

CAUSE NO. D-1-GV-08-000945

<p>THE STATE OF TEXAS, <i>Plaintiff,</i></p> <p>v.</p> <p>MEMORIAL SERVICE LIFE INSURANCE COMPANY, LINCOLN MEMORIAL LIFE INSURANCE COMPANY, AND NATIONAL PREARRANGED SERVICES, INC., <i>Defendants,</i></p>	<p>§ § § § § § § § § §</p>	<p>IN THE DISTRICT COURT OF</p> <p>TRAVIS COUNTY, TEXAS</p> <p>250th JUDICIAL DISTRICT</p>
---	--	--

**JOINT APPLICATION FOR
APPROVAL OF ASSUMPTION REINSURANCE AGREEMENT
REGARDING COVERED OBLIGATIONS UNDER THE LIQUIDATION PLAN
AND CERTAIN RELATED PREPAID FUNERAL CONTRACTS**

TO THE HONORABLE JUDGE OF SAID COURT:

Jo Ann Howard & Associates, P.C., Special Deputy Receiver of Lincoln Memorial Life Insurance Company and National Prearranged Services, Inc. (the “SDR”, “LML” and “NPS” respectively) and the National Organization of Life and Health Insurance Guaranty Associations (“NOLHGA”) file this *Joint Application for Approval of Assumption Reinsurance Agreement Regarding Covered Obligations under the Liquidation Plan and Certain Related Prepaid Funeral Contracts* (the “Application”).

I. INTRODUCTION AND SUMMARY OF RELIEF REQUESTED

1.1. The SDR and NOLHGA jointly file this Application seeking this Court’s approval of the Assumption Reinsurance Agreement Regarding Insurance Benefits Covered under the Liquidation Plan Related to Lincoln Memorial Life Insurance Company (“Agreement”). A copy of the Agreement is attached as **Exhibit 1**. The SDR and NOLHGA are both parties to the Agreement

and to the Liquidation Plan. Under TEX. INS. CODE §443.008, this court may issue any order as necessary or appropriate to carry out the provisions of the Insurer Receivership Act.

1.2. With respect to the SDR, this Application is filed pursuant to TEX. INS. CODE § 443.154 authorizing the SDR to sell, transfer and/or assign property with Court approval. By this Application, the SDR of National Prearranged Services, Inc. (“NPS”) asks the Court for authority to enter into an agreement with Liberty Bankers Life Insurance Company and The Capitol Life Insurance Company (collectively referred to as “Assuming Insurer”) to assign (free and clear of all liens) certain of NPS’s prepaid funeral benefit contracts (“Preneed Funeral Contracts”) as designated in the Agreement that relate to insurance policies issued by LML giving rise to insurance benefits covered by life and health insurance guaranty associations under the Liquidation Plan (“Covered Obligations”). The Preneed Funeral Contracts to be assigned to Assuming Insurer under the Agreement are referred to as the “Assigned Preneed Funeral Contracts.” The Application expressly does affect the validity of any liens or other interests in the Assigned Preneed Funeral Contracts claimed by third parties and seeks to disallow any and all liens and other interests. The Receiver has approved the terms of the proposed sale and the filing of this Application.

1.3. With respect to NOLHGA, this Application is filed on behalf of the life and health insurance guaranty associations affected by the liquidation of LML (the “Guaranty Associations”), including but not limited to the Texas Life and Health Insurance Guaranty Association. Although not required by the Guaranty Association enabling acts, NOLHGA is seeking court approval of the transaction because of its relationship to the Liquidation Plan, which was approved by this Court in the *Order Appointing Liquidator, Order Approving Liquidation Plan, and Permanent Injunction* (“Liquidation Order”) on September 22, 2008.

1.4. As set forth in greater detail in the Agreement, the Assuming Insurer will assume certain of the Guaranty Associations' Covered Obligations under the Liquidation Plan (and also provide certain Unfunded Obligations) as of the Effective Date of the Agreement. There are two Assuming Insurers. Due to licensing issues as detailed in the Agreement, Liberty Bankers Life Insurance ("Liberty") will assume the Covered Obligations from all states other than Alabama and Missouri; The Capitol Life Insurance Company ("Capitol Life") will assume the Covered Obligations from Alabama and Missouri.

1.5. As designated in the Agreement, certain of the obligations that are not subject to the assumption in the Agreement are referred to as Excluded Obligations. In some cases, the Excluded Obligations give rise to obligations that may be covered by Guaranty Associations under the Liquidation Plan. In those circumstances, the Excluded Obligations will continue to be administered by the SDR on behalf of the Guaranty Associations.

1.6. The Liquidation Plan will remain in full force and effect and apply to determine any and all benefits that may be due from Guaranty Associations, whether they are assumed by Assuming Insurer under the Agreement or whether they are excluded from the Agreement as Excluded Obligations. Among other things, the assignment and release documents that have been required as a condition precedent to the payment of benefits in accordance with the Liquidation Plan will continue to be collected as part of the administration.

1.7. The Agreement expressly provides that NOLHGA, the Participating Associations, the SDR, LML and/or NPS do not assign and the Assuming Insurers do not assume or succeed to claims, causes of action or defenses of NOLHGA, the Participating Associations, the SDR, LML, or NPS that have been made or could be made in litigation, including but not limited to those asserted in Case No. 09-CV-1252-ERW, styled *Jo Ann Howard & Associates, P.C. et al v. PNC Bank, N.A. et*

al formerly pending in the United States District Court for the Eastern District of Missouri, Eastern Division, and now on appeal in Docket No. 15-3872 in the United States Court of Appeals for the Eighth Circuit and any recovery of and/or rights to restitution and/or forfeiture awarded to the SDR arising out of any criminal proceedings against James Douglas Cassity, Brent Cassity, Howard Wittner, Randall Sutton, David Wulf, and Nekol Province.

II. JURISDICTION

2.1. This Court has exclusive jurisdiction over the subject matter of this Application and of the parties herein pursuant to TEX. INS. CODE § 443.005 because this is a civil proceeding arising under and related to a delinquency proceeding under Chapter 443 of the Texas Insurance Code (the “Code”), the transactions and occurrences which form the basis for the proceeding occurred, in whole or in part, in this state, because the subject matter of this Application falls under the Court’s statutory jurisdiction set out in TEX. INS. CODE § 443.005(d) and TEX. CIV. PRAC. & REM. CODE 17.042 and because the existence of jurisdiction over any non-resident person comports to customary standards of fair play and substantial justice and comply with the protections of the Constitutions of the United States of America and the State of Texas. Exclusive and mandatory venue for this Application is in Travis County Texas pursuant to TEX. INS. CODE § 443.005. See also TEX. INS. CODE § 463.109(a).

2.2. The subject matter of this Application is referred to the Special Master appointed in this proceeding in accordance with Paragraph III of the *Amended Order of Reference to Master* entered on October 24, 2008.

III. THE PROPOSED ASSUMPTION OF COVERED OBLIGATIONS UNDER THE LIQUIDATION PLAN

3.1. Since September of 2008, the Guaranty Associations have been providing benefits related to insurance policies issued by LML subject to and in accordance with the Liquidation Plan

and only to the extent such benefits constitute Covered Obligations under the Liquidation Plan. Similarly, under a Service Agreement that was entered into and approved contemporaneously with the Liquidation Plan, the SDR has been providing administrative services for the Guaranty Associations related to the Covered Obligations.

3.2. In an effort to determine whether or to what extent an insurer would be willing to assume and/or reinsure the Covered Obligations under the Liquidation Plan, NOLHGA, in conjunction with the SDR engaged in a process to solicit and review proposals. Assuming Insurers were selected based on their proposal and the Agreement was negotiated and signed, subject to this Court's review and approval.

3.3. The following paragraphs are intended to summarize and discuss some of the key details associated with the Agreement from the perspective of Guaranty Associations, however they are not intended to and do not amend, modify or otherwise change in any way the terms and provisions of the Agreement.

- Parties to the Agreement include NOLHGA, the Participating Associations, the SDR and two Assuming Insurers: Liberty and Liberty's affiliate, Capitol Life. Liberty is an Oklahoma domiciled insurer while Capitol Life is domiciled in Texas. Liberty and Capitol each have B+ ratings from A.M. Best. As of March 31, 2017, Liberty reported assets of \$1.59 billion, total liabilities of \$1.39 billion and capital of \$205 million. Capitol reported assets of \$243 million, total liabilities of \$217 million and capital of \$26 million. Estimated RBC ratios at yearend 2016 (based on published Total Adjusted Capital and Authorized control level risk based capital) were 917.0% for Liberty and 986.5% for Capitol.
- The Agreement is a straight assumption of Covered Obligations under the Liquidation Plan as of November 1, 2017 or on such later date as the Agreement may become effective. Reserves are calculated on all transferred policies as if they are fully paid up whole life policies, and the reserves must be specifically agreed to by NOLHGA and Liberty as a condition to closing.
 - In no event shall the amount paid by the Assuming Insurer be less than the amount that would have been paid before the assumption although in some instances the payment may be higher.

