

EXHIBIT 3

**AGREEMENT AND PLAN OF REHABILITATION
FOR
GOLDEN STATE MUTUAL LIFE INSURANCE COMPANY**

By and between
Insurance Commissioner of the State of California in his Statutory Capacity as Conservator
of Golden State Mutual Life Insurance Company, In Conservation
and
IA American Life Insurance Company

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List of Exhibits

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- Exhibit 1.23: Service Agreement
- Exhibit 1.24: Closing Schedule of Transferred Assets
- Exhibit 3.4: Service Expense Allowance
- Exhibit 14.1.4: Reconciliation Schedule
- Exhibit 14.1.5: Form of Interim Reinsurance Agreement

**AGREEMENT AND PLAN OF REHABILITATION
FOR
GOLDEN STATE MUTUAL LIFE INSURANCE COMPANY**

This AGREEMENT AND PLAN OF REHABILITATION FOR GOLDEN STATE MUTUAL LIFE INSURANCE COMPANY (“Agreement”), entered into on May 7, 2010 (the “Contract Date”), is by and between the Insurance Commissioner of the State of California in his Statutory Capacity as Conservator (hereinafter, “Conservator”) of Golden State Mutual Life Insurance Company, in Conservation (hereinafter, “Golden State”) and IA American Life Insurance Company (hereinafter, “IA American”).

RECITALS

WHEREAS, Golden State is a mutual life insurance company duly organized and existing under and by virtue of the laws of the State of California, with its principal place of business and home office located at 1999 West Adams Boulevard, Los Angeles, California 90018-3514. Golden State was authorized to and did transact the business of life, health and disability insurance and had in force life, health and disability insurance policies. Those lines of business and policies are the subject of this Agreement.

WHEREAS, IA American is an insurance company duly organized and existing under and by virtue of the laws of the State of Georgia, with its principal place of business and home office located at 17550 N. Perimeter Drive, Suite 210, Scottsdale, Arizona 85255-0131.

WHEREAS, on September 30, 2009, in Los Angeles Superior Court Case No. BS123005, the Los Angeles Superior Court (“Conservation Court”) entered an Order Appointing Conservator and Restraining Order (“Conservation Order”), which appointed the Insurance Commissioner as conservator of Golden State.

WHEREAS, the Conservator conducted a national solicitation process for the appropriate rehabilitation of Golden State’s policy liabilities. IA American submitted a bid to reinsure all of Golden State’s in-force policies and made the required \$25,000 bid deposit to Golden State. IA American was selected as the bidder with whom the Conservator began negotiations for the rehabilitation agreement and plan set forth in this agreement.

WHEREAS, the Conservator will submit to the Conservation Court this plan of rehabilitation for Golden State which will allow for the assumption reinsurance by IA American of specified in force insurance policies and for the subsequent winding up of the affairs of Golden State.

OVERVIEW OF THE AGREEMENT AND PLAN OF REHABILITATION

The plan of rehabilitation for Golden State shall be facilitated in part through an assumption reinsurance transaction based upon the Conservation Court’s approval. Assuming all court and regulatory approvals are achieved by the Closing Date, IA American shall close an Assumption Reinsurance Agreement with the Conservator. Under the Assumption Reinsurance Agreement, the specified policyholders of Golden State, inforce as of the Effective Date, will

become policyholders of IA American under an express assumption of their policies as modified by the Assumption Endorsement, which shall be approved by the Conservation Court. The Conservator shall transfer to IA American specified assets, in connection with the Assumption Reinsurance Agreement, less a \$11 million ceding commission. The specified policyholders' policy claims for contractual insurance policy benefits shall be deemed satisfied by the assumption.

Those assets not transferred by the Conservator to IA American shall remain with the conservation estate of Golden State. All claims of any kind or nature, other than the Policy Liabilities as defined herein, including, without limitation, all claims under California Insurance Code § 1033, priorities 3 through 9, shall be made and administered against Golden State through and in accordance with the Insurance Code § 1011 *et seq.* proof of claim process. Following the closing of the transaction with IA American, it is likely that further orders of conservation and/or liquidation will be requested for Golden State, and a proof of claims process established in accordance with California Insurance Code § 1011 *et seq.*

All of the Golden State's policyholders, in force as of the Effective Date, will thus be transferred to IA American, as a benefit to Golden State and its policyholders and creditors. The non-transferred assets and liabilities will be distributed and maintained in accordance with California Insurance Code 1011 *et seq.*

AGREEMENT AND PLAN OF REHABILITATION

In consideration of the mutual covenants set forth in this Agreement, the parties set forth above enter into the following Agreement as follows:

1. DEFINITIONS

The following terms have the meanings set forth below:

1.1 Accounting Procedure. Accounting Procedure means the procedure for resolving certain disputes as set forth in Sections 5 and 11 of the Assumption Reinsurance Agreement.

1.2 Administration Transfer Date. Administration Transfer Date means the date that Golden State has completed the transfer of its administration of Policies to IA American.

1.3 Agreement. Agreement means this Agreement and Plan of Rehabilitation for Golden State Mutual Life Insurance Company.

1.4 Assumption Endorsement. Assumption Endorsement means the endorsement by which IA American shall assume the Policies to effectuate the Reinsurance Assumption Agreement. The Assumption Endorsement shall be approved by the Conservation Court.

1.5 Assumption Reinsurance Agreement. Assumption Reinsurance Agreement means the Assumption Reinsurance Agreement to be entered into by the Parties simultaneously with this Agreement and attached hereto as Exhibit 1.5.

1.6 Ceding Commission. Ceding Commission equals \$11 million to be credited to Golden State from IA American.

1.7 Closing. Closing means the consummation of the transactions provided for in this Agreement to occur on the Closing Date.

1.8 Closing Date. Closing Date means the date on which the Closing occurs and shall take place no later than 65 days after the date the Conservation Court approves this Agreement.

1.9 Conservation Court. Conservation Court means the Los Angeles Superior Court Case No. BS123005, which has jurisdiction over the conservation of Golden State Mutual Life Insurance Company, in Conservation.

1.10 Conservation Order. Conservation Order means the Order Appointing Conservator and Restraining Order entered by the Conservation Court with respect to Golden State.

1.11 Conservation Order Date. Conservation Order Date means the date on which the Conservation Order was entered by the Conservation Court on or about September 30, 2009.

1.12 Contract Date. The Contract Date is the date that appears in the introductory paragraph of this Agreement.

1.13 Effective Date. The Effective Date for this Agreement shall be January 1, 2010.

1.14 Final. Final as related to the Conservation Court's approval of this Agreement shall mean that all appeals have been resolved and that the time for appeal of the Conservation Court's approval of this Agreement has expired.

1.15 Golden State. Golden State means Golden State Mutual Life Insurance Company, in Conservation.

1.16 IA American. IA American means IA American Life Insurance Company.

1.17 Included Treaties. Included Treaties means the ceded reinsurance contracts, agreements and treaties to which Golden State is a party related to the Policies that are being transferred to IA American as part of this Agreement as specified in the Assumption Reinsurance Agreement. The list of these contracts shall be attached as Exhibit 2.5 to the Assumption Reinsurance Agreement.

1.18 Party or Parties. Party or Parties means the Conservator and IA American.

1.19 Policy or Policies. Policy or Policies means Golden State's specified in-force policies as of the Effective Date, issued or directly assumed by Golden State. A list of the Policies shall be attached to the Assumption Reinsurance Agreement as Exhibit 1.19. For avoidance of doubt, the Exhibit 1.19 list of Policies is a best effort at listing the Policies, but does not limit the inclusion of Policies contemplated to be included in this Agreement.

1.20 Policy Liabilities. Policy Liabilities include those contractual liabilities and obligations concerning the Policies as written in the Policy contracts to the extent assumed in the Assumption Endorsement. For avoidance of doubt, the Assumption Endorsement contains language concerning dividends different from the language set forth in the Policies concerning dividends. The Assumption Endorsement shall govern IA American's obligations concerning Policy dividends. The reserves related to Policy Liabilities are listed in Exhibit 1.20 attached to the Assumption Reinsurance Agreement. The Parties contemplate further identifying these liabilities in a schedule to be exchanged at Closing.

1.21 Rehabilitation Plan Approval Order. Rehabilitation Plan Approval Order shall mean the entry by the Conservation Court of a final order approving the rehabilitation plan which authorizes the Conservator to enter into and consummate this Agreement.

1.22 Service Expenses. Service Expenses mean fees and expenses incurred in the performance of administrative services on the Policies performed in accordance with the Service Agreement to be entered into by the Parties simultaneously with this Agreement.

1.23 Service Agreement. Service Agreement means the Service Agreement to be entered into by the Parties. The Service Agreement shall be attached hereto as Exhibit 1.23.

1.24 Transferred Assets. Transferred Assets means assets of Golden State set forth in Exhibit 1.24.

2. CLOSING AND CONDITIONS PRECEDENT TO CLOSING

2.1 Closing Date and Location. The Closing shall be held on the Closing Date at the law firm Epstein, Turner & Song, located at 777 S. Figueroa Street, Suite 4950, Los Angeles, CA 90017, Telephone: (213) 861-7487.

2.2 Conditions Precedent to Closing. The respective obligations of the Conservator and of IA American are subject to the following conditions precedent to Closing for the benefit of both Parties:

2.2.1 Conservation Court Approval. This Agreement, the Assumption Reinsurance Agreement, the Assumption Endorsement, the Service Agreement and all related agreements concerning the transactions contemplated by these agreements shall have been approved by the Conservation Court and an Order or Orders approving said agreements shall be entered with the Conservation Court and be Final. The Order or Orders shall contain language satisfactory to both the Conservator and IA American that (1) the transactions are authorized; (2) the transactions, when consummated, shall be enforceable; (3) the transactions are fair to the policyholders and creditors of Golden State; (4) the form of this Agreement, the Assumption Reinsurance Agreement, the Assumption Endorsement, the Service Agreement and all related agreements concerning the transactions contemplated by these agreements, are approved; and (5) the Policy Liabilities may be assumed and transferred to IA American, such that, upon Closing of this Agreement and all related agreements, the Policies shall be assumed by IA American and the policyholders of said Policies shall have no further policy claim against Golden State for Policy Liabilities, other than any California Insurance Code § 1033 priority 9 equity ownership

rights, if any, as mutual policyholders. Said agreements shall be null and void without said Order or Orders entered by the Conservation Court approving said agreements.

2.2.2 Governmental Approval. The California Department of Insurance and any other necessary governmental agencies shall have approved the consummation of the transactions set forth in this Agreement, the Assumption Reinsurance Agreement, the Assumption Endorsement, the Service Agreement and all related agreements concerning the transactions contemplated by these agreements, as well as all necessary policy forms.

2.2.3 Obtaining IA American Approvals. IA American shall have obtained all necessary internal approvals regarding consummation of the transactions set forth in this Agreement, the Assumption Reinsurance Agreement, the Assumption Endorsement, the Service Agreement and all related agreements concerning the transactions contemplated by these agreements.

2.2.4 Reinsurance Trust Agreement with Mutual Of Detroit Insurance Company. IA American will have executed a reinsurance trust agreement with Mutual of Detroit Insurance Company related to the Coinsurance Agreement by and between Golden State and Mutual of Detroit Insurance Company effective on December 1, 2006.

2.2.5 Environmental Liability Coverage. IA American will have obtained environmental liability coverage satisfactory to IA American related to the mortgage loan portfolio assets that are included in the specified Transferred Assets.

2.2.6 Obtaining of Permit for Transactions. The Parties shall have obtained all permits, if any, necessary to consummate the transactions contemplated by this Agreement, the Assumption Reinsurance Agreement, the Assumption Endorsement, the Service Agreement and all related agreements concerning the transactions contemplated by these agreements, in terms satisfactory to each Party in its sole discretion.

2.2.7 No Material Adverse Financial Condition Changes. There shall have been no material adverse changes affecting IA American's financial condition or ability to close this transaction and the agreements contemplated thereby.

2.2.8 Representations are True. All written representations, recitals and affirmations made in this Agreement by any Party shall be true and correct in all material respects as of the Closing Date as if made at the Closing, except for changes in the usual and ordinary course of business that, individually or in the aggregate, do not affect materially the financial condition, business or prospects of the Party that made the representation that has changed or would not have a material adverse effect on such Party's ability to perform its obligations under this Agreement. No Party may avoid its obligations under this Agreement by asserting that its own representations are not true and correct in all material respects as of the Closing Date.

2.2.9 No Non-Express Representations. Other than the express written representations, recitals and affirmations set forth in this Agreement, the Assumption Reinsurance Agreement, the Assumption Endorsement, the Service Agreement and any related agreements concerning the transactions contemplated by these agreements, by the Conservator

and/or Golden State, IA American acknowledges and agrees that the Conservator, his representatives and Golden State made no other representations, recitals or affirmations, written, oral or otherwise, upon which IA American relied upon in entering into this Agreement, the Assumption Reinsurance Agreement, the Assumption Endorsement, the Service Agreement and all related agreements concerning the transactions contemplated by these agreements, and that IA American performed its own independent and complete investigations and analyses of any and all facts, bases, representations, recitals and/or affirmations upon which IA American relied upon in entering into said agreements.

3. ASSUMPTION OF POLICY LIABILITIES

3.1 Assumption. The Parties entered into that Assumption Reinsurance Agreement which is attached to this Agreement as Exhibit 1.5 and is incorporated herein for all purposes. The Parties intend for the Assumption Reinsurance Agreement to provide for the assumption by IA American of the Policy Liabilities of Golden State as of the Effective Date, to the extent set forth in the Agreement, the Assumption Reinsurance Agreement and the Assumption Endorsement. In accordance with and restricted by the terms of that Assumption Reinsurance Agreement and the Assumption Endorsement, the Policy Liabilities regarding policyholders of Golden State shall be assumed by IA American. IA American shall credit the Ceding Commission to the Conservator in the amount and in the fashion as set forth in the Assumption Reinsurance Agreement. The Conservator shall transfer to IA American the Transferred Assets set forth on the Closing Schedule of Transferred Assets in the Assumption Reinsurance Agreement.

3.2 Roll Forward of Policy Liabilities. Policy Liabilities are valued as of the Effective Date. Any changes in Policy Liabilities on or after the Effective Date are the sole risk and responsibility of IA American, such that improvements in Policy Liabilities shall benefit IA American and deterioration in Policy Liabilities shall be to the detriment of IA American. The Conservator shall keep IA American informed on a monthly basis through Closing of all significant changes in and/or events affecting Policy Liabilities.

3.3 Policyholder Satisfaction. The assumption of Policy Liabilities by IA American shall be deemed a full satisfaction of any policyholder's claims against Golden State arising from Policy Liabilities of Golden State. Policyholders shall retain their rights, if any, as mutual owners of Golden State, so that if there are assets of Golden State remaining after all other creditors are paid, existing priority Class 8 claims of contribution certificate holders and policyholder rights as Class 9 equity holders of Golden State shall retain their respective claim priority rights, if any, in accordance with California Insurance Code § 1033.

3.4 Pre-Closing Servicing Expense Allowance. IA American shall pay to the Conservator the certain expense allowances from the Effective Date through the Closing Date for the servicing of the Policies and Policy Liabilities as set forth on Exhibit 3.4 hereto.

3.5 Post-Closing Servicing. The Conservator and IA American shall enter into a Service Agreement regarding the servicing of Golden State's Policies during the time period between the Closing Date and the Administration Transfer Date. The Service Agreement shall provide for the rights of the Parties after Closing.

3.6 Post-Closing General Agent Commissions. IA American shall be responsible for all general agent commissions which accrue as to the Policies and Policy Liabilities identified in Exhibit 1.19 of the Assumption Reinsurance Agreement, for the period after the Closing Date, including, without limitation, ordinary sales commissions, ordinary override commissions and funeral sales commissions.

4. NON-ASSUMPTION OF LIABILITIES OTHER THAN POLICY LIABILITIES

4.1 Non-Assumption. IA American assumes no liability, known or unknown, of any kind or nature, to any party, whether policyholder, creditor, or otherwise, other than its obligations to the Conservator as set forth herein and its obligations for Policy Liabilities as set forth in the Assumption Reinsurance Agreement and Assumption Endorsement. For purposes of clarity, and without meaning to limit the foregoing, IA American expressly does not assume any liabilities for tort claims, extra-contractual damages, general creditor claims, claims regarding participation in surplus or any claims other than those Policy Liabilities expressly assumed in the Assumption Reinsurance Agreement and as expressed in the Assumption Endorsement. IA American shall assume duties to the Conservator through this Agreement, the Assumption Reinsurance Agreement, Assumption Endorsement, the Service Agreement and such other ancillary agreements as the Parties may enter into between themselves. IA American shall at Closing assume the Policy Liabilities of Golden State to its policyholders as of the Effective Date. IA American shall assume no other liabilities of any kind or nature, to any creditor or other interested party. Nothing in this paragraph shall limit IA American's duties to its policyholders upon the policy assumption contemplated by the Assumption Reinsurance Agreement and the Assumption Endorsement as to matters which occur after the assumption.

4.2 Conservation Court Approval. The Conservator shall request the Conservation Court to include language in the Order or Orders approving this transaction which provides that IA American shall have no liabilities except as established by this Agreement, the Assumption Reinsurance Agreement, the Assumption Endorsement, the Service Agreement and any related agreements, and which invokes the Conservation Court's power under California Insurance Code § 1011 *et seq.* to enjoin any effort by any person or entity to assert such a claim.

5. PLAN OF REHABILITATION FOR NON-ASSUMED CLAIMS

5.1 Administration by the Estate. The Parties contemplate that IA American through the Assumption Reinsurance Agreement and the Assumption Endorsement shall assume the Policy Liabilities of Golden State. The remaining liabilities of Golden State shall remain with the conservation estate of Golden State and shall not be transferred in any way to IA American. The claims other than those Policy Liabilities assumed by IA American shall remain with Golden State's conservation estate and be subject to Insurance Code § 1011 *et seq.*

5.2 Administration of Remaining Assets. The Conservator contemplates that the assets of Golden State not transferred to IA American shall be held by the Conservator, that these assets shall be administered in accordance with California Insurance Code § 1011 *et seq.*, and that the Conservator shall have the option, but not the duty, subject to Conservation Court approval, to seek further orders of conservation and/or liquidation concerning Golden State. IA American makes no representations or warranties concerning this paragraph.

6. REPRESENTATIONS AND WARRANTIES

In addition to the representations and warranties elsewhere in this Agreement, the Parties make the following representations and warranties:

6.1 Conservator's Representations and Warranties. The Conservator represents and warrants as follows:

6.1.1 Status. The Conservator is the duly-elected Insurance Commissioner of the State of California appointed as Conservator of Golden State pursuant to the Conservation Order and acting solely in his capacity as Conservator of Golden State, and not individually.

6.1.2 Authority. The Conservator has the statutory authority to participate in this Agreement, the Assumption Reinsurance Agreement, the Assumption Endorsement, the Service Agreement and all related agreements concerning the transactions contemplated by these agreements, and has taken all actions necessary under his statutory authority to do so, subject to the conditions precedent set forth above.

6.1.3 Golden State. Golden State is a mutual insurance company duly organized and existing under and by virtue of the laws of the State of California and is an insurance company, in conservation proceedings, which underwrote the Policies.

6.1.4 Conservation Court Approval Required. The Conservator shall require Conservation Court to approve this Agreement, the Assumption Reinsurance Agreement, the Assumption Endorsement, and the Service Agreement in order to consummate this Agreement and the transactions herein.

6.1.5 Selection of IA American. The Conservator selected IA American as the party with whom to negotiate this Agreement after a bidding process.

6.1.6 Acknowledgement of Necessary Approvals. The Conservator acknowledges and agrees that this Agreement, the Assumption Reinsurance Agreement, the Assumption Endorsement, the Service Agreement and all related agreements concerning the transactions contemplated by these agreements, are subject to any necessary internal IA American approvals and that this Agreement is null and void without such approvals.

6.1.7 No Warranties Concerning Accuracy or Completeness of Records. Neither the Conservator, his representatives nor Golden State makes any warranty or representation that the books, records and/or other documents of Golden State which may be transferred to IA American may or shall be either accurate or complete.

6.2 IA American's Representations and Warranties. IA American represents and warrants as follows:

6.2.1 Corporate Existence and Good Standing. IA American represents that it is a corporation duly organized as a stock life insurance company validly existing and in good standing under the laws of the State of Georgia and domiciled in the State of Georgia, with

power and authority to conduct the business in which it is engaged, and has complete and unrestricted power to enter into and consummate this Agreement.

6.2.2 Power and Authority. IA American has all requisite power and authority to execute and deliver this Agreement, the Assumption Reinsurance Agreement, the Assumption Endorsement, the Service Agreement and all related agreements concerning the transactions contemplated by these agreements; to perform its obligations under said agreements; and to consummate the transactions contemplated by said agreements. The signatory for IA American below is authorized to execute this Agreement on behalf of IA American and binds IA American to the terms and conditions of this Agreement.

6.2.3 IA American Board of Directors Approval. IA American shall have obtained all necessary internal corporate approvals including, without limitation, approval by IA American's Board of Directors, to enter into and consummate this Agreement, the Assumption Reinsurance Agreement, the Assumption Endorsement, the Service Agreement and all related agreements concerning the transactions contemplated by these agreements.

6.2.4 Licensure. IA American holds valid licenses qualifying it to do life insurance business in the following States: California, Georgia, Illinois, Louisiana, Maryland, Michigan, Mississippi, Missouri, Nevada, North Carolina, Tennessee, Texas and District of Columbia.

6.2.5 Solvency. IA American is a solvent company not under any administrative or judicial supervision or limitation on its operations by any court or insurance supervisory official in any state. IA American further represents that it has delivered a true and correct copy of its 2009 Statutory Annual Statement to the Conservator and that no material adverse change in its financial condition has occurred since its 2009 Statutory Annual Statement and that it reasonably believes no materially adverse change as aforesaid is forthcoming.

6.2.6 Regulatory Approvals. IA American will obtain by Closing all regulatory approvals required to enter into and consummate this Agreement.

6.2.7 No Impediment. IA American is aware of no impediment, whether regulatory or contractual, to its entry into this Agreement.

6.2.8 Acknowledgement of Necessity of Conservation Court Approval. IA American acknowledges and agrees that this Agreement, the Assumption Reinsurance Agreement, the Assumption Reinsurance, the Service Agreement and all related agreements concerning the transactions contemplated by these agreements, are subject to approval by the Conservation Court and that this Agreement is null and void without the approval of the Conservation Court.

6.2.9 No Warranties Concerning Accuracy or Completeness of Records. IA American acknowledges that neither the Conservator, his representatives, nor Golden State has made any warranty or representation that the books, records and/or other documents of Golden State which may be transferred to IA American may or shall be either accurate or complete.

6.2.10 Non-Breach. IA American will not breach any agreement with any person or entity through entry into this Agreement or consummation of this Agreement.

6.2.11 Statements Accurate. The statements made in the bid submitted by IA American and in this Agreement are in all respects true and correct.

6.2.12 Waiver of Claims against Golden State. Except for claims arising out of this Agreement, IA American hereby waives and releases any claims it may have against the estate of Golden State.

7. LIABILITIES AND INDEMNITIES

7.1 Notice. The Conservator and IA American will notify each other promptly of any suit, action or claim of any kind brought against it with respect to any Policy, except no notice from IA American shall be required with respect to any suit or claim that is a routine claims-handling dispute in the ordinary course of business.

7.2 Indemnification by IA American. IA American agrees to save, defend, indemnify and hold the Conservator and his representatives, agents, employees and successors, and Golden State and its representatives, agents and employees, completely free and harmless against any and all loss, liability and expense, including without limitation attorneys' fees, expenses and costs of suit including expert fees and expenses, from any and all suits, actions and claims of any kind arising out of the Policies with respect to the Policy Liabilities and/or any action or omission of IA American, taken with respect to one or more Policies on or after the Closing Date, regardless of whether the action or omission complained of is attributable to IA American alone, the Conservator alone, Golden State alone, or jointly with IA American, the Conservator and/or Golden State. The Conservator and his representatives may retain its, his or their own counsel and participate and control the defense or settlement of its, his or their own acts or decisions arising after the Closing Date, related to the Policies with respect to the Policy Liabilities. IA American shall reimburse the Conservator and his representatives, agents, attorneys and other indemnified parties for the reasonable funds expended on this counsel. The payments of all fees, expenses, losses, liability, judgments and settlement agreements resulting from such suit, action and/or claim of any kind shall be the sole responsibility of IA American.

7.3 Indemnification from Conduct. IA American agrees to indemnify and hold the Conservator and his representatives, agents and successors harmless against any and all loss, liability and expense, including reasonable attorneys' fees and expenses including without limitation expert fees and expenses and court costs, which result from or arise out of any alleged and/or established negligent, dishonest, malicious, fraudulent or criminal acts by IA American, its employees or agents with respect to the Policy Liabilities.

7.4 No Indemnity or Contribution Against Conservator. In no event shall any Party have a right to damages, indemnity or contribution against the Conservator or his representatives, agents, deputies, employees or successors for their alleged or established negligent acts. This provision does not limit any Party's right to direct actual damages for breach of this Agreement, the Assumption Reinsurance Agreement, the Assumption Endorsement or the Service Agreement.

8. EMPLOYEES OF GOLDEN STATE

8.1 Employees. IA American may work with the Conservator to identify any employee of Golden State whom IA American wishes to hire to work for IA American. IA American shall not be obligated to hire any employee of Golden State.

9. TRANSFERRED ASSETS

9.1 Transferred Assets. Pursuant to the Assumption Reinsurance Agreement, and subject to the terms and conditions in that agreement and this Agreement, the Conservator shall cause, at Closing, Golden State to transfer those assets agreed to be transferred as Transferred Assets in the Assumption Reinsurance Agreement. The Transferred Assets will be listed in a document entitled Closing Schedule of Assets Transferred attached as Exhibit 1.24 to the Assumption Reinsurance Agreement, to be prepared by the parties for purposes of the Closing of the transaction. The policyholder and claims files for the insurance business of Golden State shall be transferred to IA American at the time of Closing.

