

**AMERICAN CHAMBERS LIFE INSURANCE COMPANY  
NOTICE OF LIQUIDATION ORDER, DEADLINE FOR FILING  
PROOFS OF CLAIM, AND CONTINUOUS HEARINGS**

**LIQUIDATION ORDER**

On May 8, 2000, American Chambers Life Insurance Company ("ACLIC") was determined to be insolvent and ordered liquidated by Judge Sheward of the Court of Common Pleas, Franklin County, Ohio, Case No. 00 CVH03-2206. J. Lee Covington, II, Ohio Superintendent of Insurance, was appointed as Liquidator pursuant to Ohio Revised Code Chapter 3903 (the "Liquidator"). It is the Liquidator's responsibility to collect all of the assets of ACLIC and distribute them to creditors of ACLIC according to priorities established under Ohio law.

The Liquidation Order enjoins all persons from (1) instituting or continuing to prosecute any civil action or claim against ACLIC or the Liquidator, (2) in any way interfering with the possession, control, title, rights, and interests of the Liquidator as provided by Ohio Revised Code Sections 3903.01 to 3903.99, inclusive, or (3) taking any action which tends to give rise to a waste of assets, preference, judgment, attachment, lien or the making of a levy against ACLIC or its property or assets subject to the possession or control of the Liquidator.

**To: ACLIC POLICYHOLDERS / SUBSCRIBERS / CERTIFICATE HOLDERS / MEMBERS / INSUREDS  
(collectively referred to as "POLICYHOLDERS")**

The Liquidation Order triggered certain obligations of state life and health insurance guaranty associations. These guaranty associations were established by the laws of each state to provide important, but limited, protection to policyholders against an insolvent insurance company's failure to perform its contractual obligations under its policies of insurance. The Deputy Liquidator has been working closely with a task force of the National Organization of Life and Health Insurance Guaranty Associations, on behalf of the guaranty associations, to develop procedures for paying Policyholder claims under policies of ACLIC.

**ACLIC Policyholders are not required to file a Proof of Claim form with the Liquidator to obtain guaranty association protection.** The guaranty associations are currently processing Policyholder claims. The minimum guaranty association limit is \$100,000 per Policyholder, with some states having higher limits. Policyholders will receive notice if their claims exceed guaranty association limits. If Policyholders have claims that exceed guaranty association limits, they may file a Proof of Claim for the excess with the Liquidator. A Proof of Claim form must be used for making a claim for any amounts in excess of guaranty association limits. If policyholders have a claim in excess of guaranty association limits, policyholders may send a written request for a Proof of Claim form to the Office of the Deputy Liquidator, Suite B, Centre School, 1952 W. Broad Street, Columbus, OH 43223. The written request for a Proof of Claim must contain your name, address, date of birth, & social security number.

**THE DEADLINE FOR FILING PROOFS OF CLAIM IS MAY 8, 2001.**

**To: ACLIC AGENTS, EMPLOYEES, AND OTHER CREDITORS KNOWN OR REASONABLY EXPECTED TO HAVE CLAIMS AGAINST AMERICAN CHAMBERS LIFE INSURANCE COMPANY**

If the records of ACLIC indicate you are a creditor of ACLIC, it is anticipated that you will be mailed a Proof of Claim form within the next 120 days to be used in filing a claim in the liquidation proceedings. A Proof of Claim form must be used for making a claim for any amounts owed to you by ACLIC.

ACLIC agents are not permitted to credit or refund unearned premium resulting from cancellations with effective dates after May 8, 2000.

Proof of Claim forms will be mailed to all agents, employees, and other creditors of ACLIC known to have a claim within the next 120 days. If you have a claim against ACLIC and you do not receive a Proof of Claim form by October 8, 2000, you should send a written request for a Proof of Claim form to the Office of the Deputy Liquidator, Suite B, Centre School, 1952 W. Broad Street, Columbus, OH 43223.