- In some instances, the Assuming Insurers will pay the face amount and avoid the additional administrative burdens associated with relatively modest reductions in benefits. The Guaranty Associations will not be obligated to fund any additional benefits beyond the Covered Obligation reserves.
- Specifically, the Assuming Insurers have agreed to pay “Unfunded Obligations” which are comprised of the 20% coverage reduction in California and certain policies issued 90 days after issuance of the original policy. No funding is provided by the Guaranty Associations for those benefits.
- Additionally, the Assuming Insurers are expressly authorized under the agreement to pay amounts greater than would be due under the Liquidation Plan, particularly where it is administratively efficient to do so. However, the Guaranty Associations will not have any responsibility for funding such increased benefit payments, nor shall such payments impact remaining Guaranty Association liability on obligations not transferred under the Agreement. No third parties will have rights or entitlement to any increased payments beyond the Covered Obligations and Unfunded Obligations. Rather, any such benefit payments remain in the discretion of the Assuming Insurers based on their own view of the cost benefit analysis.
- Capitol Life will be assuming policies in Alabama and Missouri; Liberty will be assuming policies in all other states. Both Capitol Life and Liberty will be utilizing Texas Service Life Insurance Company (an unaffiliated entity that administers similar business for Liberty’s subsidiary American Benefits) to administer the business on their behalf.
- With respect to indemnities, in general terms the Participating Associations are indemnifying the Assuming Insurer for their actions/omissions pre-Closing while the Assuming Insurers are indemnifying the Participating Associations, NOLHGA and the SDR for their actions/omissions post-Closing. Additionally, the Participating Associations and the Assuming Insurers agree to indemnify the other for claims resulting from their negligent, dishonest, malicious, fraudulent or criminal acts. The SDR makes no indemnities and the parties agree that no rights of indemnity from the SDR are created.
- Reserves are anticipated to be calculated as of midnight October 31, 2017 with the closing immediately following on November 1, subject to Court approval. It is anticipated that the Closing Date and the Effective Date will be the same date.
- Potential life policy liabilities not being transferred to Liberty at the initial closing are defined as “Excluded Obligations” and include:
 - Any policy with a pended claim (claim that has been reported to the SDR prior to November 1, 2017);
 - Policies associated with an insured 96 years or older;
 - Policies associated with the Hollywood Forever Funeral Home and Cemetery (“Hollywood Forever”) or HMIS; and
 - Policies associated with the Mt. Washington Forever Pre-Need Trust (“MTW”) and/or designated as being in Reduced Paid Up (“RPU”) status.

- Policies associated with MTW (A funeral benefits trust subject to ongoing liability) and policies reflected as RPU (along with any policy associated with an RPU) will not be transferred at closing but may be assumed at a later date once certain litigation and/or data issues can be resolved.
- As part of the administration, Liberty is required to continue to secure the same Assignment, Subrogation and Release forms and must continue to do so unless and until NOLHGA provides notice that those forms are no longer required.
- A promissory note may be utilized to deliver the Association Liability. The notes bear an interest rate of 4.5% per annum and need to be repaid within a 2 year period although Liberty has indicated they will be flexible with the term on a case by case basis.
- Funding for each Participating Association will be due on the Closing Date and will be subject to adjustment based on a post-closing accounting procedure. The current estimates for the amount of the Association Liability for each Participating Association is set forth in Exhibit 7.1.2 of the Agreement.
- The agreement is designed so that there is no cash transfer at the Interim True-up. Only the Final Accounting will result in actual cash transfers between the parties. Liberty and NOLHGA may agree to amend the timing of payments if they find it necessary.
- The remaining business not being assumed at the initial closing will continue to be administered by the SDR on behalf of the guaranty associations under the terms of the existing Service Agreement, though it is anticipated that certain terms may be modified to take into account the change in the kind and volume of business.

3.4. Certain non-material provisions of the Agreement may be modified prior to closing.

NOLHGA requests that this Court's approval would contemplate that such changes could be made so long as they are non-material and subject to the condition that the Parties shall seek further relief from the Court for any material changes.

IV. THE PROPOSED ASSIGNMENT OF ASSIGNED PRENEED FUNERAL CONTRACTS

4.1. Under the Agreement (principally Section 2.6), the SDR would assign to the Assuming Insurers (Liberty and Capitol Life, respectively) and they would agree to accept the Run-off Responsibilities (detailed in Exhibit 2.6.2) on all Assigned Preneed Funeral Contracts, which are identified in Exhibit 2.6.

4.2. NPS is a party to each of the Assigned Preneed Funeral Contracts (these contracts are three-party transactions also involving a consumer and a funeral home). A list identifying the Assigned Preneed Contracts has been provided to Assuming Insurers. Funeral homes will be notified of the assignment using the existing NPS records, and the information will be made publicly available on *www.lincolnmemorallife.com* as appropriate, subject to protections for private and confidential information.

4.3. The following paragraphs are intended to summarize and discuss key details associated with the Agreement and related to Assigned Preneed Funeral Contracts from the perspective of the SDR, however they are not intended do and do not amend, modify or otherwise change in any way the terms and provisions of the Agreement.

- The Agreement provides that the Assigned Preneed Funeral Contracts being assigned are “as is, where is,” and without warranties and that they be conveyed free and clear of all liens.
- The Assuming Insurers shall not be liable for any NPS or LML debt, either as to the Assigned Preneed Funeral Contracts or for any debt, claim or cause of action relating to the action or failure to act of NPS or LML or any of their officers, directors, employees or agents.
- No licenses to conduct business transfer with the Assigned Preneed Funeral Contracts.
- The Run-off Responsibilities to be assumed by Assuming Insurers are expressly provided for in Exhibit 2.6.2. The Run-off Responsibilities do not include the obligation to pay growth, including but not limited to the difference between the amount of benefits under the Assigned Preneed Funeral Contracts and the amount of benefits for the Covered Obligations and Uncovered Obligations, and no persons shall have a right or claim to any such amounts from Assuming Insurers.
- Assuming Insurers shall have no claim against LML, NPS or the estates thereof, shall not file a claim and shall not seek to assert any such claim in the receivership proceedings or elsewhere.
- The Assuming Insurer shall report quarterly to the SDR on paid claims and provide a copy of all Assignment, Subrogation and Release forms.

4.4. Certain non-material provisions of the Agreement may be modified prior to closing. The SDR requests that the Court authorize the SDR to make mutually acceptable non-material changes to the Agreement without prior authorization of the Court.

4.5. **Assignment Not Subject to a Higher or Better Offer.** The transaction between NOLHGA, the SDR and the Assuming Insurers is the result of a Request for Proposals issued by the SDR and NOLHGA on behalf of the Guaranty Associations soliciting offers for the assignment or administration of certain NPS prepaid funeral contracts and assumption of certain Covered Obligations under the Liquidation Plan. Assuming Insurers' proposal to assume the Covered Obligations and accept assignment of the Run-off Responsibilities related to the Preeed Funeral Contracts was selected. The SDR's agreement to assign the Assigned Preeed Funeral Contracts to Assuming Insurers is not subject to a higher/better offer. Under the facts and circumstances in this receivership, the Assigned Preeed Funeral Contracts are being assigned with the Guaranty Associations' Covered Obligations being assumed by Assuming Insurer. It is not feasible, economically or legally, to separate the Preeed Funeral Contracts from LML's policies giving rise to Covered Obligations under the Liquidation Plan. Accordingly, the SDR will not entertain any offers, whether "higher or better," for the Preeed Funeral Contracts. Even if other offers were solicited, it is reasonably anticipated that no other offers would be forthcoming.

4.6. **Assignment Free and Clear of Liens, Claims, Interests and Encumbrances.** The SDR requests that the Court approve the assignment of Assigned Preeed Funeral Contracts free and clear of liens, claims, interests and encumbrances. The SDR is not aware of any liens on the contracts. Pursuant to the terms of the Preeed Funeral Contracts and the provisions of the Liquidation Plan, the Assigned Preeed Funeral Contracts are property of the NPS Estate. Section 443.154 of the Insurer Receivership Act authorizes the Receiver handle the property of the

receivership estate, subject to required approval by this court, as follows: TEX. INS. CODE §§ 443.154(g) [“may conduct public and private sales of the property of the insurer”]; (i) [“may ... sell, transfer ... or otherwise dispose of or deal with any property of the estate at its market value or upon terms and conditions that are fair and just”]; (k) [“may enter into contracts as necessary to carry out the order to liquidate”] and (y) [“may deal with any property of the insurer”]. Further, under TEX. INS. CODE §§ 443.154 (x), these enumerated powers are not a limitation on authority of the SDR. The SDR moves the Court to avoid any recorded and unrecorded liens, security interests and encumbrances and declare that the Assigned Preneed Funeral Contracts are assigned to Assuming Insurers free and clear of liens, claims, interests and encumbrances.

