

NOTICE OF LIQUIDATION
of NATIONAL STATES INSURANCE COMPANY ("National States")
Claims Bar Date is 4:30 p.m. CST, November 15, 2011

Huff v. National States Ins. Co., Case No. 10AC-CC00219, Circuit Court of Cole County Missouri

To: claimants, creditors, agents and all other persons who may have claims against National States (other than policyholder benefit claims):

On November 15, 2010, a Judgment, Decree and Order of Liquidation with Finding of Insolvency (the "Judgment") was entered against National States, by the Circuit Court of Cole County, Missouri (the "Court") in Case No. 10AC-CC00219.

The Judgment found National States to be insolvent, terminated the rehabilitation proceedings concerning National States that had been pending since April 1, 2010, and appointed John M. Huff, Director of the Missouri Department of Insurance, as Liquidator of National States and Bruce E. Baty as Special Deputy Receiver of National States. The Liquidator was directed to take possession of the property, books, records and assets of National States and to administer them under the supervision of the Court. The Liquidator is vested by operation of law with title to all of the property, contracts and rights of action, and all books and records of National States, wherever located, and all other authority granted to the Liquidator under the Missouri Insurers Supervision, Rehabilitation and Liquidation Act, Mo. Rev. Stat. § 375.1150 *et seq.* ("Liquidation Act"). A copy of the Judgment can be found at the website: www.nstates.com.

Consistent with Mo. Rev. Stat. § 375.1188, the Judgment enjoins the commencement, prosecution or further prosecution of any suit, action or other proceeding against or involving National States, its property or assets, the Liquidator or its former Rehabilitator, other than claims asserted as part of the Liquidation proceeding. All persons indebted to or having any property of National States in their possession, directly or indirectly, are hereby notified to tender an account of the indebtedness and to pay the same and deliver such property to the Liquidator.

Information as to Proofs of Claim

Pursuant to the Judgment, all parties wishing to assert claims against National States, other than policyholder benefit claims, must complete and return the Proof of Claim ("POC") form so that it is received by the Liquidator on or before November 15, 2011 at 4:30 p.m. Central Standard Time (the "Claims Bar Date") or they may not be considered. There will be no payment by National States for any claim, incident, lawsuit or other matter, other than policyholder benefit claims, not properly filed as a POC on an official POC form, even if it was previously filed with National States or another person or official. Each claim must be filed on a separate POC form. All claims liabilities will be determined and all assets will be distributed in accordance with the Liquidation Act.

There must be an original signature on the POC. Completed POC forms should be mailed to the Liquidator at the address below. The POC will be approved or denied by the Liquidator. A hearing on the POC may be required.

Keep a copy of your POC form and proof of its timely mailing. If you want proof that your claim was received, send your POC via registered or certified mail, return receipt requested, **but you must assure that the POC is received at the above address by the Claims Bar Date.** All claims received after the Claims Bar Date will be precluded from sharing in the distribution of available assets, if any, from

the National States estate in any manner until the timely-filed approved claims of all other creditors have been paid in full.

Official POC forms must be received by the Liquidator at the address below:

**National States Insurance Company
Attention: Special Deputy Receiver
1830 Craig Park Ct.
Suite 100
St. Louis, MO 63146**

THE COURT HAS ORDERED THAT ALL CLAIMS MUST BE TIMELY FILED WITH THE LIQUIDATOR AT THE ABOVE ADDRESS ON OR BEFORE 4:30 p.m. CST, November 15, 2011.

Change of Address Notification

YOU ARE REQUIRED TO NOTIFY THE LIQUIDATOR OF YOUR CHANGE OF ADDRESS. FAILURE TO DO SO MAY JEOPARDIZE YOUR RECOVERY FROM NATIONAL STATES.

Other Information

Included with this Notice is material which answers frequently asked questions regarding the liquidation process. Please review this material carefully.

This notice and the information contained herein are in summary form and may not contain all necessary information for your particular situation. You are urged to consult an attorney if you have any questions. All claims are subject to payment only in accordance with applicable law.

If you have any questions regarding this Notice, other matters related to National States, or the liquidation proceeding, please call 800-868-6788 or write to the address set forth above.

BY ORDER OF THE COURT dated November 15, 2010.

Bruce E. Baty
Special Deputy Receiver of National States Insurance
Company