9.2 Roll Forward of Transferred Assets and Interest Thereon. Transferred Assets are valued as of the Effective Date. Any changes in the valuation of Transferred Assets on or after the Effective Date are the sole risk and responsibility of IA American. Any interest income and/or cash flows on the Transferred Assets accruing after the Effective Date are the property of IA American and shall be transferred to IA American, such that improvements in Transferred Assets shall benefit IA American and deterioration in Transferred Assets shall be to the detriment of IA American. The Conservator shall keep IA American informed on a monthly basis through Closing of all significant changes in and/or events affecting the Transferred Assets and interest and cash flows thereon.

9.3 Application of \$25,000 Bid Deposit. The deposit of \$25,000 previously made by IA American to Golden State as part of IA American's bid submission will be (i) retained by Golden State if this Agreement is not consummated due to an act or omission within the control of IA American, or (ii) returned to IA American if the Agreement is not consummated due to an act or omission within the control of Golden State or the Conservator, or (iii) returned to IA American if the Agreement is not consummated due to the failure of a condition to Closing beyond the control of IA American, or (iv) applied to the Ceding Commission when the Agreement is consummated at Closing. All interest earned on the deposit will be retained by the Conservator to partially cover the expenses of the bid process.

10. RETENTION OF ASSETS

Asset Retention. The Parties recognize that pursuant to the Assumption Reinsurance Agreement and this Rehabilitation Agreement, the Conservator shall retain from Closing substantial assets of Golden State for the administration of the conservation of Golden State. Apart from the asset transfers set forth in the Assumption Reinsurance Agreement, IA American shall have no right or interest in the non-transferred assets.

11. CLAIMS BAR DATE AND FURTHER CONSERVATION COURT ORDERS

Claims Bar Date and Further Orders. The Conservator may petition the Conservation Court for a claims bar date and/or for further orders of conservation and/or liquidation concerning Golden State at any time.

12. JURISDICTION

12.1 Agreement Governed by California Law. This Agreement shall be governed and construed in accordance with the laws of the State of California, without giving effect to the principles of conflicts of law.

12.2 Consent to Jurisdiction of Conservation Court. Except as set forth in Sections 5 and 11 of the Assumption Reinsurance Agreement concerning Accounting Procedures and Accounting Procedures disputes, the Parties hereby consent to the exclusive jurisdiction of the Conservation Court to resolve any and all disputes as among the Parties which arise out of, or relate directly or indirectly, to the Agreement or the transactions contemplated hereby. In the event the Conservation Court is not available, the Parties hereby consent to the exclusive jurisdiction of the Los Angeles Superior Court to resolve any and all disputes as among them which arise out of, or relate directly or indirectly, to the Agreement or the transactions contemplated hereby. The Parties agree that service of process shall be effective if sent by certified or registered mail, return receipt requested, with signature required, to the address as shown in Article 13 of this Agreement. The Parties intend to grant the broadest possible exclusive jurisdiction to the Conservation Court. Notwithstanding the foregoing, any judgment against IA American may be enforced using the assistance of such courts as may be available to aid in the enforcement of judgments.

13. NOTICE

13.1 Any notice required or permitted to be given hereunder shall be deemed to be given if delivered by hand or if mailed by certified mail, postage prepaid and signature required, or by postal or a commercial express document delivery service which issues an individual delivery receipt to the following address:

13.1.1 If to IA American, to:

IA American Life Insurance Company
Attention: President
17550 N. Perimeter Drive, Suite 210
Scottsdale, AZ 85255-0131
Telephone: (480) 419-8986
Facsimile: (480) 563-0252

With a copy to:
IA American Life Insurance Company
Attention: Chief Legal Counsel, U.S. Operations
17550 N. Perimeter Drive, Suite 210
Scottsdale, AZ 85255-0131
Telephone: (480) 419-8986
Facsimile: (480) 563-0252

Alexander Law Firm, P.C.
Attention: Hugh Alexander
1580 Lincoln St., Suite 700
Denver CO 80203
Telephone: 303.825.7307
Facsimile: 303.825.3202

13.1.2 If to the Conservator and/or Golden State, to:

Conservation & Liquidation Office
Attn: Scott Pearce
P.O. Box 26894
San Francisco, CA 94126-0894
Telephone: (415) 676-2000
Facsimile: (415) 676-5002
With a copy to:

Michael R. Weiss, Esq.
Epstein, Turner & Song, APC
777 S. Figueroa Street, Suite 4950
Los Angeles, CA 90017
Telephone: (213) 861-7487
Facsimile: (213) 861-7488
mrw@etslaw.com

Marta L. Smith, Esq.
Deputy Attorney General
California Department of Justice
300 South Spring Street, Room 1702
Los Angeles, CA 90013
Telephone: (213) 897-2483
Facsimile: (213) 897-5775

13.2 Each person shall be responsible for notifying, in writing, the others promptly of any change in addressee or address.

14. DOCUMENTS TO BE EXCHANGED AT CLOSING

14.1 Exchange. The following documents shall be exchanged at Closing:

14.1.1 The Conservator shall provide the Closing Schedule of Assets Transferred.

14.1.2 The Conservator shall provide evidences of transfer of the Transferred Assets set forth on the Closing Schedule of Assets Transferred.

14.1.3 The Conservator shall provide a Closing Schedule of Policy Liabilities, reflecting that all Policy Liabilities have been transferred to IA American and providing the listing of the Policies and the required statutory reserves. The Parties agree that it is their mutual intention to transfer all Policy Liabilities. Accordingly, any inadvertent omissions from the Policies list in connection with the Closing Schedule of Policy Liabilities will not change the fact of their assumption by IA American.

14.1.4 The Parties shall mutually prepare and finalize at Closing a Reconciliation Schedule in the form attached hereto as Exhibit 14.1.4, in which the Parties account for the Transferred Assets, any cash flow and interest derived from the Transferred Assets, the liabilities related to the Policy Liabilities, and the Ceding Commission.

14.1.5 IA American shall provide documents evidencing approval by the Georgia Department of Insurance and the California Department of Insurance of IA American's entry into this transaction and the agreements contemplated thereby as well as all state regulatory approvals of the Assumption Endorsement to accomplish the policy assumption set forth in the Assumption Reinsurance Agreement. In the event regulatory approval for a state has not been attained as of the Closing Date, and both parties elect, in sole discretion of each party, to close the transaction without this regulatory approval, the parties shall enter into an Interim Reinsurance Agreement for the policyholders of such state in a form substantially similar to the agreement attached as Exhibit 14.1.5.

14.1.6 The Conservator shall provide a copy of the Rehabilitation Order and any evidence that this Rehabilitation Order is Final.

14.1.7 The Conservator shall provide a bill of sale transferring to IA American the policy files, reinsurance files and claims files as to the business assumed pursuant to the Assumption Reinsurance Agreement.

14.1.8 The Conservator shall provide an assignment of all rights under the Included Treaties.

15. GENERAL PROVISIONS

15.1 No Third Party Beneficiaries. Nothing in this Agreement is intended or shall be construed to give any person, other than the Parties, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision contained herein.

15.2 Entire Agreement. This Agreement and all other agreements contemplated hereby and thereby collectively constitute the entire agreement among the Parties with respect to the transactions contemplated hereby and supersede any prior agreements, term sheets, understandings, negotiations and discussions, whether oral or written, of the Parties.

15.3 Exhibits. All exhibits are hereby incorporated by reference into this Agreement as if they were set forth at length in the text of this Agreement.

15.4 Recitals. The recitals to this Agreement are hereby incorporated by reference into this Agreement as if they were set forth at length in the text of this Agreement.

15.5 Cooperation. The Parties agree that they will, from time to time, upon the request of any other Party and without further consideration, execute, acknowledge and deliver in proper form any further instruments and take such other action as another Party may reasonably require in order to carry out effectively the purposes of this Agreement.

15.6 Confidentiality. All non-public books, records, data and information (collectively the "Non-Public Information") furnished by one Party to another in connection with the transactions contemplated by this Agreement shall remain and be deemed to be the exclusive property of the Party furnishing the Non-Public Information unless and until the Closing occurs on the Closing Date and shall be held in the strictest of confidence by the other Party to the extent such information is not publicly available (other than Non-Public Information which has been published or been made publicly available by unauthorized disclosure of a Party) and shall not be used by such other Party for any purpose other than consideration of the transactions contemplated by this Agreement and for obtaining governmental consents and approvals for such transactions. In the event that the transactions contemplated by this Agreement are not consummated, each Party shall return all Non-Public Information in its possession which is deemed to be the exclusive property of any other Party, together with all copies thereof, and shall continue to hold such Non-Public Information in strict confidence and not use such Non-Public Information for any purpose whatsoever except as required by law.

15.7 Statutory Obligations. Except as expressly stated herein, nothing stated in this Agreement shall be deemed to limit, expand, enlarge, or otherwise modify the Conservator's statutory obligations, or to expand or enlarge any person's interest in or to the assets of Golden State, or to waive any defenses which any Party may now have or in the future have.

15.8 Severability. If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be declared invalid or unenforceable by the Conservation Court or other court of competent jurisdiction, the remainder of this Agreement or the application of such terms or provisions to persons or circumstances other than those as to which it has held invalid or unenforceable, shall remain in full force and effect.

15.9 Express Terms. This Agreement shall be construed in accordance with its express terms and not its implied terms. Captions, paragraph and section headings appearing in this Agreement shall be used only for convenience in identifying the material terms and provisions of the Agreement and shall not be construed to express any other intent. Words used herein, regardless of the number and gender specifically used, shall be deemed and construed to include any other number, singular or plural, and any other gender as the context require.

15.10 No Construction Against a Party. This Agreement has been structured, approved and jointly drafted by all the Parties hereto and, for purposes of interpreting its terms, shall not be construed against any Party as the principal draftsman hereof.

15.11 Expenses and Brokers. Each Party shall pay its own expenses in connection with this Agreement including without limitation expenses and/or obligations owed to any broker or other person or entity for a broker's commission. IA American has retained the services of Fletcher Financial, Overland Park, Kansas and represents that it is responsible for any fees which are owned this entity. Each Party agrees to indemnify and hold the other Party and his representatives, agents and successors harmless against any and all loss, liability and expense, including reasonable attorneys' fees and expenses including without limitation expert fees and expenses and court costs, which result from or arise out of any alleged and/or established expenses and/or obligations by the other Party for a broker's commission.

15.12 Waivers and Amendments; Non-Contractual Remedies; Preservation of Remedies. This Agreement may be amended, superseded, canceled, renewed or extended, and the terms hereof may be waived, only by a written instrument signed by each of the Parties or, in the case of a waiver, by the Party waiving compliance. 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, remedy or privilege, nor any single or partial exercise of any such right, power, remedy or privilege, preclude any further exercise thereof or the exercise of any other such right, remedy, power or privilege. The rights and remedies herein provided are cumulative. Such rights and remedies are not exclusive of any rights or remedies that any Party may otherwise have at law or in equity, unless, and then only to the extent that, any such rights or remedies have been expressly limited under the Agreement.

15.13 Assignment. The rights, liabilities and obligations of any Party under this Agreement shall not be assigned, transferred or delegated to a person or entity who is not a Party to this Agreement without the prior written consent of the other Party.

15.14 Intent and Parol Evidence. The Parties intend this Agreement, the Assumption Reinsurance Agreement, the Service Agreement and any related agreements, to be an integrated plan for the rehabilitation of Golden State. Parol evidence shall not be appropriate to construe these agreements absent an ambiguity. In the event that parol evidence must be received, it is the Parties' intention in entering this Agreement that the policyholders of Golden State shall have their policies assumed by IA American, such that the policyholders no longer have policy claims against Golden State or the Conservator. The Parties further intend that IA American shall assume only those contractual Policy Liabilities, and no other liabilities of any kind or nature, other than the obligations to the Conservator set forth in said agreements.

15.15 Counterparts. This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall be deemed to be an original and all of which counterparts when taken together shall constitute but one and the same instrument.

15.16 Liability of the Conservator. The Conservator is a Party to this Agreement only in his representative capacity as Conservator, and not individually, and the Parties hereto agree and acknowledge that the Conservator and any Special Deputy Insurance Commissioner executing this Agreement shall not have any personal liability for any matters or obligations

hereunder, and further that the California Insurance Commissioner and the State of California are not parties to this Agreement and shall have no liability with respect thereto.

15.17 Other Agreements, Exhibits and Schedules. This Agreement, and each of the other agreements contemplated hereby and thereby, and the exhibits and schedules to any of the agreements are a part of this Agreement as if fully set forth herein. All references herein to articles, sections, subsections, paragraphs, subparagraphs, clauses, exhibits and schedules shall be deemed references to such parts of this Agreement, unless the context shall require otherwise.

15.18 Honorable Undertaking. This Agreement, Assumption Reinsurance Agreement, Service Agreement and the related agreements are an honorable undertaking of the Parties, the good faith of each of which shall be presumed in the absence of clear evidence to the contrary. Said agreements represent the Parties' joint drafting efforts and no presumption shall be made that ambiguities should be construed in favor of, or against, any of them. Disputes arising under said agreements shall be presumed to be the result of good faith disagreements and no statutory, punitive or exemplary damages shall be recoverable in the absence of a finding by a court of competent jurisdiction of gross negligence, actual fraud or intentional misrepresentation.

15.19 Disclaimer of Warranties. THE CONSERVATOR DISCLAIMS ANY AND ALL WARRANTIES AND REPRESENTATIONS NOT EXPRESSLY SET FORTH IN THIS AGREEMENT, THE ASSUMPTION REINSURANCE AGREEMENT, THE ASSUMPTION ENDORSEMENT, THE SERVICE AGREEMENT OR THEIR EXHIBITS, INCLUDING WITHOUT LIMITATION, THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR PURPOSE OF ANY ASSETS TRANSFERRED HEREON. ALL ASSETS TRANSFERRED HEREUNDER ARE TRANSFERRED "AS IS".

15.20 Non-reliance. IA AMERICAN ENTERS INTO THIS TRANSACTION AT ITS OWN RISK AND EXPENSE, AFTER DOING ITS OWN DUE DILIGENCE, WITHOUT ANY RIGHT TO RELY UPON ANY REPRESENTATION OR WARRANTY NOT EXPRESSLY CONTAINED IN THIS AGREEMENT. IA AMERICAN ASSUMES THE RISKS OF THE ASSETS AND LIABILITIES TRANSFERRED HEREIN. THE CONSERVATOR RELIES ONLY UPON THE REPRESENTATIONS AND WARRANTIES MADE BY IA AMERICAN IN THIS AGREEMENT AND IN ITS BID.

15.21 Limitation of Damages. IA AMERICAN MAY NOT RECOVER ANY SPECIAL OR CONSEQUENTIAL DAMAGES FOR BREACH OF THIS AGREEMENT. TO THE GREATEST EXTENT PERMITTED BY LAW, IA AMERICAN WAIVES AND RELEASES THE CONSERVATOR, THE CALIFORNIA INSURANCE COMMISSIONER AND THE SPECIAL DEPUTY INSURANCE COMMISSIONER, AND THEIR RESPECTIVE REPRESENTATIVES, AGENTS EMPLOYEES AND SUCCESSORS, FROM ANY CLAIM THAT THEY, INDIVIDUALLY OR JOINTLY, HAVE MADE ANY REPRESENTATION, OMISSION OR WARRANTY TO INDUCE EXECUTION OF THIS AGREEMENT. THIS PROVISION DOES NOT LIMIT ANY PARTY'S RIGHT TO DIRECT ACTUAL DAMAGES FOR BREACH OF THIS AGREEMENT, THE ASSUMPTION REINSURANCE AGREEMENT, THE ASSUMPTION ENDORSEMENT OR THE SERVICE AGREEMENT.

IN WITNESS WHEREOF, the Parties have caused their duly authorized representatives to execute this Agreement on the date noted below.

~~INSURANCE COMMISSIONER OF THE STATE OF CALIFORNIA IN HIS STATUTORY
CAPACITY AS CONSERVATOR OF GOLDEN STATE MUTUAL LIFE INSURANCE
COMPANY, AND NOT INDIVIDUALLY~~

By: David E. Wilson Date: May 7, 2010
David E. Wilson, Special Deputy Insurance Commissioner, and not individually

ASSUMING INSURER: IA AMERICAN LIFE INSURANCE COMPANY

By: Patrik Guindon Date: May 7th, 2010
Title: Vice President, Corporate Development

EXHIBIT 1.5: ASSUMPTION REINSURANCE AGREEMENT

ASSUMPTION REINSURANCE AGREEMENT

By and between
Insurance Commissioner of the State of California in his Statutory Capacity as Conservator
of Golden State Mutual Life Insurance Company, In Conservation
and
IA American Life Insurance Company

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Exhibit 1.24: Closing Schedule Of Transferred Assets

Exhibit 2.1.4: Assumption Endorsement Certificate

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ASSUMPTION REINSURANCE AGREEMENT

This ASSUMPTION REINSURANCE AGREEMENT (“Agreement”), entered into on May 7, 2010 (the “Contract Date”), is by and between the Insurance Commissioner of the State of California in his Statutory Capacity as Conservator (hereinafter, “Conservator”) of Golden State Mutual Life Insurance Company, in Conservation (hereinafter, “Golden State”) and IA American Life Insurance Company (hereinafter, “IA American”).

RECITALS

WHEREAS, Golden State is a mutual life insurance company duly organized and existing under and by virtue of the laws of the State of California, with its principal place of business and home office located at 1999 West Adams Boulevard, Los Angeles, California 90018-3514. Golden State was authorized to and did transact the business of life, health and disability insurance and had in force life, health and disability insurance policies. Those lines of business and policies are the subject of this Agreement.

WHEREAS, IA American is an insurance company duly organized and existing under and by virtue of the laws of the State of Georgia, with its principal place of business and home office located at 17550 N. Perimeter Drive, Suite 210, Scottsdale, Arizona 85255-0131.

WHEREAS, on September 30, 2009, in Los Angeles Superior Court Case No. BS123005, the Los Angeles Superior Court (“Conservation Court”) entered an Order Appointing Conservator and Restraining Order (“Conservation Order”), which appointed the Insurance Commissioner as conservator of Golden State.

WHEREAS, the Conservator conducted a national solicitation process for the appropriate rehabilitation of Golden State’s policy liabilities. IA American submitted a bid to reinsure all of Golden State’s in-force policies and made the required \$25,000 bid deposit to Golden State. IA American was selected as the bidder with whom the Conservator began negotiations for the assumption reinsurance agreement set forth in this agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants set forth in this Agreement, the parties set forth above enter into the following Agreement as follows:

1. DEFINITIONS

The following terms have the meanings set forth below:

1.1 Accounting Procedure. Accounting Procedure means the procedure for resolving certain disputes as set forth in Sections 5 and 11 hereof.

1.2 Administration Transfer Date. Administration Transfer Date means the date that Golden State has completed the transfer of its administration of Policies to IA American.

- 1.3 Agreement. Agreement means this Assumption Reinsurance Agreement.
- 1.4 Assumption Endorsement. Assumption Endorsement means the endorsement by which IA American shall assume the Policies to effectuate the Assumption Reinsurance Agreement. The Assumption Endorsement shall be approved by the Conservation Court.
- 1.5 Rehabilitation Agreement. Rehabilitation Agreement means the Agreement and Plan of Rehabilitation for Golden State Mutual Life Insurance Company to be entered into by the Parties simultaneously with this Agreement.
- 1.6 Ceding Commission. Ceding Commission equals \$11 million to be credited to Golden State from IA American.
- 1.7 Closing. Closing means the consummation of the transactions provided for in this Agreement to occur on the Closing Date.
- 1.8 Closing Date. Closing Date means the date on which the Closing occurs and shall take place no later than 65 days after the date the Conservation Court approves this Agreement.
- 1.9 Conservation Court. Conservation Court means the Los Angeles Superior Court Case No. BS123005, which has jurisdiction over the conservation of Golden State Mutual Life Insurance Company, in Conservation.
- 1.10 Conservation Order. Conservation Order means the Order Appointing Conservator and Restraining Order entered by the Conservation Court with respect to Golden State.
- 1.11 Conservation Order Date. Conservation Order Date means the date on which the Conservation Order was entered by the Conservation Court on or about September 30, 2009.
- 1.12 Contract Date. The Contract Date is the date that appears in the introductory paragraph of this Agreement.
- 1.13 Effective Date. The Effective Date for this Agreement shall be January 1, 2010.
- 1.14 Final. Final as related to the Conservation Court's approval of this Agreement shall mean that all appeals have been resolved and that the time for appeal of the Conservation Court's approval of this Agreement has expired.
- 1.15 Golden State. Golden State means Golden State Mutual Life Insurance Company, in Conservation.
- 1.16 IA American. IA American means IA American Life Insurance Company.
- 1.17 Included Treaties. Included Treaties means the ceded reinsurance contracts, agreements and treaties to which Golden State is a party related to the Policies that are being

transferred to IA American as part of this Agreement as specified in the Assumption Reinsurance Agreement. The list of these contracts shall be attached as Exhibit 2.5 hereto.

1.18 Party or Parties. Party or Parties means the Conservator and IA American.

1.19 Policy or Policies. Policy or Policies means Golden State's specified in-force policies as of the Effective Date, issued or directly assumed by Golden State. A list of the Policies shall be attached to this Agreement as Exhibit 1.19. For avoidance of doubt, the Exhibit 1.19 list of Policies is a best effort at listing the Policies, but does not limit the inclusion of Policies contemplated to be included in this Agreement.

1.20 Policy Liabilities. Policy Liabilities include those contractual liabilities and obligations concerning the Policies as written in the Policy contracts to the extent assumed in the Assumption Endorsement. For avoidance of doubt, the Assumption Endorsement contains language concerning dividends different from the language set forth in the Policies concerning dividends. The Assumption Endorsement shall govern IA American's obligations concerning Policy dividends. The reserves related to Policy Liabilities are listed in Exhibit 1.20 attached to this Agreement. The Parties contemplate further identifying these liabilities in a schedule to be exchanged at Closing.

1.21 Rehabilitation Plan Approval Order. Rehabilitation Plan Approval Order shall mean the entry by the Conservation Court of a final order approving the rehabilitation plan which authorizes the Conservator to enter into and consummate this Agreement.

1.22 Service Expenses. Service Expenses mean fees and expenses incurred in the performance of administrative services on the Policies performed in accordance with the Service Agreement to be entered into by the Parties simultaneously with this Agreement.

1.23 Service Agreement. Service Agreement means the Service Agreement to be entered into by the Parties. The Service Agreement shall be attached hereto as Exhibit 1.23.

1.24 Transferred Assets. Transferred Assets means assets of Golden State set forth in Exhibit 1.24.

2. ASSUMPTION OF POLICIES

2.1 Policies

2.1.1 Conservator on behalf of Golden State. Subject to the terms and conditions of this Agreement, by virtue of the Conservation Order, the Rehabilitation Plan Approval Order and pursuant to his statutory authority, the Conservator on behalf of Golden State transfers, cedes and assigns to IA American as of the Effective Date all of Golden State's rights under the Policies and the Policy Liabilities to the extent set forth in the Assumption Endorsement.

2.1.2 IA American Assumption. Subject to the terms and conditions of this Agreement and the Rehabilitation Plan Approval Order, IA American reinsures and assumes

effective as of 12:01 a.m. on the Effective Date, the Policies, and all rights, privileges, prerogatives, liabilities and obligations related to the Policy Liabilities to the extent set forth in the Assumption Endorsement and with the same effect as if IA American had issued the Policies directly.

2.1.3 Roll Forward of Policy Liabilities. Policy Liabilities are valued as of the Effective Date. Any changes in Policy Liabilities on or after the Effective Date are the sole risk and responsibility of IA American, such that improvements in Policy Liabilities shall benefit IA American and deterioration in Policy Liabilities shall be to the detriment of IA American. The Conservator shall keep IA American informed on a monthly basis through Closing of all significant changes in and events affecting Policy Liabilities.

2.1.4 Assumption Endorsement. As soon as possible after the Closing Date, IA American shall deliver an Assumption Endorsement to policyholders of the Policies substantially in the form of Exhibit 2.1.4 which will have been approved by the Conservator, the Conservation Court, and all necessary regulatory authorities.

2.2 Same Terms and Conditions. Except as set forth in the Assumption Endorsement, all Policies assumed by IA American shall be subject in all respects to the same terms and conditions of the policies and contracts as issued by Golden State. Notwithstanding anything to the contrary contained herein, IA American does not assume and shall not be liable for any liabilities that are not claims based on or arise out of the contractual terms of the Policies and/or the terms and/or provisions thereof. IA American shall accept and assume the Policies subject to all defenses, set-offs and counterclaims to which Golden State would be entitled with respect to such Policies. It is expressly understood and agreed by the Parties that no such defenses, set-offs or counterclaims are waived by the execution of this Agreement, and that on the Effective Date IA American shall be fully subrogated to all such defenses, set-offs and counterclaims (all of which defenses, set-offs and counterclaims may also be asserted by the Conservator and/or Golden State with respect to any claims that may be asserted against them). IA American shall not assume any extra-contractual claims which policyholders of Golden State may have against Golden State, including without limitation, any claims for tort, statutory violation, or any loss or liability in excess of the stated benefits and contractual rights under the Policies. Nothing in this paragraph shall limit IA American's duties to its policyholders upon the policy assumption contemplated by this Agreement as to matters which occur after the assumption.

2.3 Reinstatement. IA American agrees to reinstate any Policy which on the Effective Date by its terms was entitled to reinstatement, provided that all requirements necessary to procure reinstatement of such a policy under its terms are fulfilled to the satisfaction of IA American which shall not be unreasonably withheld. Upon such reinstatement of any such lapsed policy, it shall for all purposes be treated as if it had been in force from the date on which it lapsed, except that it shall be subject to all the terms and conditions of this Agreement as may be pertinent to the class of the policy in which it was or should have been included. In the event of such reinstatement, an appropriate adjustment shall be made to the reserves or account values, as applicable, the enhancement or the reinstated policy, and any amounts due shall be paid pursuant to this Agreement.