4.7. **No Assumption or Rejection.** TEX. INS. CODE §§ 443.013 and 443.154(k) authorize the SDR to assume or reject any executory contract to which the insurer is a party. As described above, the SDR cannot and does not seek to assume the Assigned Preneed Funeral Contracts because NPS is deeply insolvent and an assumption would create a preference under TEX. INS. CODE § 443.301. However, the SDR does not seek to reject the Assigned Preneed Funeral Contracts because they are an integral part of the contractual and regulatory scheme to provide for prepaid funeral services. The Covered Obligations under the Liquidation Plan, which are to be assumed under the Agreement, provide for the payment of benefits at the time of need based on the provisions and terms of insurance policies and subject to the Liquidation Plan. Rejection of the Assigned Preneed Funeral Contracts would unnecessarily complicate efforts to provide the continuation of benefits to policyholders notwithstanding the receivership of LML. The *Insurer Receivership Act* grants the Receiver the authority to assume or reject certain contracts. See TEX. INS. CODE §§ 443.013 (“(a) The receiver **may** assume or reject any executory contract or unexpired lease of the insurer.”) and 443.154 (“(k) The liquidator **may** enter into contracts as necessary to carry out the

order to liquidate and, subject to the provisions of Section 443.013, **may** assume or reject any executory contract or unexpired lease to which the insurer is a party (emphasis added)). By the statute's own terms, the SDR is not required to take any action. This Court has previously held that the SDR is not required to assume or reject preneed funeral contracts. The SDR moves the Court to find that neither the Order approving this Application, nor the Agreement, constitute an assumption or rejection of the assigned contracts.

4.8. **Transfer of Records.** The SDR has title to business records and electronic business data relating to the Assigned Preneed Funeral Contracts (the "Records"). Under the Agreement, the SDR agrees to transfer a copy of the electronic database maintained pre and post receivership constituting the NPS business records relating to the Assigned Preneed Funeral Contracts to Assuming Insurers. Electronic images of these records are available to the SDR from the NPS computer systems. The SDR agrees that, after the Effective Date of the assignment, Assuming Insurers shall be entitled, upon reasonable notice, to inspect, review and copy any and all business records in the SDR's possession relating to the Assigned Preneed Funeral Contracts. The SDR retains the originals of any Records required to be maintained pursuant to all applicable Texas Department of Insurance ("TDI") Rehabilitation and Liquidation Oversight records retention policies and procedures and those Records necessary to pursue claims against third parties until the claims are tried and a final non-appealable judgment is obtained or the claims are otherwise settled, but Assuming Insurers shall be entitled to receive copies of such Records.

V. NO WAIVER

5.1. Nothing in this Application or any related proceeding or filing shall affect, in any way the Receiver's, the SDR's, NOLHGA's, and the Guaranty Associations' immunities from suit and shall not give rise to any right to sue or create any causes of action against the Receiver, the SDR,

NOLHGA and the Guaranty Associations. The automatic stay and the provisions of the Liquidation Order remain in effect unless expressly modified by the Receivership Court.

VI. NOTICE

6.1. Pursuant to TEX. INS. CODE § 443.007(d), this Application has been served on the Assuming Insurers and the entire service list for this proceeding in the manner shown in the Certificate of Service.

VII. NOTICE OF ELECTRONIC SERVICE REQUIREMENT

7.1. Pursuant to the Order Granting SDR's Application to Use Electronic Service of Pleadings and Notices entered on October 29, 2008, all pleadings filed in response to this Application or in regards to this estate shall be served by email on the undersigned counsel and all parties shown in the attached Certificate of Service.

VIII. OFFER OF PROOF AND VERIFICATION

8.1. This Application has been verified by the affidavit and certification pursuant to TEX. INS. CODE §§ 443.017(b) by JoAnn Howard, Special Deputy Receiver of LML and NPS.

PRAYER

WHEREFORE, PREMISES CONSIDERED, the SDR and NOLHGA respectfully pray that this Court enter an order, as follows, and to grant such other and further relief to which they may be justly entitled:

- 1) Granting the Application in all respects;
- 2) Approving the Agreement;
- 3) Authorizing the SDR to enter into the Agreement;
- 4) Ordering that the SDR and NOLHGA are authorized to enter into other and further documents and take such steps as may be necessary to effectuate the

transaction without further approval of the Court;

- 5) Ordering that, subject to the satisfaction of the terms and conditions of the Agreement, the transaction is a legal, valid and effective assumption reinsurance of the Guaranty Associations' Covered Obligations under the Liquidation Plan.
- 6) Ordering that the terms and conditions of the Agreement may be waived, modified, amended or supplemented by the written and signed agreement of NOLHGA, the SDR and the Assuming Insurers without further approval of the Court, provided that any waiver, modification, amendment or supplement is not material;
- 7) Ordering that the Assigned Preneed Funeral Contracts are sold "as is, where is," without warranties or representation of any kind;
- 8) Ordering that the Assigned Preneed Funeral Contracts are conveyed free and clear of all liens, claims, interests and encumbrances to Assuming Insurers under the terms and conditions of the Agreement;
- 9) Ordering that by entry of this Order and the satisfaction of the terms and conditions of the Agreement, all liens, claims, interests and encumbrances on the Assigned Preneed Funeral Contracts, whether recorded or unrecorded, are declared extinguished as a matter of law;
- 10) Ordering that, subject to the satisfaction of the terms and conditions of the Agreement, the assignment shall constitute a legal, valid and effective transfer of the Assigned Preneed Funeral Contracts notwithstanding any requirement of approval or consent by any person and shall vest Assuming Insurers with all right, title and interest of the SDR in and to the Assigned Preneed Funeral Contracts,

free and clear of all encumbrances;

- 11) Ordering that the SDR shall not be deemed to have assumed or rejected the Assigned Preneed Funeral Contracts in connection with the relief granted herein;
- 12) Ordering that the SDR is authorized to transfer a copy of the electronic database maintained pre and post receivership constituting the NPS business records related to the Assigned Preneed Funeral Contracts to Assuming Insurers.
- 13) Ordering that, in providing the Run-off Responsibilities, the Assuming Insurers shall not be required to pay growth, including but not limited to the difference between the amount of benefits under the Assigned Preneed Funeral Contracts and the amount of benefits for the Covered Obligations and Uncovered Obligations and no persons shall have a right or claim to any such amounts from Assuming Insurers.
- 14) Ordering that Assuming Insurers will continue to obtain Release, Subrogation, and Assignments as a condition for paying benefits, subject to and in accordance with the Agreement;
- 15) Ordering that NOLHGA, the Guaranty Associations, the SDR and the Assuming Insurers are not obligated to pay commissions or any other amounts that are not otherwise expressly required in the Agreement;
- 16) Ordering that, regardless of whether Assuming Insurers have successfully delivered a copy of the Assumption Certificate, under the circumstances, the insureds, owners and/or beneficiaries of the Covered Obligations transferred under the Agreement shall have direct rights for payment of benefits from Assuming Insurer the same as if an Assumption Certificate had been provided (and up to the amount of the Covered Obligation and Unfunded Obligation, if

any);

- 17) Ordering that, regardless of whether or to what extent, Assuming Insurer exercises its discretion and provides greater benefits based on its cost-benefit analysis under Section 4.4.2 of the Agreement, no third parties shall have rights, claims or entitlement to any benefits that would be greater than the Covered Obligations and the Unfunded Obligations;
- 18) Ordering that this Order is not intended to and shall not create any third party beneficiaries;
- 19) Ordering that nothing in this Agreement purports to excuse Assuming Insurers from compliance with any and all applicable state and federal laws;
- 20) Ordering that the Liquidation Order, the automatic stay, the Liquidation Plan, Service Agreement and Early Access Agreement and all other orders of this Court remain in full force and effect except as otherwise expressly specified in this Order;
- 21) Ordering that NOLHGA, the Participating Associations, the SDR, LML and/or NPS do not assign and the Assuming Insurers do not assume or succeed to claims, causes of action or defenses of NOLHGA, the Participating Associations, the SDR, LML, or NPS that have been made or could be made in litigation, including but not limited to those asserted in Case No. 09-CV-1252-ERW, styled *Jo Ann Howard & Associates, P.C. et al v. PNC Bank, N.A. et al* formerly pending in the United States District Court for the Eastern District of Missouri, Eastern Division, and now on appeal in Docket No. 15-3872 in the United States Court of Appeals for the Eighth Circuit and any recovery of and/or rights to restitution and/or forfeiture awarded to the SDR

arising out of any criminal proceedings against James Douglas Cassity, Brent Cassity, Howard Wittner, Randall Sutton, David Wulf, and Nekol Province.

- 22) Ordering that nothing in this Order or any related proceeding or filing shall affect, in any way the Receiver's, the SDR's, NOLHGA's, and the Guaranty Associations' immunities from suit and shall not give rise to any right to sue or create any causes of action against the Receiver, the SDR, NOLHGA and the Guaranty Associations;
- 23) Ordering that the Assuming Insurers are assuming only those obligations specified in the Agreement and that neither Assuming Insurers, nor any of their officers, directors, employees, agents, third party administrators, or representatives shall be responsible for any action or failure to act of LML, NPS, the SDR, NOLHGA or the Guaranty Associations, or any of their officers, directors, employees, agent or other representatives;
- 24) Ordering that the Order constitutes a final judgment fully resolving all issues relating to the Application, provided that this Court shall retain jurisdiction to issue further orders pursuant to TEX. INS. CODE CHAPTERS 443 AND 463, including but not limited to this Court retaining sole and exclusive jurisdiction to resolve any and all disputes related to the Agreement;
- 25) Granting such other and further relief to which the parties may be justly entitled.

