

**Frequently Asked Questions About
Lumbermen's Underwriting Alliance, in Rehabilitation
("Lumbermen's")**

1. What is a Rehabilitation Proceeding?

When an insurance company is impaired, insolvent, in unsound condition, or its further transaction of insurance would be hazardous to its policyholders, the Missouri Insurance Code authorizes the Director of the Department of Insurance to ask the Circuit Court of Cole County, Missouri (the "Receivership Court") for an Judgment of Rehabilitation directing the Director to rehabilitate the insurance company.

A Judgment of Rehabilitation directs the Director, in his capacity as Receiver, to (i) take or maintain possession of the property of the insurer, (ii) conduct the insurer's business, and (iii) take such steps to rehabilitate the business of the insurer as the Court shall direct.

2. Who is in charge of Lumbermen's during the Rehabilitation Proceeding?

The Receiver is in charge of Lumbermen's during the Rehabilitation Proceeding. On May 19, 2015, the Court signed a Judgment of Rehabilitation appointing the Director as Receiver of Lumbermen's.

The Receiver has appointed Bruce E. Baty, a partner at Dentons US LLP, as the Special Deputy Receiver to carry out the responsibilities of the Receiver with respect to the rehabilitation of Lumbermen's. The Special Deputy Receiver will appoint other persons to assist him in the Rehabilitation Proceedings. Only persons appointed by the Receiver or Special Deputy Receiver to assist in rehabilitating Lumbermen's will have authority to act on behalf of Lumbermen's.

3. What happens to my claim against Lumbermen's?

The Judgment of Rehabilitation enjoins certain conduct. Please read the Judgment of Rehabilitation carefully as there are penalties for violations. No proceedings against Lumbermen's in the State of Missouri may proceed for ninety (90) days from the entry of the Judgment of Rehabilitation and for such additional time as is necessary for the Rehabilitator to obtain proper representation and prepare for further proceedings. The Rehabilitator may petition the courts having jurisdiction over litigation in other jurisdictions for stays whenever necessary to protect the estate of Lumbermen's.

During Rehabilitation, Lumbermen's will continue to pay valid claims.

4. What happens to my Policy with Lumbermen's?

Your Policy will continue pursuant to its terms and conditions. The entry of the Judgment of Rehabilitation does not constitute an anticipatory breach of any contracts of Lumbermen's Underwriting Alliance, nor shall it be grounds for retroactive revocation or retroactive cancellation of any contracts of said company, unless such revocation or cancellation is made by the Rehabilitator pursuant to Mo. Rev. Stat. § 375.1168.

5. What happens to my service contract with Lumbermen's?

The entry of the Judgment of Rehabilitation does not constitute an anticipatory breach of any contracts of Lumbermen's Underwriting Alliance, nor shall it be grounds for retroactive revocation or retroactive cancellation of any contracts of said company, unless such revocation or cancellation is made by the Rehabilitator pursuant to Mo. Rev. Stat. § 375.1168.

6. Whom may I contact if I have a question regarding Lumbermen's and/or the Rehabilitation Proceeding?

- (1) Visit the website of the Receiver at:
<http://insurance.mo.gov/companies/receiv.php> ; or
- (2) Visit the website of Lumbermen's at:
<http://www.lumbermensunderwriting.com/>; or
- (3) Contact Lumbermen's at:
1905 N.W. Corporate Boulevard
Boca Raton, FL 33431-7303
Phone: (561) 994-1900
Email: info@ins-lua.com

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