2.4 Errors and Omissions. Inadvertent errors or omissions shall not relieve any Party from liability provided that the error or omission is rectified as soon as practicable after discovery. Upon discovery of an error or omission, the Party discovering the error or omission shall notify any other Party affected by the error or omission. The Parties agree to cooperate and work together, in good faith, to resolve, consistent with the terms of this Agreement, any problems, issues or lawsuits caused by any such error or omission. Such good faith cooperation may include, but is not limited to, assumption of Policy obligations, transfer of assets and complete documentation of the error or omission. The Parties intend that IA American shall assume the Policy Liabilities and shall work together to ensure that the assumption occurs despite any errors or omissions which may arise.

2.5 Ceded Third Party Reinsurance. The Conservator hereby transfers, assigns, cedes, delivers and conveys to IA American as of the Effective Date all of Golden State's respective rights, title, privileges, prerogatives, liabilities and obligations in all Included Treaties in effect on the Effective Date in connection with the Policies. IA American agrees to pay and perform all of the payment and other obligations of Golden State, if any, with respect to the Included Treaties. The Included Treaties which pertain or apply to the Policies are identified on Exhibit 2.5 hereto.

3. TRANSFERRED ASSETS

3.1 Transferred Assets. On the Closing Date, the Conservator shall transfer, assign, deliver and convey to IA American without recourse the Transferred Assets identified in the Closing Statement of Assets Transferred attached hereto as Exhibit 1.24. The Conservator agrees to execute any and all appropriate documents and to take all reasonable actions necessary to effectuate the assignment and transfer of the Transferred Assets to IA American without recourse. The Transferred Assets, valued as of the Effective Date, shall have a mutually agreed upon value in accordance with Section 3.3 equal to the aggregate of the reserves relating to the Policy Liabilities, valued as of the Effective Date, minus Ceding Commission.

3.2 Adjustments to Transferred Assets. By January 15, 2011, or the last business day of the month following one-hundred fifty (150) days after the Closing Date, whichever is later, the amount of Transferred Assets transferred to IA American shall be reconciled as of December 31, 2010, at 11:59 p.m., or the final day of the month, at 11:59 p.m., one-hundred twenty (120) days after the Closing, whichever is later, to ensure that the appropriate amount of assets set forth on the Closing Schedule of Transferred Assets have been transferred. The provisions of Sections 5.1 through 5.6 herein shall govern the adjustment process.

3.3 Transferred Assets Valuations. The Parties agree that the following valuations shall be applied to the Transferred Assets hereunder: (a) A loss provision of \$4,084,557 shall be established against the book value of Golden State's mortgage portfolio of \$24,828,698, so that the mortgage portfolio shall be transferred at its book value as of December 8, 2009, less \$4,084,557; (b) Golden State's bond portfolio shall be valued at its market value as of January 22, 2010; (c) Golden State's Contract Loans and Net Deferred Premiums shall be valued at book value as of the Effective Date; (d) Golden State's Preferred Stocks shall be valued at 90% of

book value as of January 31, 2010, which is \$3,497,057; and (e) Golden State's Accrued Investment Income shall be valued at its book value as of December 31, 2009.

3.4 Roll Forward of Transferred Assets and Interest Thereon. Transferred Assets are valued pursuant to Section 3.3 and as of the Effective Date. Any changes in the valuations of Transferred Assets on or after the Effective Date are the sole risk and responsibility of IA American. Any interest income and/or cash flows on the Transferred Assets accruing after the Effective Date are the property of IA American and shall be transferred to IA American, such that improvements in Transferred Assets shall benefit IA American and deterioration in Transferred Assets shall be to the detriment of IA American. The Conservator shall keep IA American informed on a monthly basis through Closing of all significant changes in and/or events affecting the Transferred Assets and interest and cash flows thereon.

3.5 Application of \$25,000 Bid Deposit. The deposit of \$25,000 previously made by IA American to Golden State as part of IA American's bid submission will be (i) retained by Golden State if this Agreement is not consummated due to an act or omission within the control of IA American, or (ii) returned to IA American if the Agreement is not consummated due to an act or omission within the control of Golden State or the Conservator, or (iii) returned to IA American if the Agreement is not consummated due to the failure of a condition to Closing beyond the control of IA American, or (iv) applied to the Ceding Commission when the Agreement is consummated at Closing. All interest earned on the deposit will be retained by the Conservator to partially cover the expenses of the bid process.

4. CLOSING AND CONDITIONS PRECEDENT TO CLOSING

4.1 Closing Date and Location. The Closing shall be held on the Closing Date at the law firm Epstein, Turner & Song, located at 777 S. Figueroa Street, Suite 4950, Los Angeles, CA 90017, Telephone: (213) 861-7487.

4.2 Conditions Precedent to Closing. The respective obligations of the Conservator and of IA American are subject to the following conditions precedent to Closing for the benefit of both Parties:

4.2.1 Conservation Court Approval. This Agreement, the Rehabilitation Agreement, the Assumption Endorsement, the Service Agreement and all related agreements concerning the transactions contemplated by these agreements shall have been approved by the Conservation Court and an Order or Orders approving said agreements shall be entered with the Conservation Court and be Final. The Order or Orders shall contain language satisfactory to both the Conservator and IA American that (1) the transactions are authorized; (2) the transactions, when consummated, shall be enforceable; (3) the transactions are fair to the policyholders and creditors of Golden State; (4) the form of this Agreement, the Rehabilitation Agreement, the Assumption Endorsement, the Service Agreement and all related agreements concerning the transactions contemplated by these agreements, are approved; and (5) the Policy Liabilities may be assumed and transferred to IA American, such that, upon Closing of this Agreement and all related agreements, the Policies shall be assumed by IA American and the policyholders of said Policies shall have no further policy claim against Golden State for Policy Liabilities, other than any California Insurance Code § 1033 priority 9 equity ownership rights, if any, as mutual

policyholders. Said agreements shall be null and void without said Order or Orders entered by the Conservation Court approving said agreements.

4.2.2 Governmental Approval. The California Department of Insurance and any other necessary governmental agencies shall have approved the consummation of the transactions set forth in this Agreement, the Rehabilitation Agreement, the Assumption Endorsement, the Service Agreement and all related agreements concerning the transactions contemplated by these agreements, as well as all necessary policy forms.

4.2.3 Obtaining IA American Approvals. IA American shall have obtained all necessary internal approvals regarding consummation of the transactions set forth in this Agreement, the Rehabilitation Agreement, the Assumption Endorsement, the Service Agreement and all related agreements concerning the transactions contemplated by these agreements.

4.2.4 Reinsurance Trust Agreement with Mutual Of Detroit Insurance Company. IA American will have executed a reinsurance trust agreement with Mutual of Detroit Insurance Company related to the Coinsurance Agreement by and between Golden State and Mutual of Detroit Insurance Company effective on December 1, 2006.

4.2.5 Environmental Liability Coverage. IA American will have obtained environmental liability coverage satisfactory to IA American related to the mortgage loan portfolio assets that are included in the specified Transferred Assets.

4.2.6 Obtaining of Permit for Transactions. The Parties shall have obtained all permits, if any, necessary to consummate the transactions contemplated by this Agreement, the Rehabilitation Agreement, the Assumption Endorsement, the Service Agreement and all related agreements concerning the transactions contemplated by these agreements, in terms satisfactory to each Party in its sole discretion.

4.2.7 No Material Adverse Financial Condition Changes. There shall have been no material adverse changes affecting IA American's financial condition or ability to close this transaction and the agreements contemplated thereby.

4.2.8 Representations are True. All written representations, recitals and affirmations made in this Agreement by any Party shall be true and correct in all material respects as of the Closing Date as if made at the Closing, except for changes in the usual and ordinary course of business that, individually or in the aggregate, do not affect materially the financial condition, business or prospects of the Party that made the representation that has changed or would not have a material adverse effect on such Party's ability to perform its obligations under this Agreement. No Party may avoid its obligations under this Agreement by asserting that its own representations are not true and correct in all material respects as of the Closing Date.

4.2.9 No Non-Express Representations. Other than the express written representations, recitals and affirmations set forth in this Agreement, the Rehabilitation Agreement, the Assumption Endorsement, the Service Agreement and any related agreements concerning the transactions contemplated by these agreements, by the Conservator and/or

Golden State, IA American acknowledges and agrees that the Conservator, his representatives and Golden State made no other representations, recitals or affirmations, written, oral or otherwise, upon which IA American relied upon in entering into this Agreement, the Rehabilitation Agreement, the Assumption Endorsement, the Service Agreement and all related agreements concerning the transactions contemplated by these agreements, and that IA American performed its own independent and complete investigations and analyses of any and all facts, bases, representations, recitals and/or affirmations upon which IA American relied upon in entering into said agreements.

5. ACCOUNTING AND AUDIT PROCEDURES

5.1 Accounting. By January 15, 2011, or the last business day of the month following one-hundred fifty (150) days after the Closing Date, whichever is later, IA American shall prepare and deliver to the Conservator a reconciliation containing an accounting and statement of (i) Policy Liabilities and (ii) Transferred Assets valuation for the Transferred Assets transferred as of the Closing Date. That accounting shall be presented substantially in the form of Exhibit 5.1.

5.2 Audit. On or before the first business day ninety (90) days after receipt of the accounting as set forth in Section 5.1 above, the Conservator shall separately complete its audit and communicate any areas of dispute or disagreement with IA American's accounting.

5.3 Final Payment. Subject to the accounting and audit process as set forth herein, any amounts and calculations shall be final, due and payable by the Party owing such final payment on the first business day forty-five (45) days after delivery of the audit.

5.4 Disputes. To the extent that disputes or disagreements exist regarding the final accounting and/or audits thereof and the Parties are unable to resolve those disputes, the disputes shall be resolved by means of the Accounting Procedure as specified in this Agreement. The Conservation Court shall have the right to enter a judgment or order confirming any such determination pursuant to the Accounting Procedure.

5.5 Reconciliation of Incurred But Not Reported Reserves. By January 15, 2011, or the last business day of the month following one-hundred fifty (150) days after the Closing Date, whichever is later, the amount of Policy Liabilities transferred to IA American shall be reconciled as of December 31, 2010, at 11:59 p.m., or the final day of the month, at 11:59 p.m., one-hundred twenty (120) days after the Closing, whichever is later, to ensure that the appropriate amount of Incurred But Not Reported reserves has been set forth in Exhibit 1.20.

5.6 Reconciliation of 2009 Accrued Investment Income. By January 15, 2011, or the last business day of the month following one-hundred fifty (150) days after the Closing Date, whichever is later, the amount of Accrued Investment Income as of December 31, 2009, shall be reconciled as of December 31, 2009, at 11:59 p.m. to ensure that the appropriate amount of Accrued Investment Income was credited as of December 31, 2009.

6. PREMIUMS AND OTHER RECEIPTS

6.1 Ownership of Policyholder Payments. All policyholder payments related to the Policies to provide coverage for periods after the Effective Date shall be the sole property of IA American, subject to the adjustments identified herein. All policyholder payments related to the Policies to provide coverage for periods before the Effective Date shall be the sole property of the Conservator of Golden State.

6.2 Transfer of Monies to IA American. All monies, checks, drafts, money orders, postal notes, and other instruments received by the Conservator and/or Golden State after the Closing Date for premiums on the Policies which are the sole property of IA American shall be forthwith transferred and delivered to IA American and any such instruments, when so delivered, shall bear all endorsement required to effect the transfer of same to IA American.

6.3 Rights of IA American. As of and following the Closing Date, IA American shall have all the rights of Golden State under outstanding bank draft authorizations from policyholders which authorized Golden State to draw on the policyholder's account to automatically withhold from the policyholders' accounts and transmit to Golden State funds to apply to premium on the Policies. So far as permitted by the laws of the applicable states, IA American as part of this Agreement assumes the guaranty and liability obligations of Golden State, if any, with respect to such bank drafts authorizations outstanding on the Closing Date. IA American shall have the right to collect for the account of IA American all receivables and other items of Golden State which are transferred by the Conservator to IA American and to endorse without recourse and without warranties of any kind the name of Golden State on any checks or the evidences of indebtedness received by IA American on account of any such receivables or other items. Said receivables and other items to be transferred to IA American shall be set forth on the Closing Schedule of Assets Transferred.

6.4 Transfer of Monies to Conservator. All monies, checks, drafts, money orders, postal notes, and other instruments received by IA American after the Closing Date for premiums on the Policies or receivables which are the sole property of the Conservator shall be forthwith transferred and delivered to the Conservator and any such instruments, when so delivered, shall bear all endorsement required to effect the transfer of same to the Conservator.

7. RECORDS

7.1 Transfer of Records. The Conservator on behalf of Golden State agrees to transfer, assign, deliver and convey to IA American, subject to the terms set forth in this Agreement, all files and records related to the Policies in his possession or under his control, on an "AS IS" basis. IA American agrees that after such delivery, the Conservator shall be entitled, at any reasonable time and at his expense, to inspect, audit and copy any and all such records and files of IA American and all other records and files of IA American relating to the Policies.

7.2 Delivery of Correspondence. Any and all correspondence, premiums, records or documents coming into the possession of the Conservator after the Closing Date directly pertaining to any Policy shall be promptly delivered to IA American by the Conservator.

8. REPRESENTATIONS AND WARRANTIES

In addition to the representations and warranties elsewhere in this Agreement, the Parties make the following representations and warranties:

8.1 Conservator's Representations and Warranties. The Conservator represents and warrants as follows:

8.1.1 Status. The Conservator is the duly-elected Insurance Commissioner of the State of California appointed as Conservator of Golden State pursuant to the Conservation Order and acting solely in his capacity as Conservator of Golden State, and not individually.

8.1.2 Authority. The Conservator has the statutory authority to participate in this Agreement, the Rehabilitation Agreement, the Assumption Endorsement, the Service Agreement and all related agreements concerning the transactions contemplated by these agreements, and has taken all actions necessary under his statutory authority to do so, subject to the conditions precedent set forth in Section 4 above.

8.1.3 Golden State. Golden State is a mutual insurance company duly organized and existing under and by virtue of the laws of the State of California and is an insurance company, in conservation proceedings, which underwrote the Policies.

8.1.4 Conservation Court Approval Required. The Conservator shall require the Conservation Court to approve this Agreement, the Rehabilitation Agreement, the Assumption Endorsement and the Service Agreement in order to consummate this Agreement and the transactions herein.

8.1.5 Selection of IA American. The Conservator selected IA American as the party with whom to negotiate this Agreement after a bidding process.

8.1.6 Acknowledgement of Necessary Approvals. The Conservator acknowledges and agrees that this Agreement, the Rehabilitation Agreement, the Assumption Endorsement, the Service Agreement and all related agreements concerning the transactions contemplated by these agreements, are subject to any necessary internal IA American approvals and that this Agreement is null and void without such approvals.

8.1.7 No Warranties Concerning Accuracy or Completeness of Records. Neither the Conservator, his representatives nor Golden State makes any warranty or representation that the books, records and/or other documents of Golden State which may be transferred to IA American may or shall be either accurate or complete.

8.2 IA American's Representations and Warranties. IA American represents and warrants as follows:

8.2.1 Corporate Existence and Good Standing. IA American represents that it is a corporation duly organized as a stock life insurance company validly existing and in good standing under the laws of the State of Georgia and domiciled in the State of Georgia, with

power and authority to conduct the business in which it is engaged, and has complete and unrestricted power to enter into and consummate this Agreement.

8.2.2 Power and Authority. IA American has all requisite power and authority to execute and deliver this Agreement, the Rehabilitation Agreement, the Assumption Endorsement, the Service Agreement and all related agreements concerning the transactions contemplated by these agreements; to perform its obligations under said agreements; and to consummate the transactions contemplated by said agreements. The signatory for IA American below is authorized to execute this Agreement on behalf of IA American and binds IA American to the terms and conditions of this Agreement.

8.2.3 IA American Board of Directors Approval. IA American shall have obtained all necessary internal corporate approvals including, without limitation, approval by IA American's Board of Directors, to enter into and consummate this Agreement, the Rehabilitation Agreement, the Assumption Endorsement, the Service Agreement and all related agreements concerning the transactions contemplated by these agreements.

8.2.4 Licensure. IA American holds valid licenses qualifying it to do life insurance business in the following States: California, Georgia, Illinois, Louisiana, Maryland, Michigan, Mississippi, Missouri, Nevada, North Carolina, Tennessee, Texas and District of Columbia.

8.2.5 Solvency. IA American is a solvent company not under any administrative or judicial supervision or limitation on its operations by any court or insurance supervisory official in any state. IA American further represents that it has delivered a true and correct copy of its 2009 Statutory Annual Statement to the Conservator and that no material adverse change in its financial condition has occurred since its 2009 Statutory Annual Statement and that it reasonably believes no materially adverse change as aforesaid is forthcoming.

8.2.6 Regulatory Approvals. IA American will obtain by Closing all regulatory approvals required to enter into and consummate this Agreement.

8.2.7 No Impediment. IA American is aware of no impediment, whether regulatory or contractual, to its entry into this Agreement.

8.2.8 Acknowledgement of Necessity of Conservation Court Approval. IA American acknowledges and agrees that this Agreement, the Rehabilitation Agreement, the Assumption Endorsement, the Service Agreement and all related agreements concerning the transactions contemplated by these agreements, are subject to approval by the Conservation Court and that this Agreement is null and void without the approval of the Conservation Court.

8.2.9 No Warranties Concerning Accuracy or Completeness of Records. IA American acknowledges that neither the Conservator, his representatives nor Golden State has made any warranty or representation that the books, records and/or other documents of Golden State which may be transferred to IA American may or shall be either accurate or complete.

8.2.10 Non-Breach. IA American will not breach any agreement with any person or entity through entry into this Agreement or consummation of this Agreement.

8.2.11 Statements Accurate. The statements made in the bid submitted by IA American and in this Agreement are in all respects true and correct.

8.2.12 Waiver of Claims against Golden State. Except for claims arising out of this Agreement, IA American hereby waives and releases any claims it may have against the estate of Golden State.

9. LIABILITIES AND INDEMNITIES

9.1 Notice. The Conservator and IA American will notify each other promptly of any suit, action or claim of any kind brought against it with respect to any Policy, except no notice from IA American shall be required with respect to any suit or claim that is a routine claims-handling dispute in the ordinary course of business.

9.2 Indemnification by IA American. IA American agrees to save, defend, indemnify and hold the Conservator and his representatives, agents, employees and successors, and Golden State and its representatives, agents and employees, completely free and harmless against any and all loss, liability and expense, including without limitation attorneys' fees, expenses and costs of suit including expert fees and expenses, from any and all suits, actions and claims of any kind arising out of the Policies with respect to the Policy Liabilities and/or any action or omission of IA American, taken with respect to one or more Policies on or after the Closing Date, regardless of whether the action or omission complained of is attributable to IA American alone, the Conservator alone, Golden State alone, or jointly with IA American, the Conservator and/or Golden State. The Conservator and his representatives may retain its, his or their own counsel and participate and control the defense or settlement of its, his or their own acts or decisions arising after the Closing Date, related to the Policies with respect to the Policy Liabilities. IA American shall reimburse the Conservator and his representatives, agents, attorneys and other indemnified parties for the reasonable funds expended on this counsel. The payments of all fees, expenses, losses, liability, judgments and settlement agreements resulting from such suit, action and/or claim of any kind shall be the sole responsibility of IA American.

9.3 Indemnification from Conduct. IA American agrees to indemnify and hold the Conservator and his representatives, agents and successors harmless against any and all loss, liability and expense, including reasonable attorneys' fees and expenses including without limitation expert fees and expenses and court costs, which result from or arise out of any alleged and/or established negligent, dishonest, malicious, fraudulent or criminal acts by IA American, its employees or agents with respect to the Policy Liabilities.

9.4 No Indemnity or Contribution Against Conservator. In no event shall any Party have a right to damages, indemnity or contribution against the Conservator or his representatives, agents, deputies, employees or successors for their alleged or established negligent acts. This provision does not limit any Party's right to direct actual damages for breach of this Agreement, the Rehabilitation Agreement, the Assumption Endorsement or the Service Agreement.

10. RESERVES

IA American shall maintain minimum capital and surplus, and unearned premium, health and other reserves consistent with the laws of all jurisdictions having regulatory authority over IA American.

11. JURISDICTION AND ACCOUNTING PROCEDURES

11.1 Agreement Governed by California Law. This Agreement shall be governed and construed in accordance with the laws of the State of California, without giving effect to the principles of conflicts of law.

11.2 Consent to Jurisdiction of Conservation Court. Except as set forth in Section 11.3 hereof, the Parties hereby consent to the exclusive jurisdiction of the Conservation Court to resolve any and all disputes as among the Parties which arise out of, or relate directly or indirectly, to the Agreement or the transactions contemplated hereby. In the event the Conservation Court is not available, the Parties hereby consent to the exclusive jurisdiction of the Los Angeles Superior Court to resolve any and all disputes as among them which arise out of, or relate directly or indirectly, to the Agreement or the transactions contemplated hereby. The Parties agree that service of process shall be effective if sent by certified or registered mail, return receipt requested, with signature required, to the address as shown in Article 12 of this Agreement. The Parties intend to grant the broadest possible exclusive jurisdiction to the Conservation Court. Notwithstanding the foregoing, any judgment against IA American may be enforced using the assistance of such courts as may be available to aid in the enforcement of judgments.

11.3 Dispute Governed by Accounting Procedure. Notwithstanding paragraphs 11.1 and 11.2 above, any dispute between the Parties related to calculations contemplated by this Agreement and any related exhibits, including but not limited to, the accounting and audits contemplated in this Agreement, shall be resolved by means of the following Accounting Procedure:

11.3.1 The Parties shall each retain a nationally recognized actuarial consulting firm or nationally recognized independent certified public accounting firm, as appropriate, which will perform the required calculations in the manner required by the Agreement as expeditiously as possible and issue their respective reports to the Parties. If the variation between the reports of the firms is less than five percent (5%) of the smallest amount, the results of the calculations shall be averaged, with the result deemed to be a final and determinative calculation of the amount at issue. If the reports differ by five percent (5%) or more of the smallest amount, the firms shall choose another firm which shall perform the calculations and issue a report to the Parties. Thereafter the two (2) calculations that are the closest shall be averaged with the result deemed to be a final and determinative calculation of the amount at issue. Each Party shall be responsible for the payment of fees and expenses of the actuaries and accountants retained by them to conduct the Accounting Procedure. The fees and expenses of the additional firm, if any, shall be shared equally by the Parties. The Conservation Court may enter an order or judgment confirming the award as determined by the Accounting Procedure.

12. NOTICE

12.1 Any notice required or permitted to be given hereunder shall be deemed to be given if delivered by hand or if mailed by certified mail, postage prepaid and signature required, or by postal or a commercial express document delivery service which issues an individual delivery receipt to the following address:

12.1.1 If to IA American, to:

IA American Life Insurance Company
Attention: President
17550 N. Perimeter Drive, Suite 210
Scottsdale, AZ 85255-0131
Telephone: (480) 419-8986
Facsimile: (480) 563-0252

With a Copy to:

IA American Life Insurance Company
Attention: Chief Legal Counsel, U.S. Operations
17550 N. Perimeter Drive, Suite 210
Scottsdale, AZ 85255-0131
Telephone: (480) 419-8986
Facsimile: (480) 563-0252

Alexander Law Firm, P.C.
Attention: Hugh Alexander
1580 Lincoln St., Suite 700
Denver CO 80203
Telephone: 303.825.7307
Facsimile: 303.825.3202

12.1.2 If to the Conservator and/or Golden State, to:

Conservation & Liquidation Office
Attn: Scott Pearce
P.O. Box 26894
San Francisco, CA 94126-0894
Telephone: (415) 676-2000
Facsimile: (415) 676-5002

With copies to:

Michael R. Weiss, Esq.
Epstein, Turner & Song, APC
777 S. Figueroa Street, Suite 4950
Los Angeles, CA 90017
Telephone: (213) 861-7487
Facsimile: (213) 861-7488
mrw@etslaw.com

Marta L. Smith, Esq.
Deputy Attorney General
California Department of Justice
300 South Spring Street, Room 1702
Los Angeles, CA 90013
Telephone: (213) 897-2483
Facsimile: (213) 897-5775

12.2 Each person shall be responsible for notifying, in writing, the others promptly of any change in addressee or address.

13. GENERAL PROVISIONS

13.1 No Third Party Beneficiaries. Nothing in this Agreement is intended or shall be construed to give any person, other than the Parties, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision contained herein.

13.2 Entire Agreement. This Agreement and all other agreements contemplated hereby and thereby collectively constitute the entire agreement among the Parties with respect to the transactions contemplated hereby and supersede any prior agreements, term sheets, understandings, negotiations and discussions, whether oral or written, of the Parties.

13.3 Exhibits. All exhibits are hereby incorporated by reference into this Agreement as if they were set forth at length in the text of this Agreement.

13.4 Recitals. The recitals to this Agreement are hereby incorporated by reference into this Agreement as if they were set forth at length in the text of this Agreement.

13.5 Cooperation. The Parties agree that they will, from time to time, upon the request of any other Party and without further consideration, execute, acknowledge and deliver in proper form any further instruments and take such other action as another Party may reasonably require in order to carry out effectively the purposes of this Agreement.

13.6 Confidentiality. All non-public books, records, data and information (collectively the "Non-Public Information") furnished by one Party to another in connection with the transactions contemplated by this Agreement shall remain and be deemed to be the exclusive property of the Party furnishing the Non-Public Information unless and until the Closing occurs

on the Closing Date and shall be held in the strictest of confidence by the other Party to the extent such information is not publicly available (other than Non-Public Information which has been published or been made publicly available by unauthorized disclosure of a Party) and shall not be used by such other Party for any purpose other than consideration of the transactions contemplated by this Agreement and for obtaining governmental consents and approvals for such transactions. In the event that the transactions contemplated by this Agreement are not consummated, each Party shall return all Non-Public Information in its possession which is deemed to be the exclusive property of any other Party, together with all copies thereof, and shall continue to hold such Non-Public Information in strict confidence and not use such Non-Public Information for any purpose whatsoever except as required by law.

13.7 Statutory Obligations. Except as expressly stated herein, nothing stated in this Agreement shall be deemed to limit, expand, enlarge, or otherwise modify the Conservator's statutory obligations, or to expand or enlarge any person's interest in or to the assets of Golden State, or to waive any defenses which any Party may now have or in the future have.

