICG, or to any products or services that USICG may develop or acquire in the future.

2. For purposes of this Agreement, which is limited in scope to the SPGA products and line of business, USICG, shall accept only: (a) a specific fee to be paid by the client; (b) a specific percentage commission on premium or product to be paid by the insurer or other provider and set at the time of purchase; (c) or a combination of both. USICG shall accept no such commission/fee unless, before the binding of such policy or sale or placement of such product of service: (1) USICG in plain, unambiguous written language fully discloses such commission/fees, in either dollars or percentage amounts; and (2) the client consents in writing. All disclosures and consents referred to in this Agreement may be delivered and obtained electronically. Nothing in this paragraph relieves USICG of complying with additional requirements imposed by law.

3. USICG shall not hereafter, except as set forth in paragraph B2, above, directly or indirectly accept or request anything of material value from any insurer or other provider including, but not limited to, money, credits, loans, forgiveness of principal or interest, vacations, prizes, gifts or the payment of employee salaries or expenses (hereinafter collectively "Compensation"). Compensation shall not include (a) customary, non-excessive meals or entertainment expenses and (b) reasonable education, training or conference expenses. USICG shall issue a written Compensation Policy that is approved by the Connecticut Attorney General that explains the provisions of this paragraph for its relevant employees.

4. In placing, renewing, consulting on, advising, marketing, selling, investing or servicing any SPGA after the date of this Agreement, and subject to paragraph B2 above, which limits these business reforms to the SPGA product line of business, USICG shall not directly or indirectly accept from or request of any insurer any Contingent Compensation. For purposes of this Agreement, Contingent Compensation is any Compensation contingent upon USICG:

- a) placing a particular number of policies or dollar value of premium with the insurer;
- b) achieving a particular level of growth in the number of policies placed or dollar value of premium with the insurer;
- c) placing or keeping sufficient insurance business with the insurer to achieve a particular loss ratio or any other measure of profitability;
- d) providing preferential treatment in the placement process, including but not limited to the right of having a last look, first look, right of first refusal, or agreeing with an insurer to limit the number of quotes sought from insurers for insurance placements; and
- e) obtaining anything else of material value from the insurer subject to paragraph B3.

5. Additionally, beginning sixty (60) days from the date of this Agreement, USICG shall disclose, on its website, information relating to USICG's practices and policies regarding Compensation sufficient to inform its SPGA clients and customers of the nature and range of Compensation paid to USICG in connection with its SPGA product line of business. This written disclosure has been approved by the Connecticut Attorney General.

6. To the extent required by ERISA or the U. S. Department of Labor regulations, USICG, for any SPGA it places with a pension plan sponsor governed by ERISA, shall disclose all information as is contained within its business records and is needed by its pension plan clients to complete Schedule A of the Form 5500 Annual Report of Employee Benefit Plan,

including but not limited to the full amount of any Compensation paid or to be paid to USICG that is attributable to a client's Retirement Benefits.

7. **Enhanced Disclosure:** USICG in placing, renewing, consulting on or servicing any SPGA shall in writing: a) prior to acceptance, disclose to each pension plan client all quotes and indications sought and all quotes and indications received by USICG in connection with the SPGA placement, together with all material terms, including but not limited to any USICG interest in or contractual agreements with any of the prospective insurers, and all Compensation to be received by USICG for each quote, in dollars if known at that time or as a percent of premium if the dollar amount is not known at the time, from any insurer or third party in connection with the placement, renewal, consultation on or servicing of the SPGA for that client; b) provide disclosure to each client and obtain written consent in accordance with paragraph B2 of this Agreement for each client, and c) disclose to each client at the end of each year all Compensation received during the preceding year or contemplated to be received from any insurer or third party in connection with the placement, renewal, consultation on or servicing of that client's SPGA to the extent that such amount is different than what was disclosed to the client prior to binding.

8. **Standard of Conduct and Training.** USICG shall implement written standards of conduct regarding Compensation in connection with SPGAs, consistent with the terms of this Agreement, which implementation shall include *inter alia* appropriate training of relevant employees, including but not limited to training in business ethics, professional obligations, conflicts of interest, antitrust and trade practices compliance, and recordkeeping. These written Standards of Conduct have been approved by the Connecticut Attorney General.

9. USICG shall not engage or attempt to engage in violations of the Connecticut Antitrust Act (§§ 35-24 *et seq.*), Connecticut Unfair Trade Practices Act, Conn. Gen. Stat. (§§ 42-110a *et seq.*), and/or the Connecticut Unfair Insurance Practices Act, (§§ 38a-815 *et seq.*).

C. COOPERATION WITH THE ATTORNEY GENERAL

1. USICG shall fully and promptly cooperate with the Connecticut Attorney General with regard to the Investigation, and related proceedings and actions pertaining. USICG shall use its best efforts to ensure that all its officers, directors, employees, and agents also fully and promptly cooperate with the Connecticut Attorney General in the Investigation and related proceedings and actions. Cooperation shall include without limitation: a) USICG shall accept service of subpoena(s) and produce pursuant thereto any information and all documents or tangible evidence, including any compilations or summaries thereof, related to the Investigation and reasonably requested by the Connecticut Attorney General, subject only to the receipt of reasonable assurance of confidential treatment of such production and subject to any applicable privilege or work product protection; b) pursuant to a subpoena, having USICG 's officers, directors, employees and agents attend any proceedings at which the presence of any such persons is reasonably requested by the Connecticut Attorney General and having such persons answer any and all related inquiries, subject to any applicable privilege or work product protection, that may be put to any of them by the Connecticut Attorney General (or any of the Attorney General's deputies, assistants or agents) ("proceedings" include but are not limited to any meetings, interviews, depositions, hearings, trial or other proceedings); c) in the event any document is withheld or redacted on grounds of privilege, a statement shall be submitted in writing by USICG indicating: (i) the type of document; (ii) the date of the document; (iii) the author and recipient of the document; (iv) the general subject matter of the document; (v) the

reason for withholding the document; and (vi) the Bates number or range of the withheld document: The Connecticut Attorney General may challenge such claim in any forum of its choice; and d) USICG shall not jeopardize the integrity of any aspect of the Connecticut Attorney General's Investigation by sharing or disclosing evidence, documents, or other information provided to USICG by the Connecticut Attorney General during the course of the Investigation, without the consent of the Connecticut Attorney General. Nothing herein shall prevent USICG from providing such evidence, documents or other information to other regulators, or as otherwise required by law.

