

Notice of Liquidation

Texas Memorial Life Insurance Company
Memorial Administrators, LLC (d/b/a "Texas Memorial Administrators, LLC")
TME Holdings, Inc.

September 1, 2009

On June 10, 2009, Texas Memorial Life Insurance Company ("Texas Memorial"), Memorial Administrators, LLC d/b/a Texas Memorial Administrators, LLC ("TMA"), and TME Holdings (the "Companies") were placed in receivership for the purpose of liquidation by the 345th Travis County District Court under an *Order Appointing Liquidator and Permanent Injunction* ("Liquidation Order"). The Commissioner of Insurance for the State of Texas was appointed as Liquidator and is now in charge of the Companies. The Liquidator has appointed Jack M. Webb & Associates, Inc. as Special Deputy Receiver ("SDR") of the three Companies under the Insurer Receivership Act, Chapter 443 of the Texas Insurance Code. Please visit www.texasreceiver.com to read the liquidation order and other documents related to the Companies.

Also on June 10, 2009, the Texas Life, Accident, Health, and Hospital Service Insurance Guaranty Association ("TLAHHSIGA") was activated to pay valid claims under insurance policies, and to continue coverage of insurance policies.

You are receiving this notice because the books and records of the Companies show that you may have a life insurance policy or an annuity contract issued by Texas Memorial, and/or a preneed (a/k/a prepaid) funeral service contract with TMA, and/or that you are a funeral service provider that sold or accepted preneed contracts from TMA, and/or that you are or may be an assignee of benefits under an insurance policy, annuity contract or preneed contract as of June 10, 2009.

The purpose of this Notice is to inform you of the liquidation, provide you information about filing claims and paying premiums, and advise you of what you may expect in the future.

Insurance policyholders: If you are an insurance policyholder or annuity contract owner with Texas Memorial, effective June 10, 2009 the TLAHHSIGA began providing continuing insurance or annuity coverage to you with respect to your insurance policy or annuity contract, subject to the terms, limitations, and conditions of your policy and the TLAHHSIGA statute. **By law, TLAHHSIGA provides coverage only for insurance policies issued by Texas Memorial and does not provide coverage for preneed funeral contracts, including inflation or growth payments.**

Claim payments: The TLAHHSIGA will pay Covered Obligations per the terms of the Texas Memorial insurance policy or annuity contract, subject to the statutory limits, terms, and conditions of the TLAHHSIGA statute. TLAHHSIGA is prohibited from making additional benefit payments once it has paid your Covered Obligations. TLAHHSIGA does not provide coverage for preneed funeral service contracts. If you submit claims that are not Covered Obligations, TLAHHSIGA will refer the claims to the SDR to process them as claims against the assets of TMA, or in rare cases Texas Memorial, if appropriate. At this time the SDR does not anticipate that there will be sufficient estate assets to pay general creditor claims of the Companies.

TLAHHSIGA limits: By law, TLAHHSIGA may only pay benefits as described in the insurance policy or annuity contract, and those payments may not exceed \$300,000 for life insurance policy death benefits and \$100,000 for life insurance policy cash value or the present value of annuity contracts.

Submitting Claims under insurance policies and annuities: You should submit claims to:

TLAHHSIGA
6504 Bridge Point Parkway, Suite 450
Austin, TX 78730
800-982-6362 or 512-476-5101
Facsimile 512-472-1470

Submitting all other claims: The Receivership Court will set a deadline by which to file all other claims against Texas Memorial and TMA. You will be notified when a deadline is set and how to file a claim with the SDR.

Documents/Information to Submit with your Claim: If you are a funeral service provider, please submit the following documents and information to make a claim: (1) death certificate, (2) verified statement of performance [signed by an authorized representative of your company and a representative of the insured's estate] and (3) invoice for services provided at the funeral. If you are not a funeral service provider, you should be prepared to submit the following documents to make a claim: (1) your name, address, phone number, fax number, and email address (2) insured's name, insurance policy number and address. (3) name of insured's personal representative (for example executor), address, phone number, fax number, and email address; (4) death certificate (5) amount of claim and (6) basis for claim. TLAHHSIGA may require additional information from you in order to process your claim.

Assignment of Benefits and Release: As a condition of receiving payment of Covered Obligations, TLAHHSIGA may require you and other interested parties to sign a release and assignment of benefits.

Premiums: If you were required to pay premiums or other payments under any insurance policy, annuity contract, or preneed contract you have with the Companies, you should continue making these payments so your insurance policy, annuity coverage, and/or preneed contract does not terminate. **Insurance and annuity coverage will terminate if you do not pay the required premiums.**

Funds Held by Funeral Homes: Funeral homes holding funds on behalf of any consumer must submit these funds to TLAHHSIGA at: P.O. Box 201491, Houston, TX 77216-1491. Funeral homes are not authorized to setoff or keep any of the money, even to pay for any unpaid inflation or growth claims under the preneed funeral service contract.

Funeral Home Obligations: Funeral homes are still obligated to honor the pre-need funeral service contracts at the time of need. In Texas, the funeral home still has a contractual liability to honor the pre-need funeral service contract by furnishing the described benefits specified in the contract, or provide their equivalent in quality, for the contract price as promised. Please contact the Texas Department of Banking (877) 276-5554 if you have questions about the obligations of a funeral service provider.