Respectfully submitted,

FULLER LAW GROUP

By: /s/Christopher Fuller
Christopher Fuller
Texas State Bar No. 07515500
4612 Ridge Oak Drive
Austin, Texas 78731
Telephone: (512) 470-9544
Email: cfuller@fullerlaw.org

***Attorney for Jo Ann Howard & Associates, P.C.,
Special Deputy Receiver of Memorial Service Life
Insurance Company, Lincoln Memorial Life
Insurance Company and National Prearranged
Services, Inc.***

By: /s/Joel Glover
Joel Glover - Admitted Pro Hac Vice
Colorado State Bar No. 20821
LEWIS ROCA ROTHGERBER CHRISTIE LLP
1200 17th Street, Suite 3000
Denver, Colorado 80202
Telephone: (303) 623-9000
Fax: (303) 623-9222
Email: jglover@lrrc.com

***Attorney for the National Organization of
Life and Health Insurance Guaranty
Associations***

By: /s/Jacqueline Rixen
Jacqueline Rixen
Texas State Bar No. 16962550
THE LAW OFFICE OF JACQUELINE RIXEN
8500 N. Mopac, Suite 605
Austin, Texas 78759
Telephone: (512) 474-1577
Fax: (512) 474-1026

***Attorney for the National Organization of Life and
Health Insurance Guaranty Associations***

CERTIFICATE OF SERVICE

I certify that on September 11, 2017, a true and correct copy of this Joint Application was served pursuant to the *Order of Liquidation, Order Approving Liquidation Plan and Permanent Injunction*, the Amended Order of Reference, the Texas Rules of Civil Procedure and TEX. INS. CODE ANN CHAPTER 443 on the following by electronic mail, except as specifically noted.

Via Email: specialmasterclerk@tdi.texas.gov

Special Master's Clerk
TEXAS DEPARTMENT OF INSURANCE
Attn: 303-RLO
PO Box 149104
Austin, Texas 78714-9104

Via Email: james.kennedy@tdi.texas.gov

James Kennedy
TEXAS DEPARTMENT OF INSURANCE
Attn: 303-RLO
PO Box 149104
Austin, Texas 78714-9104

Via Email: kathy.gartner@tdi.texas.gov

Kathy Gartner
TEXAS DEPARTMENT OF INSURANCE
Attn: 303-RLO
PO Box 149104
Austin, Teas 78714-9104

Via Email: john.alexander@tdi.texas.gov

John Alexander
TEXAS DEPARTMENT OF INSURANCE
Attn: 303-RLO
PO Box 149104
Austin, Texas 78714-9104

Via Email: margaret.jonon@tdi.texas.gov

Margaret Jonon
TEXAS DEPARTMENT OF INSURANCE
Attn: 303-RLO
PO Box 149104
Austin, Texas 78714-9104

Via Email: jrixen@rixenlaw.com

Jackie Rixen
THE LAW OFFICE OF JACQUELINE RIXEN
8500 N Mopac Suite 605
Austin, Texas 78759
Counsel for TXLAIGA

Via Email: snewberg@dob.texas.gov

Stephanie Newberg
Texas Department of Banking

Via Email: sharon.euler@pr.mo.gov

Sharon Euler
MISSOURI DIVISION OF PROFESSIONAL
REGISTRATION
615 E 13th Street Suite 510
Kansas City MO 64106

Via Email: cheryl.schuetze@ago.mo.gov

Cheryl Schuetze
OFFICE OF THE ATTORNEY GENERAL
PO Box 899
Jefferson City, Missouri 65102

Via Email: foloughlin@lrrlaw.com

Frank O'Loughlin
LEWIS ROCA ROTHGERBER LLP
One Tabor Center Suite 3000
1200 17th Street
Denver, Colorado 80202
Counsel to NOLHGA Task Force

Via Email: jllover@lrrlaw.com

Joel Glover
LEWIS ROCA ROTHGERBER LLP
One Tabor Center Suite 3000
1200 17th Street
Denver, Colorado 80202
Counsel to NOLHGA Task Force

Via Email:

cynthia.morales@texasattorneygeneral.gov

Cynthia Morales
Assistant Attorney General
OFFICE OF THE TEXAS ATTORNEY GENERAL
PO Box 12548
Austin, Texas 78711-2548

Via Email: ekaye@skelton-woody.com

Edward Kaye
SKELTON & WOODY
PO Box 1609
Austin, Texas 78767-1609
Counsel for Northstar Reinsurance

Via Email: ehaab@foley.com

Eric Haab
Foley & Lardner LLP
321 N Clark Street Suite 1800
Chicago IL 60654
Counsel for Hannover Life Re

Via Email: charles@elpolaw.com

Charles English
ENGLISH LUCAS PRIEST & OWSLEY, LLP
PO Box 770
Bowling Green, Kentucky 42102-0770
Counsel for Hardy & Sons Funeral Homes

Via Email: phobbs@mcginnislaw.com

Penny Hobbs
MCGINNIS LOCHRIDGE & KILGORE
600 Congress Avenue Suite 2100
Austin, Texas 78701
Counsel for Compbenefits Insurance Co.

Via Email: coliver@lrrlaw.com

Cindy Oliver
LEWIS ROCA ROTHGERBER LLP
One Tabor Center Suite 3000
1200 17th Street
Denver, Colorado 80202
Counsel to NOLHGA Task Force

Via Email: aicenogle@icesully.com

Anthony Icenogle
ICENOGL & SULLIVAN LLP
6805 N Capital of Texas Hwy Suite 220
Austin, Texas 78731
Counsel for North America

Via Email: kyelkin@gardere.com

Kimberly Yelkin
GARDERE WYNNE SEWELL
600 Congress Avenue Suite 3000
Austin, Texas 78701-2978
Counsel for Quanta Reinsurance

Via Email: jwerner@rmqlawfirm.com

John Werner
Reaud Morgan & Quinn LLP
PO Box 26005
Beaumont, Texas 77720-6005
Counsel for Broussard's Mortuary Inc.

Via Email:

barb.waymire@americanenterprise.com

Barb Waymire
AMERICAN ENTERPRISE GROUP INC.
601 6th Avenue
Des Moines, Iowa 50309
Counsel for World

Via Email: ryan@wittliffcutter.com

Ryan Botkin
WITTLIFF CUTTER AUSTIN, PLLC
1803 West Avenue
Austin, Texas 78701
Counsel for PNC Bank NA

Via Email: cwatson@assurity.com

Carol Watson
Vice President General Counsel & Secretary
ASSURITY LIFE INSURANCE COMPANY

Via Email: mponder@cbmplaw.com

Michael Ponder
COOK BARKETT MAGUIRE & PONDER, LC
PO Box 1180
Cape Girardeau, Missouri 63702-1180
Interim Class Counsel for James & Gahr

Via Email: bmcculley@mcculleymccluer.com

Bryant McCulley
McCULLEY MCCLUER, PLLC
One Independent Drive Suite 3201
Jacksonville, Florida 32202
Interim Class Counsel for James & Gahr

Via Email: smccluer@mcculleymccluer.com

Stuart McCluer PLLC
McCULLEY MCCLUER, PLLC
1109 Van Buren Avenue
Oxford, MS 38655
Interim Class Counsel for James & Gahr

Via Email: jwhatley@wdklaw.com

Joe Whatley
WHATLEY DRAKE & KALLAS LLC
1540 Broadway 37th Floor
New York, New York 10036
Interim Class Counsel for James & Gahr

Via Email: cpennington@rplaw.com

Clare Pennington
REILLY POZNER
1700 Lincoln Street #3400
Denver, Colorado 80202

Via Email: donottojr@yahoo.com

Don Otto
Executive Director & General Counsel
MISSOURI FUNERAL DIRECTORS & EMBALMERS
ASSOC.
PO Box 104688
Jefferson City, Missouri 65110

Via Email: scott@argopartners.net

Scott Krochek
ARGO PARTNERS
12 West 37th Street 9th Floor
New York, New York 10018

Via Email: brian@stloakhill.com

Brian May
President
ST LOUIS FUNERAL & CREMATION

Via Email: coh@liquiditysolutions.com

Chris Oh
LIQUIDITY SOLUTIONS INC.
1 University Plaza Suite 312
Hackensack, New Jersey 07601

Via Email: jedge@ohioga.org

June Edge
Vice President of Claims
OHIO LIFE & HEALTH IGA
1840 Mackenzie Drive
Columbus, Ohio 43220

Via Email: jpotter@ilhiga.org

Janis Potter
ILLINOIS LIFE & HEALTH IGA
8420 W Bryn Mawr Avenue, Suite 550
Chicago, Illinois 60631-3404

Via Email: hdeleon@dwlawtx.com

Hector DeLeon

DELEON & WASHBURN PC

221 West 6th Street Suite 1050

Austin, Texas 78701

/s/ Christopher Fuller _____
Christopher Fuller

APPLICANTS' NOTICE OF SUBMISSION

Pursuant to the terms of the *Order of Reference to Master* entered by the District Court in this cause, the *Joint Application for Approval of Assumption Reinsurance Agreement Regarding Covered Obligations Under the Liquidation Plan and Certain Related Prepaid Funeral Contracts* is hereby set for written submission before the Special Master, Tom Collins, on September 25, 2017.