2. USICG shall comply fully with the terms of this Agreement. If USICG violates the terms of paragraph C1 in any material respect, as determined solely by the Connecticut Attorney General, the Connecticut Attorney General may pursue any action against USICG for any violation or wrongdoing USICG has committed, as authorized by law, without limitation.

D. OTHER PROVISIONS

1. The provisions of this Agreement shall apply only to USICG's SPGA line of business and shall apply only where: a) the client or customer resides in the United States or its territories; or b) the SPGA contract is principally associated with providing retirement benefits to residents of the United States or its territories.

2. USICG shall not seek or accept, directly or indirectly, indemnification pursuant to any insurance policy, with regard to any or all of the amounts payable pursuant to this Agreement.

3. The Connecticut Attorney General agrees that any prior approval required under the terms of this Agreement shall not be unreasonably withheld or delayed.

4. The Agreement is not intended to disqualify USICG, or any current employees of USICG, from engaging in any business in Connecticut or in any other jurisdiction. Nothing in this Agreement shall relieve USICG's obligations imposed by any applicable state insurance law or regulations or other applicable law.

5. This Agreement shall not confer any rights upon any persons or entities besides the Connecticut Attorney General and USICG, its subsidiaries, and its parents USI Insurance Services LLC (formerly USI Services Corp.), USI Holdings Corporation, Compass Acquisition Holdings Corp., and Compass Investors, Inc. This Agreement shall not in any way release or discharge any persons or entities other than USICG, its subsidiaries, its parents USI Insurance Services LLC (formerly USI Services Corp.), USI Holdings Corporation, Compass Acquisition Holdings Corp., and Compass Investors, Inc., and any of their present or former officers, directors or employees, of any claims by the Connecticut Attorney General related to the Investigation.

6. USICG shall maintain custody of, or make arrangements to have maintained, all documents and records of USICG related to the Investigation for a period of not less than six years.

7. The Connecticut Attorney General agrees, covenants and acknowledges that, subject to the obligations of USICG as set forth in this Agreement, the Connecticut Attorney General will not initiate, maintain or otherwise bring any complaints, claims, causes of action or other legal proceedings, in law or in equity, against USICG, or any of its present or former officers, directors or employees, with respect to USICG's SPGA line of business based on the underlying conduct giving rise to the allegations raised in this Investigation and taking place prior to the date of this Agreement.

8. The Connecticut Attorney General may make such applications as appropriate to enforce or interpret the provisions of this Agreement, or in the alternative, maintain any actions for such other and further relief as the Connecticut Attorney General may determine is proper and necessary for the enforcement of this Agreement. USICG recognizes that the Connecticut Attorney General's remedy at law regarding enforcement of this Agreement is inadequate and agrees that the Connecticut Superior Court has the authority specifically to enforce the provisions of this Agreement, including the authority to award equitable relief.

9. If USICG claims that its compliance with paragraphs B.2-4 of this Agreement is impracticable, USICG reserves the right to (a) make a request to the Connecticut Attorney General to modify this Agreement, which request may be granted or denied in the Connecticut Attorney General's reasonable discretion or, (b) after eight (8) years have passed after the date of this Agreement, , and with thirty (30) days written notice to the Connecticut Attorney General, USICG may seek from an appropriate court a modification of paragraphs B.2-4.

10. In any application or in any such action, facsimile transmission of a copy of any subpoena or complaint to the Chief Executive Officer of USICG shall be good and sufficient service on USICG unless USICG designates in writing to the Connecticut Attorney General another person to receive service by facsimile transmission.

11. This Agreement shall be governed by the laws of the State of Connecticut without regard to conflict of laws principles.

12. Any disputes arising out of or related to this Agreement shall be subject to the exclusive jurisdiction of the Superior Court for the Judicial District of Hartford, or to the extent federal jurisdiction exists, the United States District Court for the District of Connecticut.

13. This Agreement may be modified by mutual written agreement of the Parties.

14. This Agreement may be executed in counterparts.

WHEREFORE, the following, signatures are affixed hereto this March 4, 2009.

RICHARD BLUMENTHAL



Attorney General of the State of Connecticut
55 Elm Street, PO Box 120
Hartford, CT 06141-0120

USI CONSULTING GROUP, INC.

James Kinney
President and Chief Executive Officer
95 Glastonbury Boulevard
Glastonbury, CT 06033

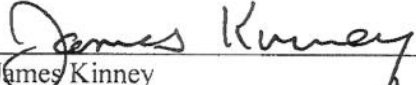
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WHEREFORE, the following, signatures are affixed hereto this March 4, 2009.

RICHARD BLUMENTHAL

Attorney General of the State of Connecticut
55 Elm Street, PO Box 120
Hartford, CT 06141-0120

USI CONSULTING GROUP, INC.


James Kinney
President and Chief Executive Officer
95 Glastonbury Boulevard
Glastonbury, CT 06033