13.8 Severability. If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be declared invalid or unenforceable by the Conservation Court or other court of competent jurisdiction, the remainder of this Agreement or the application of such terms or provisions to persons or circumstances other than those as to which it has held invalid or unenforceable, shall remain in full force and effect.

13.9 Express Terms. This Agreement shall be construed in accordance with its express terms and not its implied terms. Captions, paragraph and section headings appearing in this Agreement shall be used only for convenience in identifying the material terms and provisions of the Agreement and shall not be construed to express any other intent. Words used herein, regardless of the number and gender specifically used, shall be deemed and construed to include any other number, singular or plural, and any other gender as the context require.

13.10 No Construction Against a Party. This Agreement has been structured, approved and jointly drafted by all the Parties hereto and, for purposes of interpreting its terms, shall not be construed against any Party as the principal draftsman hereof.

13.11 Expenses and Brokers. Each Party shall pay its own expenses in connection with this Agreement including without limitation expenses and/or obligations owed to any broker or other person or entity for a broker's commission. IA American has retained the services of Fletcher Financial, Overland Park, Kansas and represents that it is responsible for any fees which are owned this entity. Each Party agrees to indemnify and hold the other Party and his representatives, agents and successors harmless against any and all loss, liability and expense, including reasonable attorneys' fees and expenses including without limitation expert fees and expenses and court costs, which result from or arise out of any alleged and/or established expenses and/or obligations by the other Party for a broker's commission.

13.12 Waivers and Amendments; Non-Contractual Remedies; Preservation of Remedies. This Agreement may be amended, superseded, canceled, renewed or extended, and the terms hereof may be waived, only by a written instrument signed by each of the Parties or, in the case of a waiver, by the Party waiving compliance. 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, remedy or privilege, nor any single or partial exercise of any such right, power, remedy or privilege, preclude any further exercise thereof or the exercise of any other such right, remedy, power or privilege. The rights and remedies herein provided are cumulative. Such rights and remedies are not exclusive of any rights or remedies that any Party may otherwise have at law or in equity, unless, and then only to the extent that, any such rights or remedies have been expressly limited under the Agreement. .

13.13 Assignment. The rights, liabilities and obligations of any Party under this Agreement shall not be assigned, transferred or delegated to a person or entity who is not a Party to this Agreement without the prior written consent of the other Party.

13.14 Intent and Parol Evidence. The Parties intend this Agreement, the Rehabilitation Agreement, the Service Agreement and any related agreements, to be an integrated plan for the rehabilitation of Golden State. Parol evidence shall not be appropriate to construe these agreements absent an ambiguity. In the event that parol evidence must be received, it is the Parties' intention in entering this Agreement that the policyholders of Golden State shall have their policies assumed by IA American, such that the policyholders no longer have policy claims against Golden State or the Conservator. The Parties further intend that IA American shall assume only those contractual Policy Liabilities, and no other liabilities of any kind or nature, other than the obligations to the Conservator set forth in said agreements.

13.15 Counterparts. This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall be deemed to be an original and all of which counterparts when taken together shall constitute but one and the same instrument.

13.16 Liability of the Conservator. The Conservator is a Party to this Agreement only in his representative capacity as Conservator, and not individually, and the Parties hereto agree and acknowledge that the Conservator and any Special Deputy Insurance Commissioner executing this Agreement shall not have any personal liability for any matters or obligations hereunder, and further that the California Insurance Commissioner and the State of California are not parties to this Agreement and shall have no liability with respect thereto.

13.17 Other Agreements, Exhibits and Schedules. This Agreement, and each of the other agreements contemplated hereby and thereby, and the exhibits and schedules to any of the agreements are a part of this Agreement as if fully set forth herein. All references herein to articles, sections, subsections, paragraphs, subparagraphs, clauses, exhibits and schedules shall be deemed references to such parts of this Agreement, unless the context shall require otherwise.

13.18 Honorable Undertaking. This Agreement, Rehabilitation Agreement, Service Agreement and the related agreements are an honorable undertaking of the Parties, the good faith of each of which shall be presumed in the absence of clear evidence to the contrary. Said agreements represent the Parties' joint drafting efforts and no presumption shall be made that ambiguities should be construed in favor of, or against, any of them. Disputes arising under said agreements shall be presumed to be the result of good faith disagreements and no statutory, punitive or exemplary damages shall be recoverable in the absence of a finding by a court of competent jurisdiction of gross negligence, actual fraud or intentional misrepresentation.

13.19 Disclaimer of Warranties. THE CONSERVATOR DISCLAIMS ANY AND ALL WARRANTIES AND REPRESENTATIONS NOT EXPRESSLY SET FORTH IN THIS AGREEMENT, THE REHABILITATION AGREEMENT, THE ASSUMPTION ENDORSEMENT, THE SERVICE AGREEMENT OR THEIR EXHIBITS, INCLUDING WITHOUT LIMITATION, THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR PURPOSE OF ANY ASSETS TRANSFERRED HEREON. ALL ASSETS TRANSFERRED HEREUNDER ARE TRANSFERRED "AS IS".

13.20 Non-reliance. IA AMERICAN ENTERS INTO THIS TRANSACTION AT ITS OWN RISK AND EXPENSE, AFTER DOING ITS OWN DUE DILIGENCE, WITHOUT ANY RIGHT TO RELY UPON ANY REPRESENTATION OR WARRANTY NOT EXPRESSLY CONTAINED IN THIS AGREEMENT. IA AMERICAN ASSUMES THE RISKS OF THE ASSETS AND LIABILITIES TRANSFERRED HEREIN. THE CONSERVATOR RELIES ONLY UPON THE REPRESENTATIONS AND WARRANTIES MADE BY IA AMERICAN IN THIS AGREEMENT AND IN ITS BID.

13.21 Limitation of Damages. IA AMERICAN MAY NOT RECOVER ANY SPECIAL OR CONSEQUENTIAL DAMAGES FOR BREACH OF THIS AGREEMENT. TO THE GREATEST EXTENT PERMITTED BY LAW, IA AMERICAN WAIVES AND RELEASES THE CONSERVATOR, THE CALIFORNIA INSURANCE COMMISSIONER AND THE SPECIAL DEPUTY INSURANCE COMMISSIONER, AND THEIR RESPECTIVE REPRESENTATIVES, AGENTS EMPLOYEES AND SUCCESSORS, FROM ANY CLAIM THAT THEY, INDIVIDUALLY OR JOINTLY, HAVE MADE ANY REPRESENTATION, OMISSION OR WARRANTY TO INDUCE EXECUTION OF THIS AGREEMENT. THIS PROVISION DOES NOT LIMIT ANY PARTY'S RIGHT TO DIRECT ACTUAL DAMAGES, FOR BREACH OF THIS AGREEMENT, THE REHABILITATION AGREEMENT, THE ASSUMPTION ENDORSEMENT OR THE SERVICE AGREEMENT.

IN WITNESS WHEREOF, the Parties have caused their duly authorized representatives to execute this Agreement on the date noted below.

INSURANCE COMMISSIONER OF THE STATE OF CALIFORNIA IN HIS STATUTORY CAPACITY AS CONSERVATOR OF GOLDEN STATE MUTUAL LIFE INSURANCE COMPANY, AND NOT INDIVIDUALLY

By: David E. Wilson Date: May 7, 2010
David E. Wilson, Special Deputy Insurance Commissioner, and not individually

ASSUMING INSURER: IA AMERICAN LIFE INSURANCE COMPANY


By: Patrik Guindon Date: May 7th, 2010
Title: Vice President, Corporate Development

EXHIBIT 1.19: POLICIES

[Identify Policies]

EXHIBIT 1.20: POLICY LIABILITIES

[Identify Policy Liabilities]

EXHIBIT 1.23: SERVICE AGREEMENT

[Attach Service Agreement]

EXHIBIT 1.24: CLOSING SCHEDULE OF TRANSFERRED ASSETS

[Attach Closing Schedule]

Golden State Mutual Life Insurance Company / IA American Life Insurance Company
 Asset Values As of January 1, 2010
 Transferred Assets

Transferred Asset Cash Flows
 Cash Flows Interest

		<u>Bonds:</u>					
Transact	Date	CUSIP Identification	Description	Par Value	Book/Adjusted Carrying Value	Transferred Asset Cash Flows	Cash Flows Interest
		3133XU-ST-1	Federal Home Loan Bank	250,000	250,000		
		31393W-ZI-7	Federal Home Loan Mortgage Corp.	189,855	147,248		
Sold/paydown	12/15/2009	31393W-TH-2	Federal Home Mortgage Corp.	37,201	37,201		
Acq/Sold	12/23/2009	31398A-UR-1	Federal National Mortgage Assn	75,000	75,362		
		31393D-IM-1	Federal National Mortgage Assoc.	464,833	458,763		
		912828-BR-0	U S Treasury	400,000	402,495		
		912810-DW-5	U. S. Treasury	75,000	78,177		
		912828-EW-6	US Treasury Note	25,000	24,277		
		694308-GE-1	Pacific Gas & Electric	250,000	251,501		
		013817-AQ-4	Alcoa Inc	100,000	98,725		
		025816-AW-9	American Express	500,000	501,795		
		02635P-TS-2	American General Finance	500,000	506,588		
		02687Q-BG-1	American Intl Group Inc	500,000	498,712		
		031162-AJ-9	Amgen Inc	250,000	249,527		
		035229-CS-0	Anheuser Busch	500,000	491,484		
		00206R-AJ-1	AT & T Inc.	350,000	351,249		
		06050X-B2-8	Bank of America Corp	500,000	500,000		
		073902-PR-3	Bear Stearns Co	100,000	99,157		
		134429-AT-6	Campbell Soup Co	100,000	103,759		
		14040H-AQ-8	Capital One Financial	100,000	99,747		
		808513-AC-9	Charles Schwab	100,000	100,314		
		125509-BJ-7	Cigna Corp	100,000	99,382		
		17248R-AD-8	Cingular Wire	200,000	198,801		
Sold	10/27/2009	125581-CS-5	CIT Group Inc.	250,000	222,926		
		172967-DY-4	Citigroup Inc.	500,000	503,904		
		188054-AF-6	Clorox Co.	100,000	99,994		
		191219-BW-3	Coca-Cola Enterprises	250,000	255,699		
		20030N-AR-2	Comcast Corp	100,000	100,236		
		202795-HU-7	Commonwealth Edison	100,000	100,501		
		22541H-CC-4	Credit Suisse NY	500,000	501,896		
		24702R-AE-1	Dell Inc. Global Senior Unsecured	250,000	250,000		
		257867-AT-8	Donnelly & Sons	50,000	49,057		
		26054L-BB-8	Dow Chemical Company	250,000	250,000		
		278058-DC-3	Eaton Corp	250,000	253,305		
		532457-AW-6	Ell Lilly	250,000	250,480		
		532457-AZ-1	Ell Lilly	300,000	297,982		
		29736R-AB-6	Estee Lauder Co	100,000	101,961		
		345370-BX-7	Ford Motor Co., Inc.	250,000	250,794		
		368710-AG-4	Genentech Inc	250,000	252,620		
		36966R-WZ-8	General Electric Capital Corp	500,000	500,000		
		369604-BC-6	General Electric Co.	1,000,000	1,007,581		
		370442-BB-0	General Motors, Inc.	350,000	36,000		
		377372-AA-5	Glaxosmithkline	100,000	101,380		
		377372-AD-9	Glaxosmithkline Capital Company	250,000	250,000		
		38141G-EU-4	Goldman Sachs GP	350,000	350,626		
		423074-AF-0	Heinz (H.J.) Co	100,000	99,952		
		427866-AM-0	Hershey Foods Co	250,000	251,110		
		428040-BQ-1	Hertz Corp.	250,000	250,138		
		437076-AP-7	Home Depot Inc.	250,000	247,721		
		40429X-UD-6	HSBC Finance Corp	500,000	500,000		
		459200-BB-6	IBM Corp	250,000	252,148		
		460470-AM-9	International Tel. & Tel. Corp.	459,000	458,703		
		70816F-AD-5	J. C. Penney & Co.	250,000	251,182		
		24422E-QR-3	John Deere Capital	250,000	254,969		
		500255-AP-9	Kohls Corp	250,000	251,241		
		50075N-AU-8	Kraft Foods Inc	100,000	101,677		
		52490B-UB-4	Lehman Bros Hldg	250,000	75		
		52490B-R3-6	Lehman Bros Hldg	100,000	30		
		548661-CK-1	Lowes Companies	250,000	253,635		
		314275-AB-4	Macy's Retail Holdings	100,000	99,732		
		565849-AF-3	Marathon Oil Corp	100,000	101,938		
		571903-AG-8	Marriott International	250,000	248,150		
		5525V0-BD-7	Marsh & Ilsley	250,000	253,016		
		574599-AK-4	Masco Corp	100,000	101,591		
		58013M-EE-0	McDonald's Corp	250,000	252,112		
		58064S-AE-9	McGraw-Hill Inc	500,000	503,681		
		585055-AH-9	Medtronic Inc	250,000	251,119		
		589331-AK-3	Merck & Co Inc	500,000	503,980		
		590188-AM-7	Merrill Lynch	500,000	497,386		
		59156R-AG-3	MetLife Inc	250,000	253,383		
		552953-BB-6	MGM Mirage	50,000	48,953		
		61166W-AF-8	Monsanto Co	250,000	254,370		
		617446-HS-1	Morgan Stanley	500,000	499,837		
		637432-HT-5	National Rural Utilities	250,000	253,722		
		650111-AE-7	New York Times	250,000	240,547		
		655664-AK-6	Nordstrom Inc	150,000	152,213		
		655844-AW-8	Norfolk Southern	100,000	96,442		
		68402L-AC-8	Oracle Corp	250,000	254,529		
		718172-AA-7	Phillip Morris Intl Inc	250,000	249,740		
		500472-AB-1	Philips Electron	250,000	253,083		
		72447W-AA-7	Pitney Bowes Inc	250,000	245,502		
		72447X-AC-1	Pitney Bowes, Inc.	250,000	250,376		
		74254P-VS-8	Principal Life	500,000	500,000		
		742718-CB-3	Procter & Gamble	300,000	297,681		
		74367C-FK-6	Protective Life	100,000	100,000		
		74432A-WZ-9	Prudential Financial	250,000	250,000		
		77509N-AK-9	Rogers Cable Inc	100,000	99,683		
		806605-AJ-0	Scherling - Plough	100,000	101,713		
		828807-BP-1	Simon Property Group	300,000	295,445		
		844741-AK-6	Southwest Airlines	100,000	95,665		
		852061-AD-2	Sprint Nextel	250,000	233,322		
		86764P-AD-1	Sunoco Inc	100,000	101,423		
		86787G-AC-6	Suntrust Bank	500,000	499,886		
		87612E-AS-5	Target Corp	500,000	506,356		
		887317-AC-9	Time Warner Inc.	250,000	250,278		
		89240A-KZ-2	Toyota Motor Credit	500,000	500,000		
		907818-DA-3	Union Pacific Corp	100,000	100,108		
		907821-MB-2	Union Pacific Railroad	500,000	500,000		
		91324P-AM-4	United Health Group	100,000	98,083		
		912656-AG-0	US Steel Corp	50,000	49,957		

91913V-AM-2	Valero Energy	50,000	50,556
92343V-AG-9	Verizon Communication Inc	500,000	512,297
925524-AU-4	Viacom Inc	100,000	91,897
927804-EZ-3	Virginia Electric & Power	100,000	102,093
92976W-BH-8	Wachovia Corp	500,000	501,625
931142-CH-4	Wal-Mart Stores	500,000	503,547
959802-AB-5	Western Union Co	100,000	100,675
962166-AS-3	Weyerhaeuser Co	50,000	49,942
982526-AB-1	WM Wrigley Jr Co	250,000	249,631
98310W-AB-4	Wyndham Worldwide	100,000	98,687
Balance Adjustment			1,087,318
Total Bonds		28,175,890	28,597,010.00

10/31/2009

Preferred Stocks

CUSIP Identification	Description	Fair Value	Book/Adjusted Carrying Value	Transferred Asset Cash Flows	Cash Flows Interest
007924-30-1	Aegon, N.V. Cap Secs	71,624	100,000		
21988G-35-3	AlG-Corp Backed Trust	48,760	48,760		
010392-55-3	Alabama Power 5.625%	100,320	102,121		
023139-50-4	AMBAC Financial Grp. 5.95%	20,840	20,840		
00211G-20-8	AT&T, Inc.	213,520	204,367		
055184-20-4	BAC Cap Trust 6.00%	78,000	102,668		
05541Q-20-6	Baltimore Gas & Elec Cap Trust II	89,000	104,381		
09656H-20-9	Bank of New York Cap v	99,600	102,472		
06739H-51-1	Barclay's Bank PLC 7.75%	47,680	51,786		
22081C-20-8	Bell South	49,000	50,000		
173066-20-0	Citigroup Cap IX Trups 6.0%	73,080	102,111		
22082P-20-8	CORTS Goldman Sachs Cap 1 TR	87,040	98,915		
22082R-20-4	Corts III Verizon 6.25%	100,600	103,233		
22238E-20-6	Countrywide IV	42,740	53,444		
804108-20-7	Credit Suisse First Boston Saturnt	93,760	104,696		
25154D-10-2	Deutsche Bank Cap Frdng X 7.35%	91,880	103,768		
313400-62-4	FHLMC 8.375%	4,280	4,880		
31769P-60-5	Financial Security Assur. Hldgs 5.	58,000	98,639		
30257V-20-7	Florida Power & Light	102,080	101,017		
31358E-88-5	FNMA 5.81%	3,160	3,060		
345370-85-2	Ford Motor Company	89,280	89,280		
369622-51-9	General Electric 6.10%	95,920	105,081		
370442-12-1	General Motors 7.50	5,720	5,720		
373334-49-9	Georgia Power Co. 6.00%	101,488	103,195		
419866-40-5	Hawaiian Electric 5.0%	12,290	18,788		
40429C-20-1	HSBC Finance	98,360	108,210		
454889-77-5	Indiana Michigan Power Co.	100,680	105,822		
456837-40-0	ING Groep NV	67,480	105,469		
481228-20-3	JPMorgan Chase Cap XVI	48,460	51,730		
49327C-20-5	Keycorp Capital VIII 7%	39,500	50,000		
52520E-20-0	Lehman Brothers Holdgs Cap TR V	64	64		
590199-20-4	Merrill Lynch Cap Trust	38,280	51,394		
59021F-20-6	Merrill Lynch Cap Trust III	41,100	54,541		
59156R-40-5	MetLife Inc.	99,160	102,640		
605417-79-9	Mississippi Power	101,040	102,276		
617462-20-5	Morgan ST CP IV	84,480	103,882		
G7293H-11-4	Prudential Life	96,080	107,695		
744533-60-5	Pub Svc Oklahoma Elec	100,644	105,988		
744600-27-3	Public Storage	50,200	50,694		
744600-38-0	Public Storage	44,180	51,579		
74928P-20-7	RBS CAPITAL FND TRST V11 Pref S G	40,000	40,000		
780097-79-6	Royal BK Scotland	42,000	42,000		
73941X-79-1	Time Warner Pref Plus TR	84,000	101,932		
895436-20-2	Tri Continental Corp. \$2.50	21,795	27,200		
903905-20-9	USB Capital XII	91,520	99,209		
92553P-30-0	Viacom, Inc.	95,800	96,610		
92977V-20-6	Wachovia Pref Funding	88,920	112,907		
949795-20-7	Wells Fargo Cap	89,960	97,807		
94979P-20-3	Wells Fargo Capital 5.625%	84,120	97,515		
Balance Adjustment			(385,238)		
Total Preferred Stocks		3,427,465	3,467,139		

Mortgages

LOAN #	INTEREST RATE	STATEMENT VALUE (@1/1/2010)	APPRAISED VALUE (@10/31/2009)	Transferred Asset Cash Flows	Cash Flows Interest
001-52391	7.25%	173,773	174,268		
001-52409	9.50%	36,463	38,617		
001-52417	9.50%	145,792	156,877		
001-52420	8.00%	160,209	170,842		
001-52422	9.50%	63,319	68,006		
001-52440	7.00%	519,199	521,991		
001-52445	8.75%	83,148	87,883		
001-52459	9.00%	198,635	203,953		
001-52462	8.75%	73,244	75,648		
001-52465	7.75%	132,852	136,581		
001-52466	9.25%	43,198	49,356		
001-52475	8.25%	257,874	260,100		
006-52488	8.25%	87,321	87,545		
006-52490	8.25%	89,218	89,387		
001-52491	8.00%	117,411	119,362		
001-52498	8.00%	419,349	425,640		
001-52501	7.25%	117,919	126,807		
001-52502	7.25%	161,249	161,691		
001-52504	9.00%	563,657	564,253		
006-52508	8.00%	303,699	304,426		
001-52510	7.00%	308,042	312,498		
001-52511	7.50%	116,119	120,560		
001-52512	7.50%	290,206	294,097		
001-52513	8.00%	491,443	492,583		
001-52514	7.25%	146,528	147,513		
001-52516	7.50%	210,667	213,385		
001-52517	7.50%	522,632	523,932		
001-52518	7.75%	64,455	67,330		
001-52519	7.25%	361,293	363,661		
001-52520	7.25%	147,340	149,195		
001-52521	7.00%	559,097	560,545		
001-52523	7.25%	33,329	35,171		
001-52526	7.25%	377,568	382,094		
001-52527	7.75%	189,300	189,716		

001-52528	7.50%	356,423	357,246
001-52529	7.75%	426,582	431,380
001-52532	7.50%	284,492	285,124
001-52533	7.50%	539,954	541,147
001-52534	7.50%	499,463	511,623
001-52535	7.00%	780,210	782,003
001-52536	6.50%	815,691	824,208
001-52537	7.00%	1,146,987	1,149,551
001-52538	7.25%	721,370	722,872
001-52540	7.25%	445,691	449,400
001-52541	7.50%	536,029	540,411
001-52542	7.25%	790,119	791,517
001-52543	7.25%	564,095	585,213
001-52545	7.25%	1,170,426	1,172,656
001-52546	7.25%	390,510	390,877
001-52547	7.25%	660,585	660,585
001-52548	7.25%	223,834	224,858
001-52549	7.25%	270,021	270,745
001-52552	8.55%	442,965	443,598
001-52553	7.50%	491,278	492,121
001-52554	7.50%	590,545	591,544
001-52557	7.00%	530,033	530,960
001-52558	7.50%	895,236	895,236
001-52559	7.25%	397,451	397,777
001-52560	7.25%	873,330	874,737
004-52373	6.00%	101,181	102,162
004-52530	7.50%	184,189	184,609
004-52550	7.75%	563,571	565,039
004-52551	7.75%	505,270	506,587
004-52555	10.89%	619,504	619,560
004-52556	8.50%	193,397	193,654
007-52435	7.50%	34,065	34,203
Total Mortgage Loans		<u>24,570,047</u>	<u>24,828,697</u>
Loss Provision			<u>(4,084,557)</u>
Net			<u>20,744,140</u>

Transferred Assets:

Investments	52,808,289
Investment Income	574,252
Additional Obligations	<u>445,034</u>
GSM Net Obligations	53,827,575
Ceding Commission	<u>11,000,000</u>
GMS Total Obligation	64,827,575

EXHIBIT 2.1.4: ASSUMPTION ENDORSEMENT CERTIFICATE

[Insert assumption endorsement certificate]

[Customer Service Center
[Address to be inserted]
Toll Free # to be inserted]

ASSUMPTION ENDORSEMENT

Welcome to IA American Life Insurance Company. On _____, 2010, the Los Angeles Superior Court, Los Angeles, California, Case No. BS123005, approved a Plan of Rehabilitation, Assumption Reinsurance Agreement and this Assumption Endorsement for Golden State Mutual Life Insurance Company. As a result of Los Angeles Superior Court's approval of these documents, IA American Life Insurance Company has assumed and accepted your Golden State Mutual Life Insurance Company annuity contract or life, health or disability insurance policy. IA American is a financially strong insurance company rated "A-" by A.M. Best Company. IA American is excited about your joining the IA American family and looks forward to a long and fulfilling relationship with you.

This Endorsement attaches to and forms part of your Golden State Mutual Life Insurance Company annuity contract or life, health or disability insurance policy. Except as described in the amendments below, your annuity contract or life, health or disability insurance policy remains unchanged. The amendments to your annuity contract or life, health or disability insurance policy are as follows:

- All references to the name Golden State Mutual Life Insurance Company are hereby changed to IA American Life Insurance Company.
- Any references to Los Angeles, California, as the statutory home office are changed to Atlanta, Georgia. The Corporate Office of IA American Life Insurance Company is located in Scottsdale, Arizona. The Administrative Offices of IA American Life Insurance Company can be reached at the telephone number and address at the top of this Endorsement.
- Any and all references to surplus, divisible or otherwise, are deleted and of no effect.
- The provisions in your annuity contract or life, health or disability insurance policy relating in any way to dividends or the calculation or payment of dividends, excluding Dividend Options, are amended and fully superseded by the following provision:

"As long as your life insurance policy is in force, except as Extended Term Insurance, the Company will determine the annual dividend payable under your life insurance policy, if any, on the life insurance policy anniversary, if you have paid all premiums due before that date."

All other terms, provisions and conditions of your annuity contract or life, health or disability insurance policy remain unchanged except as described in this endorsement.

Please use the Administrative address noted above to send premium payments, obtain claims forms and/or file claims.

In Witness Whereof, the IA American Life Insurance Company has, by its President and Secretary, executed this Assumption Endorsement as of the ___th day of _____ 2010.