The Special Master has asked that the following rules be provided you:

1. Any objection must be filed with the Travis County District Clerk at least three (3) calendar days before the submission date.
2. A copy of any objection shall be served by email by such date on:
 - (a) The Special Master's Docket Clerk, at specialmasterclerk@tdi.texas.gov;
 - (b) The undersigned counsel, Christopher Fuller at cfuller@fullerlaw.org; and
 - (c) All interested parties, including those listed on the SDR's Certificate of Service.
3. The objecting party shall coordinate with the SDR's counsel and the Docket Clerk [(512) 463-6450] to obtain an oral hearing setting for argument on the Application and Objection, and complete and attach an "Objecting Party's Notice of Oral Hearing" to the objection.
4. The written objection must specifically list all reasons for objection with supporting references to and discussion of statutory and case authorities. Reasons not stated in writing will not be considered orally.
5. Please note that if an objection is not filed as described in the Notice of Submission, the Master may consider the Application without a hearing.
6. Failure to file timely a written objection before the Special Master constitutes a waiver of the right to object to the Special Master's recommendation to the District Court.
7. Any Acknowledgment of Notice and Waiver to be filed by the Guaranty Association or other interested party should be filed at least three (3) calendar days before the submission or hearing date.

/s/ Christopher Fuller _____
Christopher Fuller

SPECIAL DEPUTY RECEIVER'S VERIFICATION AND CERTIFICATION PURSUANT TO
TEX. INS.CODE ANN. §443.017(b)

AFFIDAVIT OF JO ANN HOWARD

State of Texas
County of Travis

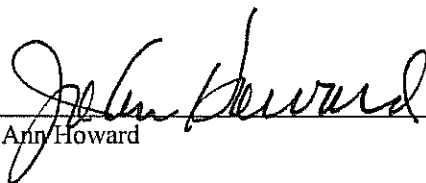
BEFORE ME, the undersigned authority appeared Jo Ann Howard, who after being by me duly sworn, stated the following under oath:

1. "My name is Jo Ann Howard. I am competent to make this affidavit. The statements of fact set forth herein are true and correct, and are within my personal knowledge.

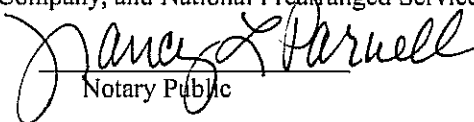
2. "I am the President of Jo Ann Howard & Associates, P.C., Special Deputy Receiver of Lincoln Memorial Life Insurance Company, Memorial Service Life Insurance Company, and National Prearranged Services, Inc. (the "SDR" and "Lincoln-Memorial-NPS," respectively). I certify that the exhibits and/or other records and documents contained in the attached were produced pursuant to TEX. INS. CODE ANN. §443.017, are either true and correct copies of records of the insurer and were received from the custody of the insurer or found among its effects or were created by and filed with the Receiver's office in connection with the receivership of these delinquent insurers, and are held by the Special Deputy Receiver in its official capacity.

3. I have read the foregoing Application and the facts stated therein are true and correct based on my personal knowledge, my review of estate records and my consultation with my staff and sub-contractors.

4. Further affiant sayeth not.

By: 
Jo Ann Howard

SUBSCRIBED AND SWORN TO BEFORE ME on September 6, 2017, by Jo Ann Howard, President of Jo Ann Howard & Associates, P.C., Special Deputy Receiver of Lincoln Memorial Life Insurance Company, Memorial Service Life Insurance Company, and National Prearranged Services, Inc.


Notary Public



ASSUMPTION REINSURANCE AGREEMENT

Regarding Insurance Benefits Covered Under
The Liquidation Plan
Related to
Lincoln Memorial Life Insurance Company

among

*NATIONAL ORGANIZATION OF LIFE AND HEALTH
INSURANCE GUARANTY ASSOCIATIONS*

and

*Participating State Life and Health
Insurance Guaranty Associations*

and

*Jo Ann Howard & Associates, P.C., Special Deputy Receiver of
Lincoln Memorial Life Insurance Company and National Prearranged Services, Inc.*

and

Liberty Bankers Life Insurance Company

and

The Capitol Life Insurance Company

**Exhibit
1**

TABLE OF CONTENTS

	<u>Page</u>
1. Definitions.....	2
2. Reinsurance and Assumption of Covered Obligations and Unfunded Obligations.....	5
2.1. Transfer and Ceding of Covered Obligations and Unfunded Obligations.....	5
2.2. Same Terms and Conditions.	6
2.3. Assignment of Rights.....	7
2.4. Continuation of Assignment and Release Forms as Condition Precedent to Coverage.	7
2.5. Excluded Obligations.....	8
2.6. Preneed Contract Benefits.....	9
2.7. Third Party Service Agreement.	11
2.8. Responsibility for Errors.....	11
2.9. Responsibility for Data and Records.	11
2.10. Errors and Omissions.....	12
3. Notice of Assumption and Assumption Certificate.	12
3.1. Notice of Assumption to Funeral Homes.....	12
3.2. Issuance of Assumption Certificate.	12
3.3. Direct Cut-Through Rights.	13
3.4. Written Communications – Approval.....	13
4. Covered Obligations – Calculations and Payment Obligations.....	13
4.1. Payment of Association Liability.....	13
4.2. Format for Promissory Note.	13
4.3. Pre-Closing Access.	14
4.4. Administration.	14
5. Participation by Affected Associations.....	14
5.1. Designation of Participating Associations.....	14
5.2. Minimum Participation.	14
6. Closing.....	15
6.1. Closing Date.....	15
6.2. Conditions to Closing.	15
6.3. Closing Date Consideration and Deliveries.....	15
7. Accounting Procedures.	16
7.1. Pre-Closing Accounting.....	16

7.2.	Interim True-Up.....	16
7.3.	Final Accounting.....	17
7.4.	Payments Based on Final Accounting Adjustments.....	17
7.5.	Reserves.....	17
7.6.	No Further Adjustments.....	18
8.	Premiums and Other Receipts.....	18
8.1.	Transfer of Receipts.....	18
8.2.	Bank Drafts.....	18
8.3.	Collections.....	18
9.	Records.....	18
10.	Liabilities and Indemnities.....	19
11.	Representations and Warranties.....	21
11.1.	Participating Association Representations.....	21
11.2.	NOLHGA Representations.....	21
11.3.	SDR Representations.....	21
11.4.	Assuming Insurer Representations.....	21
12.	Miscellaneous Provisions.....	23
12.1.	Amendment.....	23
12.2.	Assignment.....	23
12.3.	Broker Fees.....	23
12.4.	Commissions.....	23
12.5.	Reserves.....	23
12.6.	Cooperation.....	24
12.7.	Counterparts.....	24
12.8.	Entire Agreement; Merger.....	24
12.9.	Exhibits.....	24
12.10.	Recitals.....	24
12.11.	Confidentiality.....	24
12.12.	Expenses.....	25
12.13.	Governing Law.....	25
12.14.	Jurisdiction.....	25
12.15.	Notices.....	25
12.16.	Headings.....	27
12.17.	Severability.....	27
12.18.	Successors.....	27
12.19.	Termination.....	27

LIST OF EXHIBITS

- 1.2 Affected Associations
- 2.4.1 Assignment and Release Forms
- 2.5.2.4 Excluded Obligations – MTW Trust
- 2.5.2.5 Excluded Obligations – Reduced Paid-Up (RPU)
- 2.6 Assigned Preneed Funeral Contracts
- 2.6.2 Run-off Responsibilities
- 2.6.3 Assigned Preneed Contract Benefits Report
- 3.1 Notice of Assumption to Funeral Homes
- 3.2 Assumption Certificate
- 4.2 Form of Promissory Note
- 7.1.1 Seriatim Listing of Covered Obligations and Unfunded Obligations
- 7.1.2 Summary Initial Closing Schedule
- 7.2 Interim True-Up
- 7.3 Final Accounting

ASSUMPTION REINSURANCE AGREEMENT

This Assumption Reinsurance Agreement regarding insurance benefits covered under the Liquidation Plan related to Lincoln Memorial Life Insurance Company (“Agreement”) is entered into as of the Effective Date among the National Organization of Life and Health Insurance Guaranty Associations (“NOLHGA”) and NOLHGA’s members that have elected to participate in this Agreement (“Participating Associations”) and Jo Ann Howard & Associates, P.C., Special Deputy Receiver of Lincoln Memorial Life Insurance Company and National Prearranged Services, Inc. (the “SDR” and “LML” and “NPS,” respectively) and Liberty Bankers Life Insurance Company (“Liberty” and/or “Assuming Insurer”) and The Capitol Life Insurance Company (“Capitol” and/or “Assuming Insurer”).

Recitals

A. LML is a life insurance company which, as of the Liquidation Order Date, was domiciled in Texas and, at or prior to the Liquidation Order Date, was licensed in all states except Massachusetts, New Hampshire, New Jersey, New York and Puerto Rico.

B. NPS is a Missouri-based funeral service company and an affiliate of LML and acted as the general agent for LML, in addition to its other relationships with LML.

C. LML and NPS were declared to be insolvent and placed under a final Order of Liquidation (“Liquidation Order”) dated September 22, 2008 in the District Court of Travis County Texas, 250th Judicial District, Cause No. D-1-GV-08-000945 (“Receivership Court”).

D. Jo Ann Howard & Associates, P.C. was appointed SDR on December 5, 2011 by order of the Commissioner of Insurance of the State of Texas in her capacity as Receiver of LML and NPS.