Automatic stay and permanent injunction: Certain acts against the Companies, the Liquidator, the SDR and the estates are stayed under TEX. INS. CODE § 443.008 and Court order as more fully described in the Liquidation Order.

Notice of status conference: The Receivership Court will hold a status conference on October 19, 2009 beginning at 12:45 PM CDT. Information on how to attend the conference may be obtained from the SDR's website.

Additional information and notice: You may obtain additional information and notice of matters before the Receivership Court from the SDR's website: www.texasreceiver.com. For information about the TLAHHSIGA, please visit <http://www.txlifega.org/>.

Questions: If you have questions about the information in this notice, please call TLAHHSIGA at 800-982-6362 during the hours of 7:30 a.m. to 4:30 p.m. CDT, Monday through Friday.

This notice is provided by the SDR and TLAHHSIGA

ANSWERS TO FREQUENTLY ASKED QUESTIONS AND OTHER HELPFUL INFORMATION

What is TLAHHSIGA? TLAHHSIGA is the state life and health insurance guaranty association in Texas. It was created by the Texas state legislature in 1973, and its purpose is to provide insurance policy benefits to policyholders (Covered Obligations) when their life and health insurance companies become insolvent and are ordered liquidated by a court.

What is the Special Deputy Receiver? The Special Deputy Receiver (SDR) is the person charged by the Court to sell the Companies' assets and determine which creditors have valid claims against the Companies.

How do I submit a claim? You should submit claims to:

TLAHHSIGA
6504 Bridge Point Parkway, Suite 450
Austin, TX 78730
Facsimile 512-472-1470

If you are a funeral service provider, please submit the following documents and information to make a claim: (1) death certificate, (2) verified statement of performance [signed by an authorized representative of your company and a representative of the insured's estate] and (3) invoice for services provided at the funeral. If you are not a funeral service provider, you should be prepared to submit the following documents to make a claim: (1) your name, address, phone number, fax number, and email address (2) insured's name, insurance policy number and address, (3) name of insured's personal representative (for example executor), address, phone number, fax number, and email address; (4) death certificate (5) amount of claim and (6) basis for claim. Legible copies of claim documents may be submitted by mail, fax, or e-mail. TLAHHSIGA may require additional information from you in order to process your claim.

What is the timing for the payment of claims? TLAHHSIGA will make every effort to process claims as quickly as possible. This usually takes less than 30 days after all required claims documentation is submitted. To increase the chances of your claim being processed quickly, you should submit all information in the format requested by TLAHHSIGA. Processing may be delayed if the information you submit is inaccurate, incomplete, illegible, or if additional information is required. When emailing or calling about your claim, it is possible you will not receive an immediate response or you may be asked to leave a message due to heavy call volume. TLAHHSIGA will make every effort to respond to all inquires within twenty-four hours. In the interim, we appreciate your patience.

When does TLAHHSIGA stop paying Covered Obligations? TLAHHSIGA will pay Covered Obligations incurred if your insurance policy or annuity contract is in force. Your insurance policy and/or annuity contract will be continued by TLAHHSIGA until the first of the following occurs: (1) you stop paying premiums, (2) you cancel the policy, or (3) payments for Covered Obligations meet the benefit limits in your insurance policy or annuity contract or the benefit coverage limits in the TLAHHSIGA law. You will receive a notification from TLAHHSIGA before your policy is terminated for non payment of premiums.

Should I keep making my premium payments? Yes. If a policyholder fails to make the premium payments required under the policy within 30 days of the scheduled due date, the policy may be terminated and the benefits reduced.

Where should I send premium payments? Premium payments required per the terms of the insurance policies should be submitted to the TLAHHSIGA's bank facility at:

TLAHHSIGA
P.O. Box 201491
Houston, TX 77216-1491

Will the electronic funds transfer I had established continue for the payment of premium? Yes, all premium payments that were being made through automatic withdrawal from the policyholders' bank accounts will be continued by the TLAHHSIGA.

Is there any discount for paying all of the premiums required under my policy prior to the scheduled due date? No. The Texas Memorial policies do not contain any discount for the advanced payment of the required premiums. TLAHHSIGA is required by law to honor the terms of the insurance policies and the policyholder must pay all required premiums or the benefits under the policy may be reduced.

Can my policy be reinstated if I miss a premium payment and my policy is terminated? A policyholder may request reinstatement of a policy that was terminated for non payment of the required premiums. TLAHHSIGA will request specific information from the policyholder to evaluate the policyholder's health and insurability. After evaluation of the evidence of insurability, TLAHHSIGA will advise the policyholder whether the policy may be reinstated with payment of all past due premiums and interest on the unpaid premiums.

NOTE: All requests to terminate or make a change to an insurance policy or annuity contract must be submitted in writing to TLAHHSIGA by the owner of the insurance policy or annuity contract.

WEB LINKS

- Special Deputy Receiver: go to the "links" section of www.texasreceiver.com and find the link to Texas Memorial; click on the "Court Documents" button.
- TLAHHSIGA: www.txlifega.org
- Texas Department of Insurance: www.tdi.state.tx.us.com
- Texas Department of Banking: SDR: www.banking.state.tx.us