Michael L. Stickney, President



Doug Carrothers, Secretary

EXHIBIT 2.5: INCLUDED TREATIES

[Identify Included Treaties and Coinsurance Agreements]

Reinsurance/ Co Insurance Agreements

- 1) Swiss Re- Swiss Re Life/Health America Inc (Bulk ADB Reinsurance) 5/1/1993
- 2) Optimum Re- Optimum Re Insurance Co (Reinsurance) 10/1/1999
- 3) Mutual of Detroit Insurance Co. (Coinsurance) 12/1/2006
- 4) Southern Financial Life Insurance Co. (Coinsurance) 10/31/2008

EXHIBIT 5.1: ACCOUNTING

[Insert form to use for Accounting]

EXHIBIT 1.23: SERVICE AGREEMENT

SERVICE AGREEMENT

THIS AGREEMENT (the "Agreement") is entered into as of this May 7, 2010, by and between IA American Life Insurance Company, a Georgia insurance corporation ("IA AMERICAN") and the Insurance Commissioner of the State of California in his Statutory Capacity as Conservator ("CONSERVATOR") of Golden State Mutual Life Insurance Company, in Conservation (hereinafter, "GOLDEN STATE"), a mutual life insurance company duly organized and existing under and by virtue of the laws of the State of California.

WITNESSETH:

WHEREAS, IA AMERICAN has entered into an assumption reinsurance agreement with the CONSERVATOR, dated May 7, 2010 (the "Assumption Agreement") pursuant to which IA AMERICAN has assumed the Policies and Contracts (as herein defined); and

WHEREAS, IA AMERICAN desires to engage GOLDEN STATE to render the policy administration services for the Policies and Contracts (as defined herein) described in this Agreement on the terms and conditions set forth herein during a period not to exceed 90 days.

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

Article I Definition

In addition to the definitions provided throughout this Agreement, as used in this Agreement the following terms have the meanings indicated:

- 1.1 "Administration Date" shall mean the date that IA AMERICAN has closed the Assumption Reinsurance Agreement with the CONSERVATOR.
- 1.2 "GOLDEN STATE Services" shall mean the administrative services described in Article III of this Agreement.
- 1.3 "Due Date" shall mean the date which is twenty (20) days after the date that IA AMERICAN receives a billing statement from GOLDEN STATE that indicates what, if any compensation is due GOLDEN STATE under this Agreement.
- 1.4 "Industry Standards" shall mean the performance of service (i) with the skill, diligence and expertise commonly expected from experienced and qualified personnel performing such duties consistent with the life and health insurance industry, and (ii) in accordance with all applicable federal and state laws, rules and regulations governing the Policies and Contracts.

- 1.5 "Policies and Contracts" shall mean the policies and contracts identified on Exhibit 1.19 of the Assumption Reinsurance Agreement.
- 1.6 "System" shall mean GOLDEN STATE's computer hardware, computer programs or software and programming aids with supporting documentation, including, but not limited to, input and output formats, program listings, system flow charts, narrative descriptions and operating instructions, and shall include tangible media (electronic or otherwise) upon which such programs are recorded.

Article II Engagement

- 2.1 Engagement. IA AMERICAN hereby engages GOLDEN STATE to render the GOLDEN STATE Services with respect to the Policies and Contracts on the terms and conditions set forth herein beginning on the Administration Date. GOLDEN STATE hereby accepts such engagement and shall perform the GOLDEN STATE Services in accordance with this Agreement and in accordance with Industry Standards.

Article III GOLDEN STATE Services

- 3.1 GOLDEN STATE Services. GOLDEN STATE shall provide the administrative services described in Exhibit 3.1 in accordance with Industry Standards. GOLDEN STATE will conduct itself in accordance with the performance standards described in Exhibit 3.1.1. Except as otherwise provided in this Agreement, GOLDEN STATE shall furnish the facilities necessary to provide the GOLDEN STATE Services. GOLDEN STATE, if capable, shall also perform additional services reasonably requested by IA AMERICAN. Notwithstanding anything in this Agreement to the contrary, GOLDEN STATE shall have no underwriting authority pursuant to this Agreement.
- 3.2 Safeguarding Data. GOLDEN STATE will provide the storage facilities for IA AMERICAN records in connection with the administration of the Policies and Contracts as set forth herein. GOLDEN STATE shall be responsible to establish reasonable safeguards to protect IA AMERICAN's data and data files against unauthorized distribution, loss or alteration. Without limiting the foregoing, GOLDEN STATE shall establish and maintain facilities and procedures for the safekeeping of the Policies and Contracts, the Policy and Contract forms, check forms and facsimile signature imprinting devices, if any, and all other documents, reports, records, books, files, digital records, and other materials relative to this Agreement and to the GOLDEN STATE Services, and all transactions between GOLDEN STATE and IA AMERICAN, which shall include, without limitation, the identity and addresses of policyholders.

- 3.3 Regulatory Authority. Except as limited by a new or modified conservation or liquidation order by the Conservation Court, GOLDEN STATE represents, warrants and covenants that GOLDEN STATE shall comply with such applicable federal and state laws and regulations having jurisdiction over the GOLDEN STATE Services, including but not limited to any licensing requirements, and privacy laws and regulations applicable to the administration of the Policies and Contracts. Except as limited by a new or modified conservation or liquidation order by the Conservation Court, GOLDEN STATE further represents and warrants that GOLDEN STATE shall use commercially reasonable efforts to maintain such licenses necessary for it to perform the GOLDEN STATE Services. The CONSERVATOR further covenants to inform IA AMERICAN immediately if GOLDEN STATE fails to maintain any required licenses pursuant to applicable federal and state laws and regulations.

Article IV Books and Records

- 4.1 Books and Records. GOLDEN STATE shall maintain records of the GOLDEN STATE Services performed under this Agreement. GOLDEN STATE shall keep proper books of account and records relating to the GOLDEN STATE Services in which entries will be made in accordance with generally accepted accounting procedures and any applicable federal and state laws and regulations.
- 4.2 Inspection and Audit. If this Agreement lasts longer than 90 days, IA AMERICAN and its representatives shall, audit GOLDEN STATE to evaluate the internal controls and compliance with this Agreement with regard to the Books and Records maintained by GOLDEN STATE, including but not limited to all Books and Records maintained by GOLDEN STATE in connection with the GOLDEN STATE Services. IA AMERICAN shall be fully responsible for the costs of such audits and shall cause such audits to be conducted by qualified persons. In addition, IA AMERICAN, its duly authorized independent auditors and any applicable insurance regulator, shall have the right under this Agreement to perform on-site audits of the Books and Records of IA AMERICAN and shall have reasonable access to (i) all pertinent Books and Records of IA AMERICAN which relate to the GOLDEN STATE Services to be performed under this Agreement for the purpose of examination, audit and inspection, (ii) to the IA AMERICAN data in a media usable by them, and (iii) to any employees who perform the GOLDEN STATE Services. The CONSERVATOR on behalf of GOLDEN STATE shall assist IA AMERICAN in any regulatory examination relating to the Policies and Contracts and the Books and Records and shall fully cooperate with any applicable insurance regulator during any examination, audit or inspection. All examinations, audits or inspections occurring on-site at GOLDEN STATE's offices shall be during GOLDEN STATE's normal business hours with reasonable advance notice. The cost of all examinations, audits or inspections shall be borne by IA AMERICAN.

4.3 Regulatory Requirements. In addition to the requirements contained elsewhere in this agreement, the CONSERVATOR and IA AMERICAN agree that:

(a) payments received by GOLDEN STATE for insurance on behalf of IA AMERICAN shall be deemed received by IA AMERICAN. The payment of return premiums or claims by IA AMERICAN to GOLDEN STATE is not considered payment to the insured or claimant until the payments are received by the insured or claimant.

(b) whenever a Policy and Contract is issued to a trustee, a copy of the trust agreement and any amendments to it must be furnished to the IA AMERICAN by GOLDEN STATE and be retained as part of the official records of both GOLDEN STATE and the IA AMERICAN.

(c) all insurance charges, premium, returned premiums, or other monies collected by GOLDEN STATE on behalf of IA AMERICAN shall be held by GOLDEN STATE in a fiduciary capacity and deposited in an account established and maintained by GOLDEN STATE on behalf of the IA AMERICAN, or such other account as IA AMERICAN may designate.

(d) this Agreement will be retained as part of the official records of both GOLDEN STATE and IA AMERICAN for the duration of this Agreement;

(e) notwithstanding any other provision in this Agreement to the contrary, GOLDEN STATE may only act in the capacity in which it is allowed by this Agreement ; and

(f) with or without terminating this Agreement for cause, IA AMERICAN may suspend GOLDEN STATE's claim's settlement authority for cause upon written notice, sent certified mail, and IA AMERICAN has the right to suspend settlement authority during any dispute for cause of termination.

Article V Compensation

5.1 Fees and Expenses. IA AMERICAN shall pay to GOLDEN STATE or cause to be paid to GOLDEN STATE, in U.S. currency, the fees and charges for GOLDEN STATE Services in the amounts and manner set forth in Exhibit 5.1 hereof. Additional services shall be provided by GOLDEN STATE to IA AMERICAN at a cost to IA AMERICAN which is to be negotiated in good faith by the parties hereto at the time of the request. Notwithstanding anything to the contrary in this Agreement, GOLDEN STATE shall not receive commissions, fees, or charges contingent upon savings obtained in the adjustment, settlement and payment of losses covered by IA AMERICAN's obligations. GOLDEN STATE shall not receive from or on behalf of IA AMERICAN or from any

covered individual any compensation or other payment except as expressly set forth in this Agreement.

- 5.2 Billing Frequency. On or before the 20th day of each month, GOLDEN STATE shall submit to IA AMERICAN or its designee a detailed billing statement for GOLDEN STATE Services for the calendar month. IA AMERICAN shall pay or cause to be paid the undisputed amount of the statement to GOLDEN STATE on or before the Due Date. Disputes concerning fees and expenses shall be resolved as provided in Paragraph 5.4 of this Agreement.
- 5.3 Partial Months. Charges for a partial month shall be prorated on a daily basis based upon a thirty-day month.
- 5.4 Billing Disputes. If IA AMERICAN disagrees, in good faith, with any charge(s) on a billing statement from GOLDEN STATE, IA AMERICAN shall give the CONSERVATOR written notice, which complies with the following provisions:
- a. The notice shall separately identify each and every item in dispute, the amount which is disputed, the specific reasons alleged by IA AMERICAN for the disputed charge, and the amount which is not disputed, if any; and
 - b. The notice shall be accompanied by payment in full for the undisputed amount of the statement.

Both parties agree to mutually negotiate to resolve any disputes within thirty (30) days of IA AMERICAN's written notice. If the matter is not resolved within said thirty (30) days period, the matter shall be submitted to the Conservation Court for determination as set forth in Section 11.1 of this Agreement.

Article VI Term and Termination

- 6.1. Term. This Agreement shall commence on the Administration Date and shall continue for a period not to exceed 90 days or until terminated pursuant to Section 6.2.
- 6.2. Termination. This Agreement may be terminated on account of any one of the following:
- a. by any party on 30 days notice; or
 - b. upon material breach hereof, which breach is not cured within thirty (30) days after the non-breaching party provides written notice of breach to the breaching party;
 - c. in the event that the CONSERVATOR or GOLDEN STATE commits fraud or acts in a grossly negligent manner (as determined in IA AMERICAN's sole discretion) in performing the GOLDEN STATE Services or in connection with

- any covenant or obligation of the CONSERVATOR or GOLDEN STATE under or related to the Agreement; or
- d. 30 days prior to the closing of the estate of GOLDEN STATE by the Los Angeles Superior Court Case No. BS123005.
- 6.3 Duties of IA AMERICAN upon Termination. Within twenty (20) business days after the effective date of the termination of this Agreement, GOLDEN STATE shall submit a final bill for services provided through the date of termination. Within twenty (20) days of receipt of this statement, IA AMERICAN shall pay or cause to be paid to GOLDEN STATE all sums owing under the terms of this Agreement.
- 6.4 Duties of GOLDEN STATE upon Termination. Upon termination of this Agreement, GOLDEN STATE shall immediately return all of IA AMERICAN's property to it that is in GOLDEN STATE's possession and provide to IA AMERICAN all of IA AMERICAN's data that resides on the System, including, without limitation, funds held by GOLDEN STATE in a fiduciary capacity on behalf of IA AMERICAN, master files and transaction data in a computer readable format in flat, sequential file format, copies of record layouts, and definitions of each field therein. Any additional funds of IA AMERICAN received by GOLDEN STATE after the termination of this Agreement shall immediately be sent to IA AMERICAN. This provision shall survive termination of this Agreement.

Article VII Proprietary Rights

- 7.1 Ownership of Software. GOLDEN STATE represents and warrants that GOLDEN STATE either owns or is duly licensed and authorized to use the software to render the GOLDEN STATE Services, that it has the right to enter into this Agreement, that it has not granted any rights which conflict or may conflict with or otherwise impair IA AMERICAN's rights hereunder, and that the software does not infringe any patents, copyrights, or other proprietary rights of any other person. All modifications and enhancements to the software and System shall be the property of GOLDEN STATE.
- 7.2 Acknowledgment of Ownership. IA AMERICAN acknowledges that GOLDEN STATE is the sole and exclusive owner or licensee of the software that is used by GOLDEN STATE hereunder to render the GOLDEN STATE Services; and IA AMERICAN disclaims and releases any rights which it may have or claim to have in the future with respect to such software. IA AMERICAN shall not (i) apply for any patent, copyright or trademark related to the software or any component thereof; (ii) make any common law or other claim with respect to the software in the name of IA AMERICAN or assist any third party in doing so; (iii) permit the use of the software for any purpose other than as provided under this Agreement; (iv) challenge or infringe upon the title or any proprietary rights of GOLDEN STATE in and to such software or any patent copyright, trade secret or trademark of GOLDEN STATE. Upon request by the CONSERVATOR, IA AMERICAN shall cooperate fully and in good faith, and shall assist the CONSERVATOR to the extent reasonably necessary, to procure any protection or protect

any right claimed by the CONSERVATOR and/or GOLDEN STATE with respect to the software; provided that GOLDEN STATE shall reimburse IA AMERICAN for its reasonable expenses associated with any such action requested by the CONSERVATOR or GOLDEN STATE.

- 7.3 Data and Records. IA AMERICAN is and shall remain the owner of items, the Books and Records and data furnished to GOLDEN STATE under this Agreement, including all information relating to IA AMERICAN, the Policies and Contracts contained in master and/or transactional data files created and/or maintained by GOLDEN STATE during the term of the Agreement and in existence upon termination hereof. It is understood and agreed that the Books and Records shall at all times remain under IA AMERICAN's direct supervision, management and control.

Article VIII Confidentiality; Noncompetition

- 8.1 Confidentiality. Each party shall hold in confidence all information relating to the transactions processed, products, Policies and Contracts and business affairs of the other party ("Confidential Information"). Nothing in this Paragraph, however, shall prohibit either party from providing access to such information to authorized governmental and regulatory agencies and authorities in order to comply with judicial or administrative processes. IA AMERICAN acknowledges and agrees that GOLDEN STATE's software and documentation is to be kept in strictest confidence. GOLDEN STATE shall hold in confidence all information pertaining to the policyholders or claimants under the Policies and Contracts and comply with the privacy policy of IA AMERICAN as it exists from time to time and is communicated to GOLDEN STATE. GOLDEN STATE agrees that if any of the Policies and Contracts is part of an ERISA plan, information which identifies an individual covered by an ERISA plan is confidential, and that all such information furnished by IA AMERICAN to GOLDEN STATE is confidential. During the time such ERISA confidential information is in GOLDEN STATE's custody or control, GOLDEN STATE agrees to hold such information in compliance with this Article 8.1 and to take all reasonable precautions to prevent disclosure or use of the ERISA confidential information for a purpose unrelated to the administration of the ERISA plan. GOLDEN STATE agrees to disclose such ERISA confidential information only: (a) in response to a court order; (b) for an examination conducted by the applicable insurance regulator for an audit or investigation conducted under ERISA; (c) to or at the request of the IA AMERICAN; or (d) with the written consent of the identified individual or his or her legal representative. GOLDEN STATE further agrees that any employee, agent, attorney, accountant, advisor, consultant, or other representative of GOLDEN STATE with a need to know, shall keep the IA AMERICAN data and Books and Records and Confidential Information to which GOLDEN STATE is directly accessible in the implementation and performance of the GOLDEN STATE Services in strictest confidence and, except for disclosures strictly required by public agencies having jurisdiction over GOLDEN STATE or IA AMERICAN, or made as required by law or applicable regulation, will not disclose any such data and/or information to third parties without the express written consent of IA AMERICAN. GOLDEN STATE further represents, warrants and

covenants to comply with all applicable federal, state or local privacy laws and regulations in respect of all information pertaining to the policyholders or claimants under the Policies and Contracts and will not use any Confidential Information of the IA AMERICAN for any purpose other than providing the GOLDEN STATE Services.

Article IX Remedies

- 9.1 Upon the occurrence of any breach by either party of its obligations under this Agreement, the parties shall be entitled to the following remedies:
- a. Performance Termination. If IA AMERICAN defaults with respect to its financial obligations described in Article V of this Agreement, which default is not timely cured, GOLDEN STATE shall have the right to terminate performance under this Agreement until such default is cured, and such termination shall be without prejudice to the rights and remedies of GOLDEN STATE pursuant to this Agreement. Notwithstanding the foregoing, GOLDEN STATE shall not terminate performance if IA AMERICAN deposits the alleged balance of the amount claimed due in an interest bearing escrow account established for the sole purpose of securing payment of IA AMERICAN's obligations hereunder. The escrow account shall be established at a mutually acceptable financial institution and the interest earned on the deposit shall be paid to the party to whom such deposit (or proportionately based on a decision that both parties are entitled to a portion of the amount) is paid.
 - b. Specific Performance and Injunction. The parties acknowledge that if either party fails, or threatens to fail, to comply with its obligations under Article VII or Article VIII of this Agreement, the other party may suffer irreparable harm for which there may be no adequate remedy at law. Accordingly, if either party fails to comply with such obligations, then, in addition to its other remedies, the other party will be entitled immediately to injunctive relief or any other appropriate equitable remedy.
 - c. Material Breach. If the Agreement is terminated due to a material breach of this Agreement, the non-breaching party may seek to recover direct actual damages for breach of this Agreement.
- 9.2 Cumulative Remedies. Except as expressly limited in this Article, no remedy herein conferred upon nor reserved to a party is intended to be exclusive of any other remedy available at law or in equity, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity, by statute or otherwise.
- 9.3 Limitation of Damages. IA AMERICAN MAY NOT RECOVER ANY SPECIAL OR CONSEQUENTIAL DAMAGES FOR BREACH OF THIS AGREEMENT. TO THE GREATEST EXTENT PERMITTED BY LAW, IA AMERICAN WAIVES AND

RELEASES GOLDEN STATE, THE CONSERVATOR, THE CALIFORNIA INSURANCE COMMISSIONER AND THE SPECIAL DEPUTY INSURANCE COMMISSIONER, AND THEIR RESPECTIVE REPRESENTATIVES, AGENTS EMPLOYEES AND SUCCESSORS, FROM ANY CLAIM THAT THEY, INDIVIDUALLY OR JOINTLY, HAVE MADE ANY REPRESENTATION, OMISSION OR WARRANTY TO INDUCE EXECUTION OF THIS AGREEMENT. THIS PROVISION DOES NOT LIMIT ANY PARTY'S RIGHT TO DIRECT ACTUAL DAMAGES FOR BREACH OF THIS AGREEMENT.

- 9.4 Disclaimer of Warranties. THE CONSERVATOR DISCLAIMS ANY AND ALL WARRANTIES AND REPRESENTATIONS NOT EXPRESSLY SET FORTH IN THIS AGREEMENT.

Article X Indemnification

- 10.1 GOLDEN STATE Indemnification. GOLDEN STATE shall indemnify, defend and hold IA AMERICAN, its affiliates, directors, officers, agents or employees harmless from and against any and all claims, suits, actions, liability, loss, expense or damage, which IA AMERICAN, its affiliates, directors, officers, agents or employees may sustain due to or arising out of:
- a) any act or omission by the CONSERVATOR, GOLDEN STATE, its affiliates, managers, officers, agents, representatives, employees or others under contract with, appointed by or otherwise acting on behalf of the CONSERVATOR or GOLDEN STATE in violation of this Agreement or in violation of any applicable law, rule or regulation, during the term of this Agreement, or
 - b) any act of IA AMERICAN, its affiliates, directors, officers, agents or employees required to be taken pursuant to instructions of the CONSERVATOR, its affiliates, managers, officers, agents or employees where IA AMERICAN, its affiliates, directors, officers, agents, representatives or employees have complied with such instructions.
- 10.2 IA AMERICAN Indemnification. IA AMERICAN shall indemnify, defend and hold the CONSERVATOR, GOLDEN STATE, their affiliates, managers, officers, agents or employees harmless from and against any and all claims, suits, actions, liability, loss, expense or damage which the CONSERVATOR, GOLDEN STATE, their affiliates, managers, officers, agents or employees may sustain due to or arising out of:
- a) any act or omission by IA AMERICAN, its affiliates, directors, officers, agents, representatives or employees or others under contract with, appointed by or otherwise acting on behalf of IA AMERICAN in violation of this Agreement or in violation of any applicable law, rule or regulation, during the term of this Agreement, or

- b) any act of the CONSERVATOR, GOLDEN STATE, their affiliates, managers, officers, agents or employees required to be taken pursuant to instructions of IA AMERICAN, its affiliates, directors, officers, agents, representatives or employees where the CONSERVATOR, GOLDEN STATE, their affiliates, managers, officers, agents or employees have complied with such instructions.

10.3 Survival. Provisions of this section shall survive the termination of this Agreement.

Article XI Miscellaneous

- 11.1 Consent. Venue and jurisdiction for any cause of action between the parties shall be deemed to be exclusively in the Los Angeles Superior Court Case No. BS123005. The parties consent to the summary jurisdiction of the Conservation Court. In the event the Conservation Court is not available, the Parties hereby consent to the exclusive jurisdiction of the Los Angeles Superior Court to resolve any and all disputes as among them which arise out of, or relate directly or indirectly, to the Agreement or the transactions contemplated hereby. The Parties agree that service of process shall be effective if sent by certified or registered mail, return receipt requested, with signature required, to the address as shown in Article 11.7 of this Agreement. The Parties intend to grant the broadest possible exclusive jurisdiction to the Conservation Court. Notwithstanding the foregoing, any judgment may be enforced using the assistance of such courts as may be available to aid in the enforcement of judgments.
- 11.2 No Waiver. No failure or delay on the part of a party in exercising any right, privilege, power or remedy under this Agreement, and no course of dealing, shall operate as a waiver of any such right, privilege, power or remedy, nor shall any single or partial exercise of any right, privilege, power or remedy under this Agreement preclude any other or further exercise of such right, privilege, power or remedy. No waiver shall be asserted against either party unless duly signed in writing on behalf of such party. No notice to or demand on a party in any case shall entitle such party to any other notice or demand in any similar or other circumstances or constitute a waiver of the right of the party giving such notice or making such demand to take any other action in any circumstances without notice or demand.
- 11.3 Assignment. The rights, liabilities and obligations of any Party under this Agreement shall not be assigned, transferred or delegated to a person or entity who is not a Party to this Agreement without the prior written consent of the other Party.
- 11.4 Entire Agreement. This Agreement and the Exhibits and schedules attached hereto represent the final and complete agreement between the parties, and supersede all prior discussions, negotiations and agreements, written or oral, related to the subject matter of this Agreement, with all such matters being hereby merged into this Agreement.
- 11.5 Independent Contractor. The relationship between the parties is that of independent contractors. It is not the intent of the parties to create, nor shall this Agreement be

construed to create any partnership, joint venture, or employment relationship between or among the parties, or any of the officers, employees, agents or representatives.

Accordingly, the parties to this Agreement shall have exclusive control of their time, the method and means by which it performs its duties, and shall employ, pay and supervise their own employees and pay its own expenses, other than as provided in this Agreement, throughout the term of this Agreement and thereafter.

11.6 Severable Provisions. Each paragraph and provision is severable from the Agreement, and if a court of competent jurisdiction declares one or more provisions or parts invalid, the remaining provisions shall nevertheless remain in full force and effect.

11.7 Notices. All notices provided for in this Agreement shall be given in writing and transmitted by personal delivery or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to GOLDEN STATE:

Conservation & Liquidation Office
Attn: Scott Pearce
P.O. Box 26894
San Francisco, CA 94126-0894
Telephone: (415) 676-2000
Facsimile: (415) 676-5002

With a copy to:

Michael R. Weiss, Esq.
Epstein, Turner & Song, APC
777 S. Figueroa Street, Suite 4950
Los Angeles, CA 90017
Telephone: (213) 861-7487
Facsimile: (213) 861-7488
mrw@etslaw.com

Marta L. Smith, Esq.
Deputy Attorney General
California Department of Justice
300 South Spring Street, Room 1702
Los Angeles, CA 90013
Telephone: (213) 897-2483
Facsimile: (213) 897-5775

If to IA AMERICAN:

IA American Life Insurance Company
Attention: President
17550 N. Perimeter Drive, Suite 210
Scottsdale, AZ 85255-0131
Telephone: (480) 419-8986
Facsimile: (480) 563-0252

- 11.8. Force Majeure. The performance by either party of any of the undertakings set forth in this Agreement shall not be deemed untimely to the extent any late performance or nonperformance is due to acts of God, acts of war, civil disturbance, acts of government, including, but not limited to, government or court orders or any other act or event beyond the control of the effected party.
- 11.9 Cooperation. The parties agree to cooperate and undertake such further acts in the future as may be reasonably necessary or proper to carry out the terms and purpose of this Agreement.
- 11.10 Authority. The undersigned warrant and represent that they have full authority to execute this Agreement on behalf of the parties and full power to bind the parties in relation to this Agreement.
- 11.11 Liability of the Conservator. The CONSERVATOR is a Party to this Agreement only in his representative capacity as CONSERVATOR, and not individually, and the Parties hereto agree and acknowledge that the CONSERVATOR and any Special Deputy Insurance Commissioner executing this Agreement shall not have any personal liability for any matters or obligations hereunder, and further that the California Insurance Commissioner and the State of California are not parties to this Agreement and shall have no liability with respect thereto.
- 11.12 Agreement Governed by California Law. This Agreement shall be governed and construed in accordance with the laws of the State of California, without giving effect to the principles of conflicts of law.
- 11.13 Statutory Obligations. Except as expressly stated herein, nothing stated in this Agreement shall be deemed to limit, expand, enlarge, or otherwise modify the CONSERVATOR's statutory obligations, or to expand or enlarge any person's interest in or to the assets of Golden State, or to waive any defenses which any Party may now have or in the future have.
- 11.14 Severability. If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be declared invalid or unenforceable by the Conservation Court or other court of competent jurisdiction, the remainder of this Agreement or the application of such terms or provisions to persons or circumstances

other than those as to which it has held invalid or unenforceable, shall remain in full force and effect.