E. NOLHGA is a voluntary association whose members are all of the state life and health insurance guaranty associations.

F. Contemporaneously with entry of the Liquidation Order, the Receivership Court approved a Liquidation Plan (“Liquidation Plan”) that, among other things, addressed the means by which the life and health insurance guaranty associations affected by the LML Liquidation (the “Affected Associations”) would provide continuing coverage.

G. As of the Effective Date, each Participating Association has obligations under the Liquidation Plan and is subject to each Participating Association’s state enabling statute (“Covered Obligations”).

H. Liberty is an Oklahoma domiciled insurer licensed in all states where LML was licensed except for the following states: Alabama, Minnesota and Missouri. Capitol is a wholly-owned affiliate of Liberty and is licensed in each of the following states, among others: Alabama, Minnesota and Missouri.

I. In accordance with the terms and conditions herein, each Participating Association desires that the Assuming Insurers assume those Covered Obligations and each Assuming Insurer desires to assume and reinsure such Covered Obligations. Each Affected Association is provided the opportunity to agree to and participate in this Agreement so that its Covered Obligations will be discharged through Assuming Insurer's reinsurance and assumption of the Covered Obligations. In conjunction with the assumption of the Covered Obligations, the Assuming Insurers agree to pay certain Unfunded Obligations associated with and related to the Covered Obligations and with respect to which there will not be any asset transfer from the Participating Associations or the SDR on behalf of the LML estate.

J. In accordance with the terms and conditions herein, the SDR desires that the Assuming Insurers assume those Run-off Responsibilities, as defined herein, of the Assigned Preneed Funeral Contracts related to the Covered Obligations and each Assuming Insurer desires to assume such Run-off Responsibilities.

NOW, THEREFORE, in consideration of the mutual benefits to be received by the Parties and the mutual covenants and agreements contained herein, the Parties agree that the recitals set forth above are adopted and made part of this Agreement and further agree as follows:

1. Definitions.

Unless otherwise defined elsewhere in this Agreement, capitalized terms when used in this Agreement shall have the meanings set forth below. As used throughout this Agreement, references to defined terms that are singular include the plural and that are plural include the singular.

1.1. "Accounting Date" means the first (1st) business day ninety (90) days after the Closing Date.

1.2. "Affected Association" means those life and health insurance guaranty associations that, as a result of the Liquidation Order, have, or will have, obligations, under Covered Obligations, subject to the Liquidation Plan and their Enabling Act. A list of Affected Associations is set forth in Exhibit 1.2.

1.3. "Agreement" means this Assumption Reinsurance Agreement regarding insurance benefits covered under the Liquidation Plan related to Lincoln Memorial Life Insurance Company.

1.4. "Association Liability" means the amount of money each Participating Association is required to pay (via wire transfer or Promissory Note) to Assuming Insurer as calculated in Exhibit 7.1.2.

1.5. "Assigned Preneed Contract Benefits" means benefits under Assigned Preneed Funeral Contracts.

1.6. “Assigned Preneed Funeral Contract” means the assigned preneed funeral contract arranging for funeral benefits and associated with an insurance policy and/or application for insurance policy issued by LML prior to its Liquidation Order Date those contracts subject to this Agreement as identified on Exhibit 2.6.

1.7. “Assignment and Release Forms” means the forms used before benefits under the Liquidation Plan become due and owing and as set forth in Exhibit 2.4.1.

1.8. “Assuming Insurer” means Liberty Bankers Life Insurance Company and/or The Capitol Life Insurance Company as specified in Section 2.1.2 hereof.

1.9. “Capitol” means The Capitol Life Insurance Company, a licensed insurance company domiciled in Texas.

1.10. “Ceding Fee” means an amount by which the asset transfer will be adjusted at Closing pursuant to Exhibit 7.1.2, calculated as follows.

$$\text{Ceding Fee} = -(\$500,000 + \$64,516 \times \text{Adjustment Factor})$$

Where the “Adjustment Factor” is a number, which may not be less than zero, calculated as follows.

$$\text{Adjustment Factor} = (249 - \text{Treasury Yield}) + (156 - \text{Spread})$$

Where “Treasury Yield” is the yield of the US Treasury 10-Year Treasury Security expressed in basis points as reported by Bloomberg the last trading day prior to the Closing Date.

And where “Spread” is the yield of the US 10-Year “BBB” Corporate Bond Index expressed in basis points as reported by Bloomberg the last trading day prior to the Closing Date minus the Treasury Yield.

Regardless of the calculation, the Adjustment Factor is subject to a cap of seventy seven and one half (77.5) basis points.

1.11. “Closing” means the consummation of the transactions provided for in the Agreement to occur on the Closing Date.

1.12. “Closing Date” means the date on which the Closing occurs and shall take place at a mutually agreed upon date and time on or before the tenth (10th) business day after: (1) the Receivership Court has approved this Agreement; and (2) the appeal period associated with such order has expired without an appeal being filed. The Parties shall use reasonably appropriate efforts to close on the first day of the month following satisfaction of all other conditions and to have the Closing Date and the Effective Date occur on the same date.

1.13. “Covered Obligation” means an obligation of a Participating Association to policyholders, beneficiaries and/or payees of a policy listed in Exhibit 7.1.1. Covered

Obligations with respect to any policy are limited to the face amount of the policy detailed in Exhibit 7.1.1, as determined subject to and in accordance with the Liquidation Plan, including but not limited to circumstances in which a Participating Association has entered into a settlement confirming that certain obligations would constitute Covered Obligations.

1.14. “Effective Date” means October 1, 2017 or such other date as the Parties may mutually agree.

1.15. “Enabling Act” means, with respect to each Participating Association, the statute or law which created and governs that Participating Association.

1.16. “Excluded Obligation” means those obligations of a Participating Association which are not Covered Obligations and are excluded from transfer and assumption by Assuming Insurer. Excluded Obligations are identified by category in Section 2.5 hereof.

1.17. “Final Accounting” means the final accounting and statement of Association Liability related to the Covered Obligations and Association Liability provided for in Article 7 hereof, as of the Effective Date.

1.18. “Interim True-Up” means the true-up of the Pre-Closing Accounting, with the accounting and statement of Association Liability related to the Covered Obligations and Association Liability as provided for in Article 7 hereof to adjust the closing calculations to the Effective Date.

1.19. “Liberty” means Liberty Bankers Life Insurance Company.

1.20. “Liquidation Order” means the order declaring LML to be insolvent and placing LML under a final order of liquidation by the Receivership Court dated September 22, 2008.

1.21. “Liquidation Order Date” means September 22, 2008.

1.22. “Liquidation Plan” means the Liquidation Plan as submitted to and approved by the Receivership Court associated with the Liquidation Order and dated September 22, 2008 which, among other things, addressed the means by which the Affected Associations would provide continuing coverage related to LML’s insolvency and liquidation.

1.23. “LML” means Lincoln Memorial Life Insurance Company, in Liquidation.

1.24. “NOLHGA” means the National Organization of Life and Health Insurance Guaranty Associations.

1.25. “NPS” means National Prearranged Services, affiliated with LML and being liquidated in the Receivership Court.

1.26. “Participating Association” means each Affected Association that has elected to participate in this Agreement in accordance with NOLHGA’s participation procedures. In

accordance with this Agreement, NOLHGA shall identify the Participating Associations to Assuming Insurer.

1.27. “Parties” means the parties whose representatives executed this Agreement. The Parties are limited to Assuming Insurers, NOLHGA, Participating Associations, and the SDR.

1.28. “Pre-Closing Accounting” means the accounting and statement of Association Liability related to the Covered Obligations and Association Liability prepared prior to the Closing Date as provided for in Article 7 hereof.

1.29. “Promissory Note” means the promissory note used by a Participating Association to transfer its Association Liability and in the form of Exhibit 4.2.

1.30. “Receivership Court” means the District Court of Travis County Texas, 250th Judicial District, Cause NO. D-1-GV-08-000945 with jurisdiction over the LML receivership and liquidation proceedings.

1.31. “Run-off Responsibilities,” as defined in Exhibit 2.6.2, include only those rights and obligations assumed by the Assuming Insurer under the Policies and Assigned Preeed Funeral Contracts and, among other things, specifically do not include claims for growth or inflation under the Assigned Preeed Funeral Contracts and claims for any other benefits and/or payments not expressly assumed by Assuming Insurer hereunder.

1.32. “SDR” means the Special Deputy Receiver for LML and NPS as approved by the Receivership Court.

1.33. “Service Agreement” means the Service Agreement entered into between the SDR and NOLHGA in conjunction with the Liquidation Plan dated September 22, 2008, as amended.

1.34. “Unfunded Obligation” means those payment amounts associated with a Covered Obligation but for which no coverage is provided under the Liquidation Plan. The specific Unfunded Obligations which are subject to this Agreement are included in Exhibit 7.1.1 and are specifically two situations: (1) those circumstances where a California resident would receive eighty percent (80%) of the benefit payment leaving twenty percent (20%) as the Unfunded Obligation with the shortfall resulting from the enabling act of the California Life and Health Insurance Guarantee Association; and (2) those circumstances where certain term policies were issued by LML more than ninety (90) days after issuance of the original policy.

2. Reinsurance and Assumption of Covered Obligations and Unfunded Obligations.

2.1. Transfer and Ceding of Covered Obligations and Unfunded Obligations.

2.1.1. Subject to the terms and conditions of this Agreement, by virtue of the Liquidation Plan, the Liquidation Order and pursuant to their statutory authority, each Participating Association transfers, cedes and assigns to Assuming Insurer as of the Effective Date one hundred percent (100%) of the Covered Obligations.