**THE DEADLINE FOR FILING PROOFS OF CLAIM IS MAY 8, 2001.**

**PROOF OF CLAIM PROCESSING**

After all proofs of claim have been evaluated and the amount determined and approved by the Liquidation Court, covered claims that are allowed will be paid by priority level based on available funds. The amount paid will depend on the ratio of assets to total allowed claims by priority level. The Liquidator will not know the distribution percentage that can be paid on any individual proof of claim

until claims are evaluated and all assets converted to cash. This process will take a number of months after the May 8, 2001 deadline has passed for filing Proofs of Claim, and the Liquidator cannot state at this time if or when any distribution of assets will be made on allowed claims.

### **CONTINUOUS HEARINGS**

Continuous hearings concerning matters related to the Liquidation will be held by the Court on July 28, 2000 and thereafter on the third (3<sup>rd</sup>) Friday of every month, at 9:00 a.m., EDT, and at other times pursuant to further orders of the Court. If there are no matters scheduled, there will be no hearing. It is the obligation of each policyholder, creditor, or other claimant or party in interest having business with ACLIC or the Liquidator to check the Court calendar prior to the hearing date. Information regarding each session of such hearing will be available by calling the Court at (614) 462-3731 prior to each such session. **NO FURTHER NOTICE OF THESE HEARINGS WILL BE GIVEN.** Copies of materials filed with the Court (which will include a status of the matters scheduled to be heard) will be available at the Court for inspection and copying by persons having an interest in the ACLIC Liquidation, at their own expense.

**THIS NOTICE OF DEADLINE FOR FILING PROOFS OF CLAIM APPLIES TO ANY POTENTIAL CLAIMANT ASSERTING A CLAIM AGAINST ACLIC. THIS TIME LIMITATION APPLIES NOTWITHSTANDING ANY STATUTE OF LIMITATIONS OTHERWISE APPLICABLE TO SUCH CLAIMS.**

J. Lee Covington, II  
Superintendent of Insurance, State of Ohio  
Liquidator of AMERICAN CHAMBERS LIFE INSURANCE COMPANY

**AMERICAN CHAMBERS LIFE INSURANCE COMPANY, IN LIQUIDATION**  
**CLAIM NOTICE AND CLAIM FILING PROCEDURES**

1. Proof of Claim forms are anticipated to be mailed within the next 120 days to all known claimants and creditors as reflected on the books and records of American Chambers Life Insurance Company. The Proof of Claim should be completed in its entirety and all questions answered.
2. Proof of Claim forms and all supporting documentation **must be received by the Liquidator on or before May 8, 2001**, the claim filing deadline established by the Liquidation Court.
3. If your claim is for unearned premium, you must submit documentation evidencing proof of premium payment and certify that you have not received the return of premium from your agent or broker, and/or that it has not been applied/credited to premium due by you for your new/replacement coverage.
4. If you move prior to receiving your Proof of Claim or after filing your Proof of Claim, it is your responsibility to provide us with your new address. Failure to do so may result in your claim being barred from participating in any distribution of assets.
5. The Liquidator, in the normal course of the liquidation proceeding, will independently evaluate claims made against the assets of the American Chambers Life Insurance Company.
6. When your claim is evaluated by the Liquidator, you will be notified as to the Liquidator's determination for the allowance or disallowance of your claim, and you will have 60 days from the date of the notice in which to submit a written objection if you disagree with the Liquidator's determination.
7. After all claims have been evaluated and the amount determined and approved by the Liquidation Court, claims that are allowed will be paid by priority level based on available funds. The amount paid will depend on the ratio of assets to total allowed claims by priority level, as established by Ohio law. The Liquidator will not know the distribution percentage that can be paid on any individual claim until claims are evaluated and all assets converted to cash. This process will take a number of months after the deadline of May 8, 2001, for filing Proofs of Claim has passed and the Liquidator cannot state at this time if or when any distribution of assets will be made on allowed claims.