- 11.15 Express Terms. This Agreement shall be construed in accordance with its express terms and not its implied terms. Captions, paragraph and section headings appearing in this Agreement shall be used only for convenience in identifying the material terms and provisions of the Agreement and shall not be construed to express any other intent. Words used herein, regardless of the number and gender specifically used, shall be deemed and construed to include any other number, singular or plural, and any other gender as the context require.
- 11.16 No Construction Against a Party. This Agreement has been structured, approved and jointly drafted by all the Parties hereto and, for purposes of interpreting its terms, shall not be construed against any Party as the principal draftsman hereof.
- 11.17 Intent and Parol Evidence. The Parties intend this Agreement to be an integrated plan for the rehabilitation of GOLDEN STATE. Parol evidence shall not be appropriate to construe these agreements absent an ambiguity. In the event that parol evidence must be received, it is the Parties' intention in entering this Agreement to provide for servicing of the policies by GOLDEN STATE on an interim basis, pending the transfers and assumptions contemplated by the Assumption Reinsurance Agreement. The Parties further intend that IA American shall assume only those contractual Policy Liabilities, and no other liabilities of any kind or nature, other than the obligations to the CONSERVATOR set forth in said agreements.
- 11.18 Counterparts. This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall be deemed to be an original and all of which counterparts when taken together shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the Parties have caused their duly authorized representatives to execute this Agreement on the date noted below.

INSURANCE COMMISSIONER OF THE STATE OF CALIFORNIA IN HIS STATUTORY CAPACITY AS CONSERVATOR OF GOLDEN STATE MUTUAL LIFE INSURANCE COMPANY, AND NOT INDIVIDUALLY

By: David E. Wilson Date: May 7, 2010
David E. Wilson, Special Deputy Insurance Commissioner, and not individually

ASSUMING INSURER: IA AMERICAN LIFE INSURANCE COMPANY



By: Patrik Guindon Date: May 7th, 2010
Title: Vice President, Corporate Development

EXHIBIT 1.5

POLICIES AND CONTRACTS

Policies and Contracts shall mean all of the life, health, disability and annuity policies and contracts of GOLDEN STATES that are subject to the Assumption Reinsurance Agreement.

EXHIBIT 3.1
ADMINISTRATIVE SERVICES

GOLDEN STATE shall perform the following duties and responsibilities with respect to the administration of the Policies and Contracts. Such duties and responsibilities shall be consistent with GOLDEN STATE's existing capabilities, except as limited by a new or modified conservation or liquidation order by the Conservation Court.

1. Compliance with Performance Standards. Except as limited by a new or modified conservation or liquidation order by the Conservation Court, GOLDEN STATE shall comply with the performance standards in Exhibit 3.1.1, which is attached hereto and which may be amended by mutual agreement from time to time.
2. Competent Staff. Except as limited by a new or modified conservation or liquidation order by the Conservation Court, GOLDEN STATE shall maintain a staff of competent and trained administrative personnel, supplies and equipment to perform its duties and responsibilities under this Agreement in accordance with Industry Standard.
3. Premium Billing, Collection and Accounting. Except as limited by a new or modified conservation or liquidation order by the Conservation Court, GOLDEN STATE shall prepare for mailing renewal premium statements and notices of premium changes using data suitably formatted for the purpose as provided by GOLDEN STATE's computer systems to policyholders with the proper premiums consistent with the rate on the policies in compliance with the approved and applicable IA AMERICAN rate tables, as provided to GOLDEN STATE by IA AMERICAN. GOLDEN STATE shall receive premiums due IA AMERICAN and deposit the premiums in a bank account on behalf of IA AMERICAN in accordance with Accounting Requirements identified in Exhibit 4.1, which is attached hereto and which, may be periodically amended to comply with statutory accounting requirements from time to time. GOLDEN STATE shall return any refund of premiums due to policyholders.
4. Non-guaranteed Elements Administration. Except as limited by a new or modified conservation or liquidation order by the Conservation Court, GOLDEN STATE shall implement policy crediting interest rate changes within thirty (30) business days after notice of such change from IA AMERICAN. GOLDEN STATE shall implement changes in dividend scales within thirty (30) days of receipt of such changes from IA AMERICAN.
5. Accounting Services. Except as limited by a new or modified conservation or liquidation order by the Conservation Court, GOLDEN STATE shall provide the following account services to IA AMERICAN:

- a. General Accounting. GOLDEN STATE will account for premiums collected and received on the policies for IA AMERICAN in a fiduciary capacity in accordance with the Accounting Requirements in Exhibit 4.1.
 - b. Commission Accounting and Payment. GOLDEN STATE shall cause any general agent remaining related to the Policies and Contracts to receive his/her commission and any necessary related tax reporting information and forms.
6. Policyholder Service. Except as limited by a new or modified conservation or liquidation order by the Conservation Court, GOLDEN STATE shall handle requests for address, name and policyholder changes, including beneficiary changes, coverage changes, and assignment changes; GOLDEN STATE shall provide policyholders appropriate and proper responses to questions, requests, and complaints of policyholders; GOLDEN STATE shall cancel or otherwise terminate coverage under the Policies and Contracts as required by applicable standards and consistent with applicable regulatory requirements, provided IA AMERICAN shall always retain the right, within the scope of the Policies and Contracts, Industry Standards, and applicable law, upon notice, to direct the termination of Policies and Contracts by itself or by GOLDEN STATE or to terminate Policies and Contracts by direct notice to holders of Policies and Contracts; GOLDEN STATE shall reinstate Policies and Contracts as required by the terms thereof and in accordance with Industry Standards; GOLDEN STATE shall process policy loan requests and implement automatic policy loans, other non-forfeiture options and settlement options; and GOLDEN STATE will provide a toll-free telephone number for policyholder use.

To the extent required by applicable state law, GOLDEN STATE agrees to provide a written notice to the insured or policyholder of the Policies, as mutually agreed upon by GOLDEN STATE and IA AMERICAN, advising the insured or policyholder of the identity of the relationship among GOLDEN STATE, the insured or policyholder and the IA AMERICAN. GOLDEN STATE agrees that any policies, certificates, booklets, privacy notices, termination notices or other written communications delivered by IA AMERICAN to GOLDEN STATE for delivery to IA AMERICAN's policyholders shall be delivered by GOLDEN STATE promptly upon receipt of instructions from IA AMERICAN to do so. Costs of such deliveries shall be borne by IA AMERICAN.

7. Agency Services. GOLDEN STATE shall not be responsible for any agent's services other than as specifically stated herein.
8. Claims Administration. Except as limited by a new or modified conservation or liquidation order by the Conservation Court, GOLDEN STATE shall adjudicate claims in compliance with the policies terms and conditions and all unfair claims settlement statutes and regulations; and GOLDEN STATE shall verify eligibility, distribute and receive claim forms, review, settle and pay life claims within Industry Standards; GOLDEN STATE will mail the claim payment to any claimant on an uncontestable claim no later than the end of the tenth business day following GOLDEN STATE receipt of all requirements for the payment of the claim; GOLDEN STATE shall respond to

inquiries by policyholders concerning their claim; GOLDEN STATE shall maintain death claim logs for IA AMERICAN as required by IA AMERICAN's respective insurance authorities; GOLDEN STATE shall notify IA AMERICAN of all questionable or suspicious claims, contested claims and suits within five (5) business days of review and shall notify IA AMERICAN of all claims within 30 days of receipt; and GOLDEN STATE shall cooperate fully with IA AMERICAN to facilitate the fraud detection and investigation, adjudication, defense, litigation, settlement and/or payment of all contested claims. IA AMERICAN shall be responsible for establishing all claim payment procedures not specified by IA AMERICAN herein. Claim files are the property of IA AMERICAN and shall be delivered to IA AMERICAN once closed within 30 days. Upon an order of liquidation of IA AMERICAN, GOLDEN STATE may copy the claim files. A copy of a claim file shall be sent to IA AMERICAN for review, approval and/or direction whenever;

- Requested by IA AMERICAN;
- The claim exceeds \$15,000;
- Involves a coverage dispute;
- It remains open for 6 months; or
- It involves extra contractual allegations.

9. Printing, Forms and Formatting. Policyholder communication shall be on IA AMERICAN forms and letterhead. IA AMERICAN shall provide for use by GOLDEN STATE forms and envelopes for premium billing, annual reports, past due, and loan notices, letter writing and check preparation as well as all reports produced by the GOLDEN STATE computer system.
10. Reports and Reporting. Except as limited by a new or modified conservation or liquidation order by the Conservation Court, GOLDEN STATE shall provide to IA AMERICAN the following reports in a form and format mutually agreed upon between GOLDEN STATE and IA AMERICAN:
 - a. Monthly, GOLDEN STATE shall furnish IA AMERICAN with:
 - (i) Paid And Pending Death Claims
 - (ii) Performance Standards Compliance Report
 - b. Once each calendar year furnish name and address information in a "flat file" format to facilitate IA AMERICAN's privacy mailings within thirty (30) days of request.
 - c. Any other standard reports available from the System within a mutually agreed upon timeframe or other information or data reasonably requested by IA AMERICAN in connection with the administration of the Policies and Contracts. However, if such reports requested are outside standard reports and take a substantial amount of effort on the part of GOLDEN STATE, IA AMERICAN agrees to pay GOLDEN STATE Additional Service Fees as referenced in Exhibit 5.1. IA AMERICAN and GOLDEN STATE agree that reports necessary for IA

AMERICAN's US GAAP reporting of the Policies and Contracts shall be considered standard reports.

11. Accounting and Actuarial Reports and Reporting. Except as limited by a new or modified conservation or liquidation order by the Conservation Court, GOLDEN STATE shall provide the following reports to IA AMERICAN in a format mutually agreed upon between GOLDEN STATE and IA AMERICAN:
- a. Monthly, within the time period after the end of each month indicated below, GOLDEN STATE shall furnish IA AMERICAN with:
 - (i) General Trial Balance with all monthly cash activity in the segregated bank account - within ten (10) business days
 - (ii) Non-ledger transactions - by the tenth (10) business day
 - (iii) Actuarial reporting by the tenth (10) business day
 - 1) In-force file
 - 2) Statutory reserves
 - 3) Policy Exhibit
 - (iv) Policy Loan activity report
 - b. Quarterly, within the time period after the end of each quarter indicated below, GOLDEN STATE shall, in addition to the normal monthly reporting, furnish IA AMERICAN with:
 - (i) Reserve, Premium, and In Force report - within ten (10) business days
 - (ii) Schedule T information - within ten (10) business days
 - c. Annually, within the time period indicated below, GOLDEN STATE shall in addition to the normal monthly and quarterly reporting furnish IA AMERICAN with the following:
 - (i) Information necessary to complete the Annual Statement and state required quarterly and supplemental filings, including the following - within thirty (30) business days:
 - 1) Schedule S
 - 2) Schedule T
 - 3) Exhibit of Life Insurance
 - 4) Exhibits of Premiums and Reserves
 - d. GOLDEN STATE shall segregate data in the reports in Sections 11 a., b. and c. of this Exhibit by product lines to the extent required for statutory filings applicable to IA AMERICAN.
 - e. Any other information or data that may be reasonably requested by IA AMERICAN in connection with the administration of the Policies and Contracts. However, if such other information or data is outside standard reports and takes a substantial amount of effort on the part of GOLDEN STATE, IA AMERICAN agrees to pay GOLDEN STATE Additional Service Fees as referenced in Exhibit 5.1. IA AMERICAN and GOLDEN STATE agree that reports necessary for IA

AMERICAN's US GAAP reporting of the reinsured business shall be considered standard reports.

12. Miscellaneous Services. Except as limited by a new or modified conservation or liquidation order by the Conservation Court, GOLDEN STATE shall forward to IA AMERICAN within five (5) business days of receipt copies of all executive, governmental or regulatory inquiries or complaints received in its offices; and GOLDEN STATE shall make every reasonable effort to provide any and all information required by IA AMERICAN in responding to such inquiries within six (6) business days, but in no event more than ten (10) business days, of receipt of IA AMERICAN's request.

GOLDEN STATE shall calculate and pay to IA AMERICAN as often as monthly, the amount of any reinsurance renewal allowance due to IA AMERICAN pursuant to the Coinsurance Agreement.

GOLDEN STATE shall calculate the amount of policy loans made to policyholders less the amount of policy loans collected from policyholders (either through payment or reduction of benefits otherwise payable under the Policies and Contracts).

13. Initial Set-Up/Transition. Prior to the Administrative Transfer Date, GOLDEN STATE will establish its systems functions and processing and educate its personnel so that the performance of the GOLDEN STATE Services may proceed on fully operational basis. IA AMERICAN shall offer reasonable cooperation and assistance to personnel of GOLDEN STATE with respect to this initial set-up and transition. The conversion of policy files to new media or electronic formats (initially or at a later date) may be part of the transition and set-up process. Arrangements for the transfer or forwarding to GOLDEN STATE of telephone calls to the IA AMERICAN from policyholders, claimants, agents and service providers will be implemented (and continued as appropriate).
14. Records. GOLDEN STATE may convert any paper or other hard media files into electronic format.
15. Complaints and Fraud. Except as limited by a new or modified conservation or liquidation order by the Conservation Court, GOLDEN STATE shall maintain complaint logs for IA AMERICAN as required by IA AMERICAN's respective insurance authorities; GOLDEN STATE will follow prescribed IA AMERICAN standards for response to such complaints and for other complaints which are not received through an insurance regulatory authority; GOLDEN STATE will notify IA AMERICAN of any suspected agent fraud or defalcations within five (5) business days of GOLDEN STATE becoming aware of such suspected problem; GOLDEN STATE will provide IA AMERICAN with a copy of any proposed written response to an insurance regulatory authority complaint on behalf of IA AMERICAN, and the IA AMERICAN shall either approve the proposed written response or make suggested changes within forty eight (48) hours of receipt of the proposed written response in order to facilitate a timely response to the insurance regulatory authority on behalf of the IA AMERICAN.

**EXHIBIT 3.1.1
PERFORMANCE STANDARDS**

Task	Performance Standard
Sending out requested forms	Postmarked and sent out within three (3) business days of receipt of request
Sending out Policyholder Annual Reports	Within sixty (60) business days of the end of each policy year for interest sensitive products
Answering policyholder phone inquiries	Two (2) business days of receipt of request
Average time to process changes such as address, beneficiary, and payment mode	Six (6) business days from receipt of request
Average time to process uncontested claims after receipt of all paperwork	Ten (10) business days
Average time incoming calls are on hold	No more than 20 minutes
Providing Policy and Contract files and active claim files to insurance department on-site examiners.	Within six (6) days of the request.

EXHIBIT 4.1
ACCOUNTING REQUIREMENTS

1. Except as limited by a new or modified conservation or liquidation order by the Conservation Court, preparing, journalizing, and posting of Book and Records in such a manner as to enable the IA AMERICAN to complete its annual financial statement in accordance with the National Association of Insurance Commissioners' guidelines, as amended, or other reports as may be required by applicable law or insurance regulatory authority including the segregation of policy activity into general ledger accounts to track the necessary premium, claim, commissions, policy benefits, etc. by product line as defined by the statutory annual statement or by US GAAP accounting requirements and, if applicable, in accordance with ERISA, as amended.
2. Except as limited by a new or modified conservation or liquidation order by the Conservation Court, maintaining detailed Books and Records that reflect all transactions for which administrative services are performed under this Agreement, including, without limitation, premiums received for the Policies and Contracts, premium accounting, billing and collections, financial accounting, and agents' commissions for the Policies and Contracts, GOLDEN STATE's fees, contributions received and deposited on behalf of the IA AMERICAN, claims paid on behalf of the IA AMERICAN, and authorized expenses paid on behalf of the IA AMERICAN. Such detailed Books and Records shall describe all disbursements in sufficient detail to identify the source document substantiating the purpose of the disbursement, and including all of the following: (i) the check number; (ii) the date of disbursement; (iii) the person to whom the disbursement was made; (iv) the amount disbursed; (v) Policy and Contract number; and (vi) the purpose of the disbursement. If the amount disbursed does not agree with the amount billed or authorized, GOLDEN STATE shall prepare a written record as to the application for the disbursement. If the disbursement is for the earned GOLDEN STATE administrative fees, the disbursement shall be supported by evidential matter. The evidential matter shall be referenced in the journal entry so that it may be traced for verification.
3. Except as limited by a new or modified conservation or liquidation order by the Conservation Court, prepare and maintain monthly financial institution fiduciary and claim account reconciliations within 45 days after the end of each month.
4. Except as limited by a new or modified conservation or liquidation order by the Conservation Court, render and reconcile accounts to IA AMERICAN summarizing all transactions and remit all monies due to IA AMERICAN under this Agreement at least monthly; and GOLDEN STATE will not less often than monthly render an accounting to IA AMERICAN summarizing all transactions performed by GOLDEN STATE pertaining to the Policies and Contracts.

5. Except as limited by a new or modified conservation or liquidation order by the Conservation Court, certifications of policyholder in force data and reserves as required for valuation purposes.
6. Establishment and maintenance of a segregated bank account(s) for IA AMERICAN into which GOLDEN STATE shall immediately (and in any event within fifteen days) deposit all insurance charges, fees or premiums collected by GOLDEN STATE on behalf of IA AMERICAN and hold such funds in a fiduciary capacity. With respect to Nevada Policies and Contracts such account shall be at a financial institution in Nevada. GOLDEN STATE shall, upon request of IA AMERICAN, furnish IA AMERICAN with copies of such records pertaining to deposits and withdrawals in and from the account(s). GOLDEN STATE shall not pay any claim by withdrawals from the fiduciary account(s). Except for delivery of fiduciary account funds to IA AMERICAN, withdrawals from such account(s) shall be made only for any of the following:
 - (a) Transfer to and deposit in a claims-paying account for IA AMERICAN claims.
 - (b) Payment to GOLDEN STATE of GOLDEN STATE's compensation, fees or charges.
 - (c) Remittance of return premiums to the person or persons entitled to such return premiums.

No investments shall be made with funds in the fiduciary account(s). The fiduciary account shall at all times have a balance equal to contributions plus interest, if any, less authorized withdrawals listed in (a) through (c) above.

7. IA AMERICAN shall establish or designate a claims account from which only claims related to the Policies and Contracts are to be paid. GOLDEN STATE will inform IA AMERICAN and IA AMERICAN shall fund the amount necessary to pay all Policy and Contract claims. All Policy and Contract Claims, including those that may be funded from funds collected by GOLDEN STATE on behalf of IA AMERICAN, shall be on checks or drafts of IA AMERICAN and as authorized by IA AMERICAN. The claims account shall at all times have a balance equal to deposits less claims paid.

**Exhibit 5.1
Compensation**

ONGOING FEES:

\$1.50 per premium paying life policy in force per month and \$.92 per policy for all other policies in force per month, starting the month containing the Administration Date for the Term of this Agreement.

EXHIBIT 1.24: CLOSING SCHEDULE OF TRANSFERRED ASSETS

[Attach Closing Schedule]

Golden State Mutual Life Insurance Company / IA American Life Insurance Company
 Asset Values As of January 1, 2010
 Transferred Assets

Transferred Asset Cash Flows
 Cash Flows Interest

		<u>Bonds:</u>					
Transact	Date	CUSIP Identification	Description	Par Value	Book/Adjusted Carrying Value	Transferred Asset Cash Flows	Cash Flows Interest
		3133XU-ST-1	Federal Home Loan Bank	250,000	250,000		
		31393W-ZI-7	Federal Home Loan Mortgage Corp.	189,855	147,248		
Sold/paydown	12/15/2009	31393W-TH-2	Federal Home Mortgage Corp.	37,201	37,201		
Acq/Sold	12/23/2009	31398A-UR-1	Federal National Mortgage Assn	75,000	75,362		
		31393D-IM-1	Federal National Mortgage Assoc.	464,833	458,763		
		912828-BR-0	U S Treasury	400,000	402,495		
		912810-DW-5	U. S. Treasury	75,000	78,177		
		912828-EW-6	US Treasury Note	25,000	24,277		
		694308-GE-1	Pacific Gas & Electric	250,000	251,501		
		013817-AQ-4	Alcoa Inc	100,000	98,725		
		025816-AW-9	American Express	500,000	501,796		
		02635P-TS-2	American General Finance	500,000	506,588		
		02687Q-BG-1	American Intl Group Inc	500,000	498,712		
		031162-AJ-9	Amgen Inc	250,000	249,527		
		035229-CS-0	Anheuser Busch	500,000	491,484		
		00206R-AJ-1	AT & T Inc.	350,000	351,249		
		06050X-B2-8	Bank of America Corp	500,000	500,000		
		073902-PR-3	Bear Stearns Co	100,000	99,157		
		134429-AT-6	Campbell Soup Co	100,000	103,799		
		14040H-AQ-8	Capital One Financial	100,000	99,747		
		808513-AC-9	Charles Schwab	100,000	100,314		
		125509-BJ-7	Cigna Corp	100,000	99,382		
		17248R-AD-8	Cingular Wire	200,000	198,801		
Sold	10/27/2009	125581-CS-5	CIT Group Inc.	250,000	222,926		
		172967-DY-4	Citigroup Inc.	500,000	503,904		
		188054-AF-6	Clorox Co.	100,000	99,994		
		191219-BW-3	Coca-Cola Enterprises	250,000	255,699		
		20030N-AR-2	Comcast Corp	100,000	100,236		
		202795-HU-7	Commonwealth Edison	100,000	100,501		
		22541H-CC-4	Credit Suisse NY	500,000	501,896		
		24702R-AE-1	Dell Inc. Global Senior Unsecured	250,000	250,000		
		257867-AT-8	Donnelly & Sons	50,000	49,057		
		26054L-BB-8	Dow Chemical Company	250,000	250,000		
		278058-DC-3	Eaton Corp	250,000	253,305		
		532457-AW-6	Ell Lilly	250,000	250,480		
		532457-AZ-1	Ell Lilly	300,000	297,982		
		29736R-AB-6	Estee Lauder Co	100,000	101,961		
		345370-BX-7	Ford Motor Co., Inc.	250,000	250,794		
		368710-AG-4	Genentech Inc	250,000	252,620		
		36966R-WZ-8	General Electric Capital Corp	500,000	500,000		
		369604-BC-6	General Electric Co.	1,000,000	1,007,581		
		370442-BB-0	General Motors, Inc.	350,000	36,000		
		377372-AA-5	Glaxosmithkline	100,000	101,380		
		377372-AD-9	Glaxosmithkline Capital Company	250,000	250,000		
		38141G-EU-4	Goldman Sachs GP	350,000	350,626		
		423074-AF-0	Heinz (H.J.) Co	100,000	99,952		
		427866-AM-0	Hershey Foods Co	250,000	251,110		
		428040-BQ-1	Hertz Corp.	250,000	250,138		
		437076-AP-7	Home Depot Inc.	250,000	247,721		
		40429X-UD-6	HSBC Finance Corp	500,000	500,000		
		459200-BB-6	IBM Corp	250,000	252,148		
		460470-AM-9	International Tel. & Tel. Corp.	459,000	458,703		
		70816F-AD-5	J. C. Penney & Co.	250,000	251,182		
		24422E-QR-3	John Deere Capital	250,000	254,969		
		500255-AP-9	Kohls Corp	250,000	251,241		
		50075N-AU-8	Kraft Foods Inc	100,000	101,677		
		52490B-UB-4	Lehman Bros Hldg	250,000	75		
		52490B-R3-6	Lehman Bros Hldg	100,000	30		
		548661-CK-1	Lowes Companies	250,000	253,635		
		314275-AB-4	Macy's Retail Holdings	100,000	99,732		
		565849-AF-3	Marathon Oil Corp	100,000	101,938		
		571903-AG-8	Marriott International	250,000	248,150		
		5525V0-BD-7	Marsh & Ilsley	250,000	253,016		
		574599-AK-4	Masco Corp	100,000	101,591		
		58013M-EE-0	McDonald's Corp	250,000	252,112		
		580645-AE-9	McGraw-Hill Inc	500,000	503,681		
		585055-AH-9	Medtronic Inc	250,000	251,119		
		589331-AK-3	Merck & Co Inc	500,000	503,980		
		590188-AM-7	Merrill Lynch	500,000	497,386		
		59156R-AG-3	MetLife Inc	250,000	253,383		
		552953-BB-6	MGM Mirage	50,000	48,953		
		61166W-AF-8	Monsanto Co	250,000	254,370		
		617446-HS-1	Morgan Stanley	500,000	499,837		
		637432-HT-5	National Rural Utilities	250,000	253,722		
		650111-AE-7	New York Times	250,000	240,547		
		655664-AK-6	Nordstrom Inc	150,000	152,213		
		655844-AW-8	Norfolk Southern	100,000	96,442		
		68402L-AC-8	Oracle Corp	250,000	254,529		
		718172-AA-7	Phillip Morris Intl Inc	250,000	249,740		
		500472-AB-1	Philips Electron	250,000	253,083		
		72447W-AA-7	Pitney Bowes Inc	250,000	245,502		
		72447X-AC-1	Pitney Bowes, Inc.	250,000	250,376		
		74254P-VS-8	Principal Life	500,000	500,000		
		742718-CB-3	Procter & Gamble	300,000	297,681		
		74367C-FK-6	Protective Life	100,000	100,000		
		74432A-WZ-9	Prudential Financial	250,000	250,000		
		77509N-AK-9	Rogers Cable Inc	100,000	99,683		
		806605-AJ-0	Scherling - Plough	100,000	101,713		
		828807-BP-1	Simon Property Group	300,000	295,445		
		844741-AK-6	Southwest Airlines	100,000	95,665		
		852061-AD-2	Sprint Nextel	250,000	233,322		
		86764P-AD-1	Sumoco Inc	100,000	101,423		
		86787G-AC-6	Suntrust Bank	500,000	499,886		
		87612E-AS-5	Target Corp	500,000	506,356		
		887317-AC-9	Time Warner Inc.	250,000	250,278		
		89240A-KZ-2	Toyota Motor Credit	500,000	500,000		
		907818-DA-3	Union Pacific Corp	100,000	100,108		
		907821-MB-2	Union Pacific Railroad	500,000	500,000		
		91324P-AM-4	United Health Group	100,000	98,083		
		912656-AG-0	US Steel Corp	50,000	49,957		