2.1.2. Subject to the terms and conditions of this Agreement, the Assuming Insurer assumes as of 12:01 a.m. on the Effective Date, the Covered Obligations. Specifically:

2.1.2.1. Liberty shall reinsure and assume those Covered Obligations which are covered by Participating Associations in all states except for the following two (2) states: Alabama and Missouri.

2.1.2.2. Capitol shall reinsure and assume those Covered Obligations which are covered by Participating Associations in the following two (2) states: Alabama and Missouri.

2.1.3. Assuming Insurer agrees to pay Unfunded Obligations on and after the Effective Date.

2.1.4. References in this Agreement to Assuming Insurer shall refer to Liberty for purposes of the Covered Obligations reinsured and assumed by Liberty hereunder, shall refer to Capitol for purposes of the Covered Obligations reinsured and assumed by Capitol hereunder, and shall be references to both where applicable hereunder.

2.1.5. Covered Obligations are designated as Standard Policies or Disputed Policies subject to and in accordance with the Liquidation Plan. Such designations shall not be changed or modified after the Effective Date without the prior written consent of the applicable Participating Association. If a concern develops regarding a Covered Obligation's designation as Disputed or Standard, the Assuming Insurer will communicate with NOLHGA and the respective Participating Association regarding that concern.

2.1.6. While Assuming Insurer is assuming Covered Obligations, Assuming Insurer is not assuming and is not responsible for any rights, duties or obligations under the Service Agreement.

2.1.7. Under no circumstances will Assuming Insurer terminate, cancel or otherwise convert Covered Obligations for failure to pay premiums.

2.2. Same Terms and Conditions.

As of the Effective Date, Assuming Insurer shall be liable for, obligated for and shall provide the Covered Obligations under the Liquidation Plan in the same manner and subject to the same terms and provisions as previously provided by the Participating Associations since entry of the Liquidation Order and the Liquidation Plan along with certain payments obligations under Unfunded Obligations and subject to the limitations of this Agreement. Assuming Insurer shall accept and assume each Covered Obligation and each Unfunded Obligation subject to all defenses, set-offs and counterclaims to which the Participating Associations and/or the SDR and/or LML, respectively, would be entitled. 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 Closing Date Assuming Insurer 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 any Participating Association, with respect to any claims that may be asserted against them),

except that, notwithstanding anything to the contrary herein, any claims against LML and/or the SDR associated with the Covered Obligations and/or the Unfunded Obligations shall not be assigned or subrogated to Assuming Insurer and Assuming Insurer shall not be entitled to any recoveries of assets from LML and/or the SDR related in any way to Assuming Insurer's payments of Covered Obligations and/or Unfunded Obligations.

2.3. Assignment of Rights.

Each Participating Association hereby assigns to Assuming Insurer all of its respective privileges and prerogatives contained within or related to each Covered Obligation, including, but not limited to all defenses, including set-offs and counterclaims to which the Participating Association would be entitled; provided that (a) each Participating Association retains all privileges, prerogatives, defenses, set-offs and counterclaims to the extent they relate to Excluded Obligations or any other statutory obligations of the Participating Association which are not transferred to or assumed by the Assuming Insurer under the terms of this Agreement; (b) each Participating Association retains all rights and interests of Policyholders against LML to which the Participating Association is entitled pursuant to its Enabling Act and all rights and interests of Policyholders, in equity or at law based on violations of common law, tort law, contract law, statutory law or other law, to which the Participating Association is subrogated pursuant to its Enabling Act; (c) the Assuming Insurer shall have no claim under the Covered Obligations against LML, the SDR or any Participating Association except as otherwise set forth in this Agreement; and (d) Participating Associations and the SDR do not assign any statutory rights and/or defenses provided for under their Enabling Acts.

2.4. Continuation of Assignment and Release Forms as Condition Precedent to Coverage.

2.4.1. Notwithstanding anything herein to the contrary, Assuming Insurer shall continue to require a fully executed Assignment and Release Form as expressly provided for in the Liquidation Plan and as required since the Liquidation Plan became effective until express written notice is provided by NOLHGA and/or a Participating Association that the forms are no longer required. Assuming Insurer may not alter the Assignment and Release Forms without the prior written approval of NOLHGA and the applicable Participating Association. Assuming Insurer will provide electronically true and correct copies of the Assignment and Release Forms (in pdf format unless otherwise agreed) to the SDR on a quarterly basis and to NOLHGA and/or the Participating Associations upon request. A copy of the required Assignment and Release forms are attached in Exhibit 2.4.1.

2.4.2. The Assuming Insurer's receipt of all completed and fully executed Assignment and Release Forms shall continue to be a condition precedent to any payment being due and owing to a payee under the Covered Obligations.

2.4.3. Assuming Insurer shall timely pay all valid and documented claims after Assuming Insurer has received all completed and fully executed Assignment and Release forms.

2.5. Excluded Obligations.

2.5.1. Assuming Insurer's payment obligations are limited to Covered Obligations and Unfunded Obligations and Assuming Insurer shall not provide coverage for Excluded Obligations.

2.5.2. Excluded Obligations include the following:

2.5.2.1. Covered Obligations shall not include any benefits outside the express written terms of the insurance policies as provided for in the Liquidation Plan including, but not limited to: (i) any obligations in excess of the Covered Obligations as detailed in the seriatim listing in Exhibit 7.1.1; (ii) any extracontractual claims and/or claims for penalties or consequential or incidental damages (except that the Liquidation Plan applies to determination of Covered Obligations as provided herein); or (iii) claims based on the Assigned Preneed Funeral Contracts, except regarding the Run-off Responsibilities, as defined.

2.5.2.2. Age 96 Before Effective Date. Covered Obligations shall not include any claims to benefits where, according to the records of LML and as updated by the SDR, the insured's age is 96 and above on the Effective Date. Records related to such Excluded Obligations shall be retained by the SDR and may be delivered to NOLHGA, upon request, for delivery to the respective Participating Association. The amount of Association Liability to be transferred at Closing shall not include any amounts related to such Excluded Obligations.

2.5.2.3. Pending Claims. Covered Obligations shall not include any claims reported, being processed and unpaid under the Liquidation Plan as of the Effective Date, which includes all claims received by the SDR on or before the Effective Date.

2.5.2.4. MTW Trust. The Parties have identified a block of records with benefits that are associated with what is referred to as the MTW Trust. Those records are identified on Exhibit 2.5.2.4 and are deemed Excluded Obligations. At any time, subject to appropriate notice and review by Assuming Insurer, NOLHGA and the Participating Associations in their sole discretion, may designate those records to be Covered Obligations subject to making an additional Association Liability payment as calculated in accordance with this Agreement.

2.5.2.5. Reduced Paid-Up. The Parties have identified a block of records that are comprised of Reduced Paid-Up ("RPU") policies along with other related policies with the same preneed contract number associated with the RPU. Those records are identified in Exhibit 2.5.2.5 and are deemed Excluded Obligations. Of the RPU policies, a smaller subset is anticipated to be "Improper RPUs," meaning that the insured paid an amount for insurance coverage that exceeds the face amount currently appearing in the books and records. The amount of the additional payments and an updated face amount to take into account those updated payments can only be determined based on more detailed forensic review and analysis at the contract level of each RPU policy file.

After confirming that an RPU is not an Improper RPU and/or after an updated face amount has been determined for an Improper RPU, at a subsequent time, subject to appropriate notice and review by Assuming Insurer, NOLHGA and the Participating Associations in their sole discretion, may designate those records to be Covered Obligations subject to making an additional Association Liability payment as calculated in accordance with this Agreement.

2.5.2.6. Hollywood Forever. Covered Obligations shall not include any obligations associated with Hollywood Forever as designated in writing prior to the Closing Date.

2.5.2.7. HMIS Block. Covered Obligations shall not include any obligations associated HMIS as designated in writing prior to the Closing Date.

2.5.2.8. Litigation. NOLHGA, the Participating Associations, the SDR, LML and/or NPS do not assign and the Assuming Insurers do not assume or succeed to claims, causes of action or defenses of NOLHGA, the Participating Associations, the SDR, LML, or NPS that have been made or could be made in litigation, including but not limited to those asserted in Case No. 09-CV-1252-ERW, styled *Jo Ann Howard & Associates, P.C. et al v. PNC Bank, N.A. et al* formerly pending in the United States District Court for the Eastern District of Missouri, Eastern Division, and now on appeal in Docket No. 15-3872 in the United States Court of Appeals for the Eighth Circuit.

2.5.2.9. Restitution and Forfeiture. NOLHGA, the Participating Associations, the SDR, LML and/or NPS do not assign and the Assuming Insurers do not assume or succeed to any recovery of and/or rights to restitution and/or forfeiture awarded to the SDR arising out of any criminal proceedings against James Douglas Cassity, Brent Cassity, Howard Wittner, Randall Sutton, David Wulf, and Nekol Province.