91913V-AM-2	Valero Energy	50,000	50,556
92343V-AG-9	Verizon Communication Inc	500,000	512,297
925524-AU-4	Viacom Inc	100,000	91,897
927804-EZ-3	Virginia Electric & Power	100,000	102,093
92976W-BH-8	Wachovia Corp	500,000	501,625
931142-CH-4	Wal-Mart Stores	500,000	503,547
959802-AB-5	Western Union Co	100,000	100,675
962166-AS-3	Weyerhaeuser Co	50,000	49,942
982526-AB-1	WM Wrigley Jr Co	250,000	249,631
98310W-AB-4	Wyndham Worldwide	100,000	98,687
Balance Adjustment			1,087,318
Total Bonds		28,175,890	28,597,010.00

10/31/2009

Preferred Stocks

CUSIP Identification	Description	Fair Value	Book/Adjusted Carrying Value	Transferred Asset Cash Flows	Cash Flows Interest
007924-30-1	Aegon, N.V. Cap Secs	71,624	100,000		
21988G-35-3	AIG-Corp Backed Trust	48,760	48,760		
010392-55-3	Alabama Power 5.625%	100,320	102,121		
023139-50-4	AMBAC Financial Grp. 5.95%	20,840	20,840		
00211G-20-8	AT&T, Inc.	213,520	204,367		
055184-20-4	BAC Cap Trust 6.00%	78,000	102,668		
05541Q-20-6	Baltimore Gas & Elec Cap Trust II	89,000	104,381		
09656H-20-9	Bank of New York Cap v	99,600	102,472		
06739H-51-1	Barclay's Bank PLC 7.75%	47,680	51,786		
22081C-20-8	Bell South	49,000	50,000		
173066-20-0	Citigroup Cap IX Trups 6.0%	73,080	102,111		
22082P-20-8	CORTS Goldman Sachs Cap 1 TR	87,040	98,915		
22082R-20-4	Corts III Verizon 6.25%	100,600	103,233		
22238E-20-6	Countrywide IV	42,740	53,444		
804108-20-7	Credit Suisse First Boston Saturns	93,760	104,696		
25154D-10-2	Deutsche Bank Cap Frdng X 7.35%	91,880	103,768		
313400-62-4	FHLMC 8.375%	4,280	4,880		
31769P-60-5	Financial Security Assur. Hldgs 5.	58,000	98,639		
30257V-20-7	Florida Power & Light	102,080	101,017		
31358E-88-5	FNMA 5.81%	3,160	3,060		
345370-85-2	Ford Motor Company	89,280	89,280		
369622-51-9	General Electric 6.10%	95,920	105,081		
370442-12-1	General Motors 7.50	5,720	5,720		
373334-49-9	Georgia Power Co. 6.00%	101,488	103,195		
419866-40-5	Hawaiian Electric 5.0%	12,290	18,788		
40429C-20-1	HSBC Finance	98,360	108,210		
454889-77-5	Indiana Michigan Power Co.	100,680	105,822		
456837-40-0	ING Groep NV	67,480	105,469		
481228-20-3	JPMorgan Chase Cap XVI	48,460	51,730		
49327C-20-5	Keycorp Capital VIII 7%	39,500	50,000		
52520E-20-0	Lehman Brothers Holdgs Cap TR V	64	64		
590199-20-4	Merrill Lynch Cap Trust	38,280	51,394		
59021F-20-6	Merrill Lynch Cap Trust III	41,100	54,541		
59156R-40-5	MetLife Inc.	99,160	102,640		
605417-79-9	Mississippi Power	101,040	102,276		
617462-20-5	Morgan ST CP IV	84,480	103,882		
G7293H-11-4	Prudential Life	96,080	107,695		
744533-60-5	Pub Svc Oklahoma Elec	100,644	105,988		
744600-27-3	Public Storage	50,200	50,694		
744600-38-0	Public Storage	44,180	51,579		
74928P-20-7	RBS CAPITAL FND TRST V11 Pref S G	40,000	40,000		
780097-79-6	Royal BK Scotland	42,000	42,000		
73941X-79-1	Time Warner Pref Plus TR	84,000	101,932		
895436-20-2	Tri Continental Corp. \$2.50	21,795	27,200		
903905-20-9	USB Capital XII	91,520	99,209		
92553P-30-0	Viacom, Inc.	95,800	96,610		
92977V-20-6	Wachovia Pref Funding	88,920	112,907		
949795-20-7	Wells Fargo Cap	89,960	97,807		
94979P-20-3	Wells Fargo Capital 5.625%	84,120	97,515		
Balance Adjustment			(385,238)		
Total Preferred Stocks		3,427,465	3,467,139		

Mortgages

LOAN #	INTEREST RATE	STATEMENT VALUE (@1/1/2010)	APPRAISED VALUE (@10/31/2009)	Transferred Asset Cash Flows	Cash Flows Interest
001-52391	7.25%	173,773	174,268		
001-52409	9.50%	36,463	38,617		
001-52417	9.50%	145,792	156,877		
001-52420	8.00%	160,209	170,842		
001-52422	9.50%	63,319	68,006		
001-52440	7.00%	519,199	521,991		
001-52445	8.75%	83,148	87,883		
001-52459	9.00%	198,635	203,953		
001-52462	8.75%	73,244	75,648		
001-52465	7.75%	132,852	136,581		
001-52466	9.25%	43,198	49,356		
001-52475	8.25%	257,874	260,100		
006-52488	8.25%	87,321	87,545		
006-52490	8.25%	89,218	89,387		
001-52491	8.00%	117,411	119,362		
001-52498	8.00%	419,349	425,640		
001-52501	7.25%	117,919	121,807		
001-52502	7.25%	161,249	161,691		
001-52504	9.00%	563,657	564,253		
006-52508	8.00%	303,699	304,426		
001-52510	7.00%	308,042	312,498		
001-52511	7.50%	116,119	120,560		
001-52512	7.50%	290,206	294,097		
001-52513	8.00%	491,443	492,583		
001-52514	7.25%	146,528	147,513		
001-52516	7.50%	210,667	213,385		
001-52517	7.50%	522,632	523,932		
001-52518	7.75%	64,455	67,330		
001-52519	7.25%	361,293	363,661		
001-52520	7.25%	147,340	149,195		
001-52521	7.00%	559,097	560,545		
001-52523	7.25%	33,329	35,171		
001-52526	7.25%	377,568	382,094		
001-52527	7.75%	189,300	189,716		

001-52528	7.50%	356,423	357,246
001-52529	7.75%	426,582	431,380
001-52532	7.50%	284,492	285,124
001-52533	7.50%	539,954	541,147
001-52534	7.50%	499,463	511,623
001-52535	7.00%	780,210	782,003
001-52536	6.50%	815,691	824,208
001-52537	7.00%	1,146,987	1,149,551
001-52538	7.25%	721,370	722,872
001-52540	7.25%	445,691	449,400
001-52541	7.50%	536,029	540,411
001-52542	7.25%	790,119	791,517
001-52543	7.25%	564,095	585,213
001-52545	7.25%	1,170,426	1,172,656
001-52546	7.25%	390,510	390,877
001-52547	7.25%	660,585	660,585
001-52548	7.25%	223,834	224,858
001-52549	7.25%	270,021	270,745
001-52552	8.55%	442,965	443,598
001-52553	7.50%	491,278	492,121
001-52554	7.50%	590,545	591,544
001-52557	7.00%	530,033	530,960
001-52558	7.50%	895,236	895,236
001-52559	7.25%	397,451	397,777
001-52560	7.25%	873,330	874,737
004-52373	6.00%	101,181	102,162
004-52530	7.50%	184,189	184,609
004-52550	7.75%	563,571	565,039
004-52551	7.75%	505,270	506,587
004-52555	10.89%	619,504	619,560
004-52556	8.50%	193,397	193,654
007-52435	7.50%	34,065	34,203
Total Mortgage Loans		<u>24,570,047</u>	<u>24,828,697</u>
Loss Provision			<u>(4,084,557)</u>
Net			<u>20,744,140</u>

Transferred Assets:

Investments	52,808,289
Investment Income	574,252
Additional Obligations	<u>445,034</u>
GSM Net Obligations	53,827,575
Ceding Commission	<u>11,000,000</u>
GMS Total Obligation	64,827,575

EXHIBIT 3.4: SERVICE EXPENSE ALLOWANCES

Attachment to Closing Statement

Calculation for Policies Expense Allowance

Policy expense allowance will be computed monthly. Agreed upon rates will be applied to actual inforce policy at the end of each month.

Month End Date	
Individual Premium Paying Policies	\$1.85 per policy per month
Individual Paid Up Policies	\$1.08 per policy per month

EXHIBIT 14.1.4: RECONCILIATION SCHEDULE

Golden State Mutual Life Insurance Company / IA American Life Insurance Company
"Preliminary" Closing Statement
Assumption Reinsurance Effective January 1, 2010

Insurance Income:

Individual Life & Health Premiums Collected	
Individual Annuity Contributions Collected	
Policy Loans	
Other Amounts Collected	
Total Insurance Income	- -----

Insurance Benefits:

Individual Life Claims	
Individual Health Claims	
Group Health Benefits	
Individual Annuity Benefits	
Individual Life Maturities	
Individual Life Surrenders	
Individual Life Dividends	
Annuity Withdrawals	
Policy Loans	
Other Amounts Disbursed	
Total Insurance Benefits	- -----

Expense Allowances:

Individual Premium Paying Policies	
Individual Paid Up Policies	
Premium Taxes (2.5% of collected premium)	
Commissions (3.0% of collected premium)	
Total Expense Allowances	- -----

Final Net Insurance Income	\$ - -----
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Due to IA American (GSM)	\$ - -----
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EXHIBIT 14.1.5: FORM OF INTERIM REINSURANCE AGREEMENT

INTERIM REINSURANCE AGREEMENT

By and between
Insurance Commissioner of the State of California in his Statutory Capacity as Conservator
of Golden State Mutual Life Insurance Company, In Conservation
and
IA American Life Insurance Company

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INTERIM REINSURANCE AGREEMENT

This INTERIM REINSURANCE AGREEMENT (“Agreement”), entered into on _____, 2010 (the “Contract Date”), is by and between the Insurance Commissioner of the State of California in his Statutory Capacity as Conservator (hereinafter, “Conservator”) of Golden State Mutual Life Insurance Company, in Conservation (hereinafter, “Golden State”) and IA American Life Insurance Company (hereinafter, “IA American”).

RECITALS

WHEREAS, Golden State is a mutual life insurance company duly organized and existing under and by virtue of the laws of the State of California, with its principal place of business and home office located at 1999 West Adams Boulevard, Los Angeles, California 90018-3514. Golden State was authorized to and did transact the business of life, health and disability insurance and had in force life, health and disability insurance policies. Those lines of business and policies are the subject of this Agreement.

WHEREAS, IA American is an insurance company duly organized and existing under and by virtue of the laws of the State of Georgia, with its principal place of business and home office located at 17550 N. Perimeter Drive, Suite 210, Scottsdale, Arizona 85255-0131.

WHEREAS, on September 30, 2009, in Los Angeles Superior Court Case No. BS123005, the Los Angeles Superior Court (“Conservation Court”) entered an Order Appointing Conservator and Restraining Order (“Conservation Order”), which appointed the Insurance Commissioner as conservator of Golden State.

WHEREAS, the Conservator conducted a national solicitation process for the appropriate rehabilitation of Golden State’s policy liabilities. IA American submitted a bid to reinsure all of Golden State’s in-force policies and made the required \$25,000 bid deposit to Golden State. IA American was selected as the bidder with whom the Conservator began negotiations for the assumption reinsurance agreement and rehabilitation agreement and plan at issue in this agreement.

WHEREAS, the parties enter into this Agreement for the limited purpose of permitting closing of the Assumption Reinsurance Agreement even though a regulatory approval is still pending in the State of _____.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants set forth in this Agreement, the parties set forth above enter into the following Agreement as follows:

1. DEFINITIONS

The following terms have the meanings set forth below:

1.1 Accounting Procedure. Accounting Procedure means the procedure for resolving certain disputes as set forth in Sections 5 and 11 hereof.

1.2 Administration Transfer Date. Administration Transfer Date means the date that Golden State has completed the transfer of its administration of Policies to IA American.

1.3 Agreement. Agreement means this Assumption Reinsurance Agreement.

1.4 Assumption Endorsement. Assumption Endorsement means the endorsement by which IA American shall assume the Policies to effectuate the Reinsurance Assumption Agreement. The Assumption Endorsement shall be approved by the Conservation Court.

1.5 Rehabilitation Agreement. Rehabilitation Agreement means the Agreement and Plan of Rehabilitation for Golden State Mutual Life Insurance Company to be entered into by the Parties simultaneously with this Agreement.

1.6 Ceding Commission. Ceding Commission equals \$11 million to be credited to Golden State from IA American.

1.7 Closing. Closing means the consummation of the transactions provided for in this Agreement to occur on the Closing Date.

1.8 Closing Date. Closing Date means the date on which the Closing occurs and shall take place no later than 65 days after the date the Conservation Court approves this Agreement.

1.9 Conservation Court. Conservation Court means the Los Angeles Superior Court Case No. BS123005, which has jurisdiction over the conservation of Golden State Mutual Life Insurance Company, in Conservation.

1.10 Conservation Order. Conservation Order means the Order Appointing Conservator and Restraining Order entered by the Conservation Court with respect to Golden State.

1.11 Conservation Order Date. Conservation Order Date means the date on which the Conservation Order was entered by the Conservation Court on or about September 30, 2009.

1.12 Contract Date. The Contract Date is the date that appears in the introductory paragraph of this Agreement.

1.13 Effective Date. The Effective Date for this Agreement shall be January 1, 2010.

1.14 Final. Final as related to the Conservation Court's approval of this Agreement shall mean that all appeals have been resolved and that the time for appeal of the Conservation Court's approval of this Agreement has expired.

1.15 Golden State. Golden State means Golden State Mutual Life Insurance Company, in Conservation.

1.16 IA American. IA American means IA American Life Insurance Company.

1.17 Included Treaties. Included Treaties means the ceded reinsurance contracts, agreements and treaties to which Golden State is a party related to the Policies that are being transferred to IA American as part of this Agreement as specified in the Assumption Reinsurance Agreement. The list of these contracts shall be attached as Exhibit 2.5 hereto.

1.18 Party or Parties. Party or Parties means the Conservator and IA American.

1.19 Policy or Policies. Policy or Policies means Golden State's specified in-force policies as of the Effective Date, issued or directly assumed by Golden State. A list of the Policies shall be attached to this Agreement as Exhibit 1.19. For avoidance of doubt, the Exhibit 1.19 list of Policies is a best effort at listing the Policies, but does not limit the inclusion of Policies contemplated to be included in this Agreement.

1.20 Policy Liabilities. Policy Liabilities include those contractual liabilities and obligations concerning the Policies as written in the Policy contracts to the extent assumed in the Assumption Endorsement. For avoidance of doubt, the Assumption Endorsement contains language concerning dividends different from the language set forth in the Policies concerning dividends. The Assumption Endorsement shall govern IA American's obligations concerning Policy dividends. The reserves related to Policy Liabilities are listed in Exhibit 1.20 attached to this Agreement. The Parties contemplate further identifying these liabilities in a schedule to be exchanged at Closing.

1.21 Rehabilitation Plan Approval Order. Rehabilitation Plan Approval Order shall mean the entry by the Conservation Court of a final order approving the rehabilitation plan which authorizes the Conservator to enter into and consummate this Agreement.

1.22 Service Expenses. Service Expenses mean fees and expenses incurred in the performance of administrative services on the Policies performed in accordance with the Service Agreement to be entered into by the Parties simultaneously with this Agreement.

1.23 Service Agreement. Service Agreement means the Service Agreement to be entered into by the Parties. The Service Agreement shall be attached hereto as Exhibit 1.23.

1.24 Transferred Assets. Transferred Assets means assets of Golden State set forth in Exhibit 1.24.

2. ASSUMPTION OF POLICIES

2.1 Policies

2.1.1 Conservator on behalf of Golden State. Subject to the terms and conditions of this Agreement, by virtue of the Conservation Order, the Rehabilitation Plan Approval Order and pursuant to his statutory authority, the Conservator on behalf of Golden State transfers and cedes to IA American as of the Effective Date all of Golden State's liabilities under the Policies and the Policy Liabilities to the extent set forth in the Assumption Endorsement and Assumption Reinsurance Agreements for those policies located in the State of _____.

2.1.2 IA American Assumption. Subject to the terms and conditions of this Agreement and the Rehabilitation Plan Approval Order, IA American reinsures effective as of 12:01 a.m. on the Effective Date, the Policies, all rights, privileges, prerogatives, liabilities and obligations related to the Policy Liabilities to the extent set forth in the Assumption Endorsement as to the Policies located in the State of _____. This duty shall include, but not be limited to, the duty to pay all allocated expenses of adjustment of claims, legal expenses of defense of claims (including, without limitation, defense of disputed coverage issues and declaratory judgments relating to coverage), and other expenses incurred in connection with the adjustment of a claim or potential claim seeking to establish or recover on the basis of alleged Policy Liabilities, to the Policy Liabilities in the State of _____.

2.1.3 Roll Forward of Policy Liabilities. Policy Liabilities are valued as of the Effective Date. Any changes in Policy Liabilities on or after the Effective Date are the sole risk and responsibility of IA American, such that improvements in Policy Liabilities shall benefit IA American and deterioration in Policy Liabilities shall be to the detriment of IA American. The Conservator shall keep IA American informed on a monthly basis through Closing of all significant changes in and events affecting Policy Liabilities.

2.1.4 Interim Nature of Arrangement. This Agreement is entered into to provide one hundred percent reinsurance of all Policy Liabilities for policyholders located in the State of _____ during the time period regulatory approval is sought for the issuance of an Assumption Endorsement for IA American's assumption of the Policies for policyholders in the State of _____ as contemplated in the Assumption Reinsurance Agreement and Rehabilitation Agreement between the Parties. As set forth in Section 14 of this Agreement, upon approval of the Assumption Endorsement by the State of _____, the Assumption Reinsurance Agreement shall supersede this Agreement and this Agreement shall be void and of no further effect. The Policy Liabilities in the State of _____ shall then be treated as if they had been part of the Assumption Reinsurance Agreement as of its Effective Date.

2.2 Same Terms and Conditions. Except as set forth in the Assumption Endorsement, the reinsurance herein assumed by IA American shall be subject in all respects to the same terms and conditions of the policies and contracts as issued by Golden State. Notwithstanding

anything to the contrary contained herein, IA American does not assume and shall not be liable for any liabilities that are not claims based on or arise out of the contractual terms of the Policies and/or the terms and/or provisions thereof. IA American shall accept and assume the Policies subject to all defenses, set-offs and counterclaims to which Golden State would be entitled with respect to such Policies. It is expressly understood and agreed by the Parties that no such defenses, set-offs or counterclaims are waived by the execution of this Agreement, and that on the Effective Date IA American shall be fully subrogated to all such defenses, set-offs and counterclaims (all of which defenses, set-offs and counterclaims may also be asserted by the Conservator and/or Golden State with respect to any claims that may be asserted against them). IA American shall not assume any extra-contractual claims which policyholders of Golden State may have against Golden State, including without limitation, any claims for tort, statutory violation, or any loss or liability in excess of the stated benefits and contractual rights under the Policies. Nothing in this paragraph shall limit IA American's duties to its policyholders upon the policy assumption contemplated by this Agreement as to matters which occur after the assumption.

2.3 Errors and Omissions. Inadvertent errors or omissions shall not relieve any Party from liability provided that the error or omission is rectified as soon as practicable after discovery. Upon discovery of an error or omission, the Party discovering the error or omission shall notify any other Party affected by the error or omission. The Parties agree to cooperate and work together, in good faith, to resolve, consistent with the terms of this Agreement, any problems, issues or lawsuits caused by any such error or omission. Such good faith cooperation may include, but is not limited to, assumption of Policy obligations, transfer of assets and complete documentation of the error or omission. The Parties intend that IA American shall assume the Policy Liabilities and shall work together to ensure that the assumption occurs despite any errors or omissions which may arise.

2.4 Ceded Third Party Reinsurance. The Conservator hereby transfers, assigns, cedes, delivers and conveys to IA American as of the Effective Date all of Golden State's respective rights, title, privileges, prerogatives, liabilities and obligations in all Included Treaties in effect on the Effective Date in connection with the Policies. IA American agrees to pay and perform all of the payment and other obligations of Golden State, if any, with respect to the Included Treaties. The Included Treaties which pertain or apply to the Policies are identified on Exhibit 2.5 hereto.

3. TRANSFERRED ASSETS

3.1 Transferred Assets. The Parties enter into this Agreement to facilitate the closing of the Assumption Reinsurance Agreement and Rehabilitation Agreement. The Transferred Assets relating to the Policy Liabilities in the State of _____ shall be governed by the Assumption Reinsurance Agreement. The Transferred Assets attributable to the Policy Liabilities in the State of _____ shall be retained by Golden State and accounted for by the Parties as if maintained in a separate account for the purpose of paying losses and expenses as set forth in this Agreement. The Ceding Commission, asset valuation and other matters regarding the Transferred Assets shall remain as set forth in the Assumption Reinsurance

Agreement The Parties; intention is to effectuate the goals of the Assumption Reinsurance Agreement as to Policy Liabilities in the State of _____, with IA American acting as a true reinsurer rather than an assumption reinsurer until regulatory approval is obtained in the State of _____, and then as an assumption reinsurer under the terms of the Assumption Reinsurance Agreement thereafter.

3.2 Calculation of Transferred Assets. The Conservator shall calculate the amount of Policy Liabilities for the State of _____ based upon a reasonable allocation of a portion of the Policy Liabilities to that State subject to the sole remedy on the part of IA American of an accounting adjustment under the Accounting procedures. set forth in this Agreement.

4. CLOSING AND CONDITIONS PRECEDENT TO CLOSING

4.1 Closing Date and Location. The Closing shall be held on the Closing Date at the law firm Epstein, Turner & Song, located at 777 S. Figueroa Street, Suite 4950, Los Angeles, CA 90017, Telephone: (213) 861-7487.

4.2 Conditions Precedent to Closing. The respective obligations of the Conservator and of IA American are subject to the following conditions precedent to Closing for the benefit of both Parties:

4.2.1 Conservation Court Approval. The form of this Agreement and the executed Rehabilitation Agreement, Assumption Reinsurance Agreement, Assumption Endorsement, Service Agreement and all related agreements concerning the transactions contemplated by these agreements, shall have been approved by the Conservation Court and an Order or Orders approving said agreements shall be entered with the Conservation Court and be Final. The Order or Orders shall contain language satisfactory to both the Conservator and IA American that (1) the transactions are authorized; (2) the transactions, when consummated, shall be enforceable; (3) the transactions are fair to the policyholders and creditors of Golden State; (4) the form of this Agreement, the Rehabilitation Agreement, the Assumption Endorsement, the Service Agreement and all related agreements concerning the transactions contemplated by these agreements, are approved; and (5) the Policy Liabilities may be assumed and transferred to IA American, such that, upon Closing of this Agreement and all related agreements, the Policies shall be assumed by IA American and the policyholders of said Policies shall have no further policy claim against Golden State for Policy Liabilities, other than any California Insurance Code § 1033 priority 9 equity ownership rights, if any, as mutual policyholders. Said agreements shall be null and void without said Order or Orders entered by the Conservation Court approving said agreements.

4.2.2 Governmental Approval. The California Department of Insurance and any other necessary governmental agencies shall have approved the consummation of the transactions set forth in this Agreement, the Rehabilitation Agreement, the Assumption Endorsement, the Service Agreement and all related agreements concerning the transactions contemplated by these agreements, as well as all necessary policy forms.

4.2.3 Obtaining IA American Approvals. IA American shall have obtained all necessary internal approvals regarding consummation of the transactions set forth in this Agreement, the Rehabilitation Agreement, the Assumption Endorsement, the Service Agreement and all related agreements concerning the transactions contemplated by these agreements.

4.2.4 Reinsurance Trust Agreement with Mutual Of Detroit Insurance Company. IA American will have executed a reinsurance trust agreement with Mutual of Detroit Insurance Company related to the Coinsurance Agreement by and between Golden State and Mutual of Detroit Insurance Company effective on December 1, 2006.

4.2.5 Environmental Liability Coverage. IA American will have obtained environmental liability coverage satisfactory to IA American related to the mortgage loan portfolio assets that are included in the specified Transferred Assets.

4.2.6 Obtaining of Permit for Transactions. The Parties shall have obtained all permits, if any, necessary to consummate the transactions contemplated by this Agreement, the Rehabilitation Agreement, the Assumption Endorsement, the Service Agreement and all related agreements concerning the transactions contemplated by these agreements, in terms satisfactory to each Party in its sole discretion.

4.2.7 No Material Adverse Financial Condition Changes. There shall have been no material adverse changes affecting IA American's financial condition or ability to close this transaction and the agreements contemplated thereby.

4.2.8 Representations are True. All written representations, recitals and affirmations made in this Agreement by any Party shall be true and correct in all material respects as of the Closing Date as if made at the Closing, except for changes in the usual and ordinary course of business that, individually or in the aggregate, do not affect materially the financial condition, business or prospects of the Party that made the representation that has changed or would not have a material adverse effect on such Party's ability to perform its obligations under this Agreement. No Party may avoid its obligations under this Agreement by asserting that its own representations are not true and correct in all material respects as of the Closing Date.

4.2.9 No Non-Express Representations. Other than the express written representations, recitals and affirmations set forth in this Agreement, the Rehabilitation Agreement, the Assumption Endorsement, the Service Agreement and any related agreements concerning the transactions contemplated by these agreements, by the Conservator and/or Golden State, IA American acknowledges and agrees that the Conservator, his representatives and Golden State made no other representations, recitals or affirmations, written, oral or otherwise, upon which IA American relied upon in entering into this Agreement, the Rehabilitation Agreement, the Assumption Endorsement, the Service Agreement and all related agreements concerning the transactions contemplated by these agreements, and that IA American performed its own independent and complete investigations and analyses of any and all facts, bases, representations, recitals and/or affirmations upon which IA American relied upon in entering into said agreements.

5. ACCOUNTING AND AUDIT PROCEDURES

5.1 Accounting. By January 15, 2011, or the last business day of the month following one-hundred fifty (150) days after the Closing Date, whichever is later, IA American shall prepare and deliver to the Conservator a reconciliation containing an accounting and statement of (i) Policy Liabilities and (ii) Transferred Assets valuation for the Transferred Assets transferred as of the Closing Date. That accounting shall be presented substantially in the form of Exhibit 5.1.

5.2 Audit. On or before the first business day ninety (90) days after receipt of the accounting as set forth in Section 5.1 above, the Conservator shall separately complete its audit and communicate any areas of dispute or disagreement with IA American's accounting.

5.3 Final Payment. Subject to the accounting and audit process as set forth herein, any amounts and calculations shall be final, due and payable by the Party owing such final payment on the first business day forty-five (45) days after delivery of the audit.

5.4 Disputes. To the extent that disputes or disagreements exist regarding the final accounting and/or audits thereof and the Parties are unable to resolve those disputes, the disputes shall be resolved by means of the Accounting Procedure as specified in this Agreement. The Conservation Court shall have the right to enter a judgment or order confirming any such determination pursuant to the Accounting Procedure.

6. PREMIUMS AND OTHER RECEIPTS

6.1 Ownership of Policyholder Payments. All policyholder payments related to the Policies in the State of _____ to provide coverage for periods after the Effective Date shall be maintained as a separate account for IA American, subject to the adjustments identified herein. All policyholder payments related to the Policies to provide coverage for periods before the Effective Date shall be the sole property of the Conservator of Golden State.

6.2 Transfer of Monies to IA American. All monies, checks, drafts, money orders, postal notes, and other instruments received by the Conservator and/or Golden State after the Closing Date for premiums on the Policies in the State of _____ shall be maintained as a separate account for IA American to be utilized for the purpose of paying losses and expenses for the purposes set forth in this Agreement.

6.3 Transfer of Monies to Conservator. All monies, checks, drafts, money orders, postal notes, and other instruments received by IA American after the Closing Date for premiums on the Policies or receivables which are the sole property of the Conservator shall be forthwith transferred and delivered to the Conservator and any such instruments, when so delivered, shall bear all endorsement required to effect the transfer of same to the Conservator.

7. RECORDS

[Intentionally left blank.]

8. REPRESENTATIONS AND WARRANTIES

In addition to the representations and warranties elsewhere in this Agreement, the Parties make the following representations and warranties:

8.1 Conservator's Representations and Warranties. The Conservator represents and warrants as follows:

8.1.1 Status. The Conservator is the duly-elected Insurance Commissioner of the State of California appointed as Conservator of Golden State pursuant to the Conservation Order and acting solely in his capacity as Conservator of Golden State, and not individually.

8.1.2 Authority. The Conservator has the statutory authority to participate in this Agreement, the Rehabilitation Agreement, the Assumption Endorsement, the Service Agreement and all related agreements concerning the transactions contemplated by these agreements, and has taken all actions necessary under his statutory authority to do so, subject to the conditions precedent set forth in Section 4 above.

8.1.3 Golden State. Golden State is a mutual insurance company duly organized and existing under and by virtue of the laws of the State of California and is an insurance company, in conservation proceedings, which underwrote the Policies.

8.1.4 Conservation Court Approval Required. The Conservator shall require the Conservation Court to approve this Agreement, the Rehabilitation Agreement, the Assumption Endorsement and the Service Agreement in order to consummate this Agreement and the transactions herein.

8.1.5 Selection of IA American. The Conservator selected IA American as the party with whom to negotiate this Agreement after a bidding process.

8.1.6 Acknowledgement of Necessary Approvals. The Conservator acknowledges and agrees that this Agreement, the Rehabilitation Agreement, the Assumption Endorsement, the Service Agreement and all related agreements concerning the transactions contemplated by these agreements, are subject to any necessary internal IA American approvals and that this Agreement is null and void without such approvals.

8.1.7 No Warranties Concerning Accuracy or Completeness of Records. Neither the Conservator, his representatives nor Golden State makes any warranty or representation that the books, records and/or other documents of Golden State which may be transferred to IA American may or shall be either accurate or complete.

8.2 IA American's Representations and Warranties. IA American represents and warrants as follows:

8.2.1 Corporate Existence and Good Standing. IA American represents that it is a corporation duly organized as a stock life insurance company validly existing and in good

standing under the laws of the State of Georgia and domiciled in the State of Georgia, with power and authority to conduct the business in which it is engaged, and has complete and unrestricted power to enter into and consummate this Agreement.

8.2.2 Power and Authority. IA American has all requisite power and authority to execute and deliver this Agreement, the Rehabilitation Agreement, the Assumption Endorsement, the Service Agreement and all related agreements concerning the transactions contemplated by these agreements; to perform its obligations under said agreements; and to consummate the transactions contemplated by said agreements. The signatory for IA American below is authorized to execute this Agreement on behalf of IA American and binds IA American to the terms and conditions of this Agreement.

8.2.3 IA American Board of Directors Approval. IA American shall have obtained all necessary internal corporate approvals including, without limitation, approval by IA American's Board of Directors, to enter into and consummate this Agreement, the Rehabilitation Agreement, the Assumption Endorsement, the Service Agreement and all related agreements concerning the transactions contemplated by these agreements.

8.2.4 Licensure. IA American holds valid licenses qualifying it to do life insurance business in the following States: California, Georgia, Illinois, Louisiana, Maryland, Michigan, Mississippi, Missouri, Nevada, North Carolina, Tennessee, Texas and District of Columbia.

8.2.5 Solvency. IA American is a solvent company not under any administrative or judicial supervision or limitation on its operations by any court or insurance supervisory official in any state. IA American further represents that it has delivered a true and correct copy of its 2009 Statutory Annual Statement to the Conservator and that no material adverse change in its financial condition has occurred since its 2009 Statutory Annual Statement and that it reasonably believes no materially adverse change as aforesaid is forthcoming.

8.2.6 Regulatory Approvals. IA American will obtain by Closing all regulatory approvals required to enter into and consummate this Agreement.

8.2.7 No Impediment. IA American is aware of no impediment, whether regulatory or contractual, to its entry into this Agreement.

8.2.8 Acknowledgement of Necessity of Conservation Court Approval. IA American acknowledges and agrees that this Agreement, the Rehabilitation Agreement, the Assumption Endorsement, the Service Agreement and all related agreements concerning the transactions contemplated by these agreements, are subject to approval by the Conservation Court and that this Agreement is null and void without the approval of the Conservation Court.

8.2.9 No Warranties Concerning Accuracy or Completeness of Records. IA American acknowledges that neither the Conservator, his representatives nor Golden State has made any warranty or representation that the books, records and/or other documents of Golden State which may be transferred to IA American may or shall be either accurate or complete.

8.2.10 Non-Breach. IA American will not breach any agreement with any person or entity through entry into this Agreement or consummation of this Agreement.

8.2.11 Statements Accurate. The statements made in the bid submitted by IA American and in this Agreement are in all respects true and correct.

8.2.12 Waiver of Claims against Golden State. Except for claims arising out of this Agreement, IA American hereby waives and releases any claims it may have against the estate of Golden State.

9. LIABILITIES AND INDEMNITIES

9.1 Notice. The Conservator and IA American will notify each other promptly of any suit, action or claim of any kind brought against it with respect to any Policy, except no notice from IA American shall be required with respect to any suit or claim that is a routine claims-handling dispute in the ordinary course of business.

9.2 Indemnification by IA American. IA American agrees to save, defend, indemnify and hold the Conservator and his representatives, agents, employees and successors, and Golden State and its representatives, agents and employees, completely free and harmless against any and all loss, liability and expense, including without limitation attorneys' fees, expenses and costs of suit including expert fees and expenses, from any and all suits, actions and claims of any kind arising out of the Policies with respect to the Policy Liabilities and/or any action or omission of IA American, taken with respect to one or more Policies on or after the Closing Date, regardless of whether the action or omission complained of is attributable to IA American alone, the Conservator alone, Golden State alone, or jointly with IA American, the Conservator and/or Golden State. The Conservator and his representatives may retain its, his or their own counsel and participate and control the defense or settlement of its, his or their own acts or decisions arising after the Closing Date, related to the Policies with respect to the Policy Liabilities. IA American shall reimburse the Conservator and his representatives, agents, attorneys and other indemnified parties for the reasonable funds expended on this counsel. The payments of all fees, expenses, losses, liability, judgments and settlement agreements resulting from such suit, action and/or claim of any kind shall be the sole responsibility of IA American.

9.3 Indemnification from Conduct. IA American agrees to indemnify and hold the Conservator and his representatives, agents and successors harmless against any and all loss, liability and expense, including reasonable attorneys' fees and expenses including without limitation expert fees and expenses and court costs, which result from or arise out of any alleged and/or established negligent, dishonest, malicious, fraudulent or criminal acts by IA American, its employees or agents with respect to the Policy Liabilities.

9.4 No Indemnity or Contribution Against Conservator. In no event shall any Party have a right to damages, indemnity or contribution against the Conservator or his representatives, agents, deputies, employees or successors for their alleged or established negligent acts. This provision does not limit any Party's right to direct actual damages for breach of this Agreement, the Rehabilitation Agreement, the Assumption Endorsement or the Service Agreement.

10. RESERVES

IA American shall maintain minimum capital and surplus, and unearned premium, health and other reserves consistent with the laws of all jurisdictions having regulatory authority over IA American.

11. JURISDICTION AND ACCOUNTING PROCEDURES

11.1 Agreement Governed by California Law. This Agreement shall be governed and construed in accordance with the laws of the State of California, without giving effect to the principles of conflicts of law.

11.2 Consent to Jurisdiction of Conservation Court. Except as set forth in Section 11.3 hereof, the Parties hereby consent to the exclusive jurisdiction of the Conservation Court to resolve any and all disputes as among the Parties which arise out of, or relate directly or indirectly, to the Agreement or the transactions contemplated hereby. In the event the Conservation Court is not available, the Parties hereby consent to the exclusive jurisdiction of the Los Angeles Superior Court to resolve any and all disputes as among them which arise out of, or relate directly or indirectly, to the Agreement or the transactions contemplated hereby. The Parties agree that service of process shall be effective if sent by certified or registered mail, return receipt requested, with signature required, to the address as shown in Article 12 of this Agreement. The Parties intend to grant the broadest possible exclusive jurisdiction to the Conservation Court. Notwithstanding the foregoing, any judgment against IA American may be enforced using the assistance of such courts as may be available to aid in the enforcement of judgments.

11.3 Dispute Governed by Accounting Procedure. Notwithstanding paragraphs 11.1 and 11.2 above, any dispute between the Parties related to calculations contemplated by this Agreement and any related exhibits, including but not limited to, the accounting and audits contemplated in this Agreement, shall be resolved by means of the following Accounting Procedure:

11.3.1 The Parties shall each retain a nationally recognized actuarial consulting firm or nationally recognized independent certified public accounting firm, as appropriate, which will perform the required calculations in the manner required by the Agreement as expeditiously as possible and issue their respective reports to the Parties. If the variation between the reports of the firms is less than five percent (5%) of the smallest amount, the results of the calculations shall be averaged, with the result deemed to be a final and determinative calculation of the amount at issue. If the reports differ by five percent (5%) or more of the smallest amount, the firms shall choose another firm which shall perform the calculations and issue a report to the Parties. Thereafter the two (2) calculations that are the closest shall be averaged with the result deemed to be a final and determinative calculation of the amount at issue. Each Party shall be responsible for the payment of fees and expenses of the actuaries and accountants retained by them to conduct the Accounting Procedure. The fees and expenses of the additional firm, if any, shall be shared equally by the Parties. The Conservation Court may enter an order or judgment confirming the award as determined by the Accounting Procedure.

12. NOTICE

12.1 Any notice required or permitted to be given hereunder shall be deemed to be given if delivered by hand or if mailed by certified mail, postage prepaid and signature required, or by postal or a commercial express document delivery service which issues an individual delivery receipt to the following address:

12.1.1 If to IA American, to:

IA American Life Insurance Company
Attention: President
17550 N. Perimeter Drive, Suite 210
Scottsdale, AZ 85255-0131
Telephone: (480) 419-8986
Facsimile: (480) 563-0252

With a Copy to:

IA American Life Insurance Company
Attention: Chief Legal Counsel, U.S. Operations
17550 N. Perimeter Drive, Suite 210
Scottsdale, AZ 85255-0131
Telephone: (480) 419-8986
Facsimile: (480) 563-0252

Alexander Law Firm, P.C.
Attention: Hugh Alexander
1580 Lincoln St., Suite 700
Denver CO 80203
Telephone: 303.825.7307
Facsimile: 303.825.3202

12.1.2 If to the Conservator and/or Golden State, to:

Conservation & Liquidation Office
Attn: Scott Pearce
P.O. Box 26894
San Francisco, CA 94126-0894
Telephone: (415) 676-2000
Facsimile: (415) 676-5002

With copies to:

Michael R. Weiss, Esq.
Epstein, Turner & Song, APC
777 S. Figueroa Street, Suite 4950
Los Angeles, CA 90017
Telephone: (213) 861-7487
Facsimile: (213) 861-7488
mrw@etslaw.com

Marta L. Smith, Esq.
Deputy Attorney General
California Department of Justice
300 South Spring Street, Room 1702
Los Angeles, CA 90013
Telephone: (213) 897-2483
Facsimile: (213) 897-5775

12.2 Each person shall be responsible for notifying, in writing, the others promptly of any change in addressee or address.

13. GENERAL PROVISIONS

13.1 No Third Party Beneficiaries. Nothing in this Agreement is intended or shall be construed to give any person, other than the Parties, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision contained herein.

13.2 Entire Agreement. This Agreement and all other agreements contemplated hereby and thereby collectively constitute the entire agreement among the Parties with respect to the transactions contemplated hereby and supersede any prior agreements, term sheets, understandings, negotiations and discussions, whether oral or written, of the Parties.

13.3 Exhibits. All exhibits are hereby incorporated by reference into this Agreement as if they were set forth at length in the text of this Agreement.

13.4 Recitals. The recitals to this Agreement are hereby incorporated by reference into this Agreement as if they were set forth at length in the text of this Agreement.

13.5 Cooperation. The Parties agree that they will, from time to time, upon the request of any other Party and without further consideration, execute, acknowledge and deliver in proper form any further instruments and take such other action as another Party may reasonably require in order to carry out effectively the purposes of this Agreement.

13.6 Confidentiality. All non-public books, records, data and information (collectively the "Non-Public Information") furnished by one Party to another in connection with the transactions contemplated by this Agreement shall remain and be deemed to be the exclusive

property of the Party furnishing the Non-Public Information unless and until the Closing occurs on the Closing Date and shall be held in the strictest of confidence by the other Party to the extent such information is not publicly available (other than Non-Public Information which has been published or been made publicly available by unauthorized disclosure of a Party) and shall not be used by such other Party for any purpose other than consideration of the transactions contemplated by this Agreement and for obtaining governmental consents and approvals for such transactions. In the event that the transactions contemplated by this Agreement are not consummated, each Party shall return all Non-Public Information in its possession which is deemed to be the exclusive property of any other Party, together with all copies thereof, and shall continue to hold such Non-Public Information in strict confidence and not use such Non-Public Information for any purpose whatsoever except as required by law.

13.7 Statutory Obligations. Except as expressly stated herein, nothing stated in this Agreement shall be deemed to limit, expand, enlarge, or otherwise modify the Conservator's statutory obligations, or to expand or enlarge any person's interest in or to the assets of Golden State, or to waive any defenses which any Party may now have or in the future have.

13.8 Severability. If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be declared invalid or unenforceable by the Conservation Court or other court of competent jurisdiction, the remainder of this Agreement or the application of such terms or provisions to persons or circumstances other than those as to which it has held invalid or unenforceable, shall remain in full force and effect.

13.9 Express Terms. This Agreement shall be construed in accordance with its express terms and not its implied terms. Captions, paragraph and section headings appearing in this Agreement shall be used only for convenience in identifying the material terms and provisions of the Agreement and shall not be construed to express any other intent. Words used herein, regardless of the number and gender specifically used, shall be deemed and construed to include any other number, singular or plural, and any other gender as the context require.

13.10 No Construction Against a Party. This Agreement has been structured, approved and jointly drafted by all the Parties hereto and, for purposes of interpreting its terms, shall not be construed against any Party as the principal draftsman hereof.

13.11 Expenses and Brokers. Each Party shall pay its own expenses in connection with this Agreement including without limitation expenses and/or obligations owed to any broker or other person or entity for a broker's commission. IA American has retained the services of Fletcher Financial, Overland Park, Kansas and represents that it is responsible for any fees which are owned this entity. Each Party agrees to indemnify and hold the other Party and his representatives, agents and successors harmless against any and all loss, liability and expense, including reasonable attorneys' fees and expenses including without limitation expert fees and expenses and court costs, which result from or arise out of any alleged and/or established expenses and/or obligations by the other Party for a broker's commission.

13.12 Waivers and Amendments; Non-Contractual Remedies; Preservation of Remedies. This Agreement may be amended, superseded, canceled, renewed or extended, and

the terms hereof may be waived, only by a written instrument signed by each of the Parties or, in the case of a waiver, by the Party waiving compliance. 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, remedy or privilege, nor any single or partial exercise of any such right, power, remedy or privilege, preclude any further exercise thereof or the exercise of any other such right, remedy, power or privilege. The rights and remedies herein provided are cumulative. Such rights and remedies are not exclusive of any rights or remedies that any Party may otherwise have at law or in equity, unless, and then only to the extent that, any such rights or remedies have been expressly limited under the Agreement. .

13.13 Assignment. The rights, liabilities and obligations of any Party under this Agreement shall not be assigned, transferred or delegated to a person or entity who is not a Party to this Agreement without the prior written consent of the other Party.

13.14 Intent and Parol Evidence. The Parties intend this Agreement, the Rehabilitation Agreement, the Service Agreement and any related agreements, to be an integrated plan for the rehabilitation of Golden State. Parol evidence shall not be appropriate to construe these agreements absent an ambiguity. In the event that parol evidence must be received, it is the Parties' intention in entering this Agreement that the policyholders of Golden State shall have their policies assumed by IA American, such that the policyholders no longer have policy claims against Golden State or the Conservator. The Parties further intend that IA American shall assume only those contractual Policy Liabilities, and no other liabilities of any kind or nature, other than the obligations to the Conservator set forth in said agreements.

13.15 Counterparts. This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall be deemed to be an original and all of which counterparts when taken together shall constitute but one and the same instrument.

13.16 Liability of the Conservator. The Conservator is a Party to this Agreement only in his representative capacity as Conservator, and not individually, and the Parties hereto agree and acknowledge that the Conservator and any Special Deputy Insurance Commissioner executing this Agreement shall not have any personal liability for any matters or obligations hereunder, and further that the California Insurance Commissioner and the State of California are not parties to this Agreement and shall have no liability with respect thereto.

13.17 Other Agreements, Exhibits and Schedules. This Agreement, and each of the other agreements contemplated hereby and thereby, and the exhibits and schedules to any of the agreements are a part of this Agreement as if fully set forth herein. All references herein to articles, sections, subsections, paragraphs, subparagraphs, clauses, exhibits and schedules shall be deemed references to such parts of this Agreement, unless the context shall require otherwise.

13.18 Honorable Undertaking. This Agreement, Rehabilitation Agreement, Service Agreement and the related agreements are an honorable undertaking of the Parties, the good faith of each of which shall be presumed in the absence of clear evidence to the contrary. Said agreements represent the Parties' joint drafting efforts and no presumption shall be made that ambiguities should be construed in favor of, or against, any of them. Disputes arising under said

agreements shall be presumed to be the result of good faith disagreements and no statutory, punitive or exemplary damages shall be recoverable in the absence of a finding by a court of competent jurisdiction of gross negligence, actual fraud or intentional misrepresentation.

13.19 Disclaimer of Warranties. THE CONSERVATOR DISCLAIMS ANY AND ALL WARRANTIES AND REPRESENTATIONS NOT EXPRESSLY SET FORTH IN THIS AGREEMENT, THE REHABILITATION AGREEMENT, THE ASSUMPTION ENDORSEMENT, THE SERVICE AGREEMENT OR THEIR EXHIBITS, INCLUDING WITHOUT LIMITATION, THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR PURPOSE OF ANY ASSETS TRANSFERRED HEREON. ALL ASSETS TRANSFERRED HEREUNDER ARE TRANSFERRED "AS IS".

13.20 Non-reliance. IA AMERICAN ENTERS INTO THIS TRANSACTION AT ITS OWN RISK AND EXPENSE, AFTER DOING ITS OWN DUE DILIGENCE, WITHOUT ANY RIGHT TO RELY UPON ANY REPRESENTATION OR WARRANTY NOT EXPRESSLY CONTAINED IN THIS AGREEMENT. IA AMERICAN ASSUMES THE RISKS OF THE ASSETS AND LIABILITIES TRANSFERRED HEREIN. THE CONSERVATOR RELIES ONLY UPON THE REPRESENTATIONS AND WARRANTIES MADE BY IA AMERICAN IN THIS AGREEMENT AND IN ITS BID.

13.21 Limitation of Damages. IA AMERICAN MAY NOT RECOVER ANY SPECIAL OR CONSEQUENTIAL DAMAGES FOR BREACH OF THIS AGREEMENT. TO THE GREATEST EXTENT PERMITTED BY LAW, IA AMERICAN WAIVES AND RELEASES THE CONSERVATOR, THE CALIFORNIA INSURANCE COMMISSIONER AND THE SPECIAL DEPUTY INSURANCE COMMISSIONER, AND THEIR RESPECTIVE REPRESENTATIVES, AGENTS EMPLOYEES AND SUCCESSORS, FROM ANY CLAIM THAT THEY, INDIVIDUALLY OR JOINTLY, HAVE MADE ANY REPRESENTATION, OMISSION OR WARRANTY TO INDUCE EXECUTION OF THIS AGREEMENT. THIS PROVISION DOES NOT LIMIT ANY PARTY'S RIGHT TO DIRECT ACTUAL DAMAGES, FOR BREACH OF THIS AGREEMENT, THE REHABILITATION AGREEMENT, THE ASSUMPTION ENDORSEMENT OR THE SERVICE AGREEMENT.

14. REPLACEMENT OF THIS INTERIM AGREEMENT

14.1. Termination of this Agreement upon Assumption by IA American. This Agreement shall be in effect until such time as the State of _____ has approved the Assumption Endorsement and the transactions contemplated by the Assumption Reinsurance Agreement. IA American will issue the Assumption Endorsement to policyholders within thirty days of the approval of the Assumption Endorsement and the transactions contemplated by the Assumption Reinsurance Agreement.

14.2 Effect of Regulatory Approval. The Parties agree that upon the approval by the State of _____ of the Assumption Endorsement for the policyholders in the State of _____, the purposes of this Agreement shall be completed; the Conservator shall then promptly transfer the assets in the separate accounts to IA American; the Assumption Reinsurance Agreement shall supersede this Agreement; this Agreement shall be void and of no

further effect; and the Rehabilitation Plan and the Assumption Reinsurance Agreement shall govern the relationships between the Parties. The Parties intend by this Agreement that this Agreement is an interim Agreement only, to provide for reinsurance by IA American for policyholders in the State of _____ until such time as the Assumption Endorsement is approved in the State of _____. The Parties further intend for the Rehabilitation Plan and the Assumption Reinsurance Agreement to govern the relationships between the Parties, with this Agreement providing interim steps while regulatory approvals are obtained in the State of _____. Upon approval of the Assumption Reinsurance Agreement and the transaction contemplated by the Assumption Endorsement in the State of _____, the parties shall treat the Assumption Reinsurance Agreement as having governed the Policy Liabilities in the State of _____ as of the Effective Date of the Assumption Reinsurance Agreement.

14.3 Effect of Denial of Regulatory Approval. If the State of _____ denies approval of the transactions contemplated in the Assumption Endorsement and Assumption Reinsurance Agreement, then Conservator, as his option in his sole discretion, may seek relief from the Conservation Court in the form of an order which provides that such policyholders have opted out of the Rehabilitation Plan and Agreement, or such other and further orders as the Conservation Court may deem appropriate in light of a regulatory denial as set forth in this paragraph..

IN WITNESS WHEREOF, the Parties have caused their duly authorized representatives to execute this Agreement on the date noted below.

INSURANCE COMMISSIONER OF THE STATE OF CALIFORNIA IN HIS STATUTORY CAPACITY AS CONSERVATOR OF GOLDEN STATE MUTUAL LIFE INSURANCE COMPANY, AND NOT INDIVIDUALLY

By: _____ Date: _____, 2010
David E. Wilson, Special Deputy Insurance Commissioner, and not individually

ASSUMING INSURER: IA AMERICAN LIFE INSURANCE COMPANY

By: _____ Date: _____, 2010
Title: _____

By: _____ Date: _____, 2010
Title: _____

EXHIBIT 1.19: POLICIES

[Identify Policies]

EXHIBIT 1.20: POLICY LIABILITIES

[identify Policy Liabilities]

EXHIBIT 1.23: SERVICE AGREEMENT

[attach Service Agreement]

EXHIBIT 1.24: CLOSING SCHEDULE OF TRANSFERRED ASSETS

[attach Closing Schedule]

EXHIBIT 2.1.4: ASSUMPTION ENDORSEMENT CERTIFICATE

[insert assumption endorsement certificate]

EXHIBIT 2.5: INCLUDED TREATIES

[identify Included Treaties and Coinsurance Agreements]

EXHIBIT 5.1: ACCOUNTING

[insert form to use for Accounting]