2.6. Preneed Contract Benefits.

2.6.1. As of the Effective Date and subject to the terms and conditions of this Agreement, the SDR transfers and assigns to Assuming Insurer, and Assuming Insurer accepts from the SDR, the Run-off Responsibilities, as defined in Exhibit 2.6.2, of the Assigned Preneed Funeral Contracts on Exhibit 2.6. Notwithstanding any other provisions in this Agreement, Assuming Insurer assumes only the Run-off Responsibilities under those contracts, all other rights and responsibilities being retained by NPS.

2.6.2. As part of its administration of the Covered Obligations and the Unfunded Obligations, Assuming Insurer shall administer the Assigned Preneed Funeral Contracts associated with and related to the Covered Obligations and the Unfunded Obligations. Assuming Insurer, or its agent, shall satisfy all licensing requirements associated with the administration of the Covered Obligations and the Assigned Preneed Funeral Contracts prior to the Closing Date.

2.6.3. To the extent that premiums and/or similar payments made related to Covered Obligations and/or Unfunded Obligations are collected by the SDR after the Effective Date, the SDR, NOLHGA and the Participating Association, respectively, hereby transfers and assigns to the Assuming Insurers all such collections and rights to collect such payments after the Effective Date as part of the administration of the Assigned Preneed Funeral Contracts and the Covered Obligations.

2.6.4. Assigned Preneed Contract Benefits are not Covered Obligations and shall not be funded with or otherwise comprise any part of Association Liabilities.

2.6.5. Until the SDR provides written notice to the contrary, on a calendar quarterly basis beginning the end of the first quarter after the Closing, Assuming Insurer shall deliver a report in excel format to the SDR within thirty (30) days of the end of the quarter in the form of Exhibit 2.6.3 identifying the Assigned Preneed Contract Benefits that were administered, including identification of: (1) all paid and unpaid amounts associated with the claims and payees for all Assigned Preneed Contract Benefits; and (2) all paid Unfunded Obligations.

2.6.6. Assuming Insurers not liable on Assigned Preneed Funeral Contracts. The Assuming Insurers shall not be liable for and shall not defend any actions on account of the Assigned Preneed Funeral Contracts including but not limited to (i) any act, error or omission of NPS, the Guaranty Association or the SDR in connection with the Assigned Preneed Funeral Contracts or (ii) any error in the Records of NPS, the Guaranty Association or the SDR.

2.6.7. No Assumption or Rejection under Insurer Receivership Act. The SDR neither assumes, nor rejects, the Assigned Preneed Funeral Contracts and Receivership Court approval of this Agreement shall not constitute an assumption or rejection of the Assigned Preneed Funeral Contracts by the SDR pursuant to Tex. Ins. Code § 443.013.

2.6.8. No Modification or Amendment. This Agreement shall not modify or amend any of the terms of the Assigned Preneed Funeral Contracts.

2.6.9. As Is, Where Is, and Without Warranty. Subject to the terms and conditions of this Agreement, the SDR assigns the administration of the Assigned Preneed Funeral Contracts to the Assuming Insurers as is, where is and makes no warranties, whether express or implied, including but not limited to the warranty of fitness. All warranties are expressly disclaimed.

2.6.10. Transfer of Receipts. All payments and other receipts on the Assigned Preneed Funeral Contracts (whether in the form of checks, ACH drafts, money orders, postal notes or otherwise), if any, received by the SDR on or after the Effective Date shall be the sole property of the Assuming Insurers. The SDR shall deliver to the Assuming Insurers all payments and other receipts received by the SDR and due to the Assuming Insurers under this Section no later than 45 days after the payments or other receipts are received. All payments and other receipts delivered shall bear all necessary endorsements required to effect transfer to the Assuming Insurers.

2.6.11. Assigned Preneed Funeral Contracts – Court Approval. Receivership Court approval of this Agreement is required for the SDR's assignment of the Assigned Preneed Funeral Contracts to the Assuming Insurers. In conjunction with the requirement for Receivership Court approval under Section 6.2.2 hereof, the SDR shall file an application with the Receivership Court requesting Receivership Court authorization to assign the Transferred Assigned Preneed Funeral Contracts to the Assuming Insurers free and clear of all liens and subject to the Run-off Responsibilities. If this approval is not obtained, the Assigned Preneed Funeral Contracts shall be retained by the SDR and the SDR's participation in this Agreement is null and void.

2.6.12. No Cancellation. Assuming Insurers shall not cancel or terminate any Assigned Preneed Funeral Contract without the express written agreement of the owner or beneficiary of the Assigned Preneed Funeral Contract.

2.7. Third Party Service Agreement.

2.7.1. Assuming Insurer anticipates entering into a service agreement with Texas Service Life Insurance Company for the administration of the Covered Obligations after the Closing Date. On or before the Closing Date, Assuming Insurer shall provide a copy of such agreement to the SDR and NOLHGA and any such agreement with any successor administrators.

2.7.2. Notwithstanding such service agreement, Assuming Insurer shall remain subject to all duties and obligations provided for in this Agreement.

2.7.3. In the event that the Effective Date occurs before the Closing Date, Assuming Insurers shall reimburse the Participating Associations for the costs of administration under the Service Agreement allocable to the Covered Obligations for such time periods.

2.8. Responsibility for Errors.

Subject to the provisions of this Agreement, Assuming Insurer shall not be responsible for any error, act or omission of the SDR, NOLHGA or a Participating Association with regard to the Covered Obligations, including any negligent or intentional claims handling practices, which occurred prior to the Closing Date. Neither the SDR, NOLHGA nor any Participating Association shall be responsible for any error, act or omission of the Assuming Insurer with regard to the Covered Obligations, including any negligent or intentional claims handling practices, which occur on or after the Closing Date.

2.9. Responsibility for Data and Records.

Assuming Insurer shall not be deemed to be responsible if the data in the books, files or records transferred by the SDR and/or the Participating Associations are incorrect. Assuming Insurer's sole obligation if such error is discovered by Assuming Insurer or demonstrated to Assuming Insurer, shall be to place any affected person in the position he or she would have had, had the data been correctly presented in the books, records or files or correctly interpreted by Assuming Insurer; provided, however, that the Assuming Insurer shall not be obligated to take action or make any adjustment that would increase its liability except to the extent that the

Assuming Insurer receives an additional payment of cash from a Participating Association that would have placed the Parties in the same financial position as if the error had been corrected as of the Effective Date, determined as of the date the error is corrected and such payment has been received. In no case shall Assuming Insurer be liable for any damages, whether compensatory or noncompensatory (including, without limitation, punitive or exemplary damages), on account of any incorrect data, provided that Assuming Insurer acted in good faith and without gross negligence based on the information it had in its possession.

2.10. Errors and Omissions.

For one year after the Closing Date, 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 Parties affected by the error or omission. All Parties agree to cooperate and work together, in good faith, to resolve, consistent with the terms of this Agreement, any problems or losses caused by any such error or omission. Such good faith cooperation may include, but is not limited to, assumption of the Covered Obligations, transfer of assets and complete documentation of the error or omission

3. Notice of Assumption and Assumption Certificate.

3.1. Notice of Assumption to Funeral Homes.

Within ten (10) business days after the Closing Date, Assuming Insurer shall cause the Notice of Assumption in the form of Exhibit 3.1 to be sent to all funeral homes identified by the SDR.

3.2. Issuance of Assumption Certificate.

Assuming Insurer shall issue an Assumption Certificate (in the form of Exhibit 3.2) as set forth herein.

3.2.1. With respect to Standard Policies under the Liquidation Plan, Assuming Insurer shall issue an Assumption Certificate to each owner of the Standard Policy based on the books and records of LML as updated by NOLHGA, subject to confirmation that the address in the books and records is reasonably likely to be accurate.

3.2.2. With respect to Disputed Policies under the Liquidation Plan, Assuming Insurer shall issue an Assumption Certificate to each insured of the Disputed Policy based on the books and records of LML as updated by NOLHGA, subject to confirmation that the address in the books and records is reasonably likely to be accurate.

3.2.3. To the extent that an Assumption Certificate has not previously been provided, a copy of the Assumption Certificate will be included along with the communications submitted providing the Assignment and Release Form for signature.

3.2.4. The assumption represented by the Assumption Certificates is subject to the terms and conditions of the Liquidation Plan, this Agreement, and any available defenses thereunder. Among other things, notwithstanding the Assumption Certificate, all conditions precedent for payment of benefits under the Liquidation Plan remain in full force and effect, including but not limited to receipt of complete and fully executed Assignment and Release Forms. Assuming Insurer shall be responsible for obtaining any regulatory approvals of the assumption certificate that may be required by the law of any state. As soon as may be reasonably practical following the Closing Date, but in any event within thirty (30) days after such date, Assuming Insurer shall make application for the insurance department approvals contemplated by the preceding sentence. NOLHGA and each respective Participating Association agree that they will cooperate with Assuming Insurer in an attempt to obtain such approvals; provided, however, that nothing contained herein or elsewhere in this Agreement shall relieve or excuse Assuming Insurer from its obligation to obtain such approvals.

3.3. Direct Cut-Through Rights.

Regardless of whether Assuming Insurer has successfully delivered a copy of the Assumption Certificate under the circumstances, the insureds, owners and/or beneficiaries of the Covered Obligations shall have direct rights for payment of benefits from Assuming Insurer the same as if an Assumption Certificate had been provided.

3.4. Written Communications – Approval.

The text of any written communication to be mailed related to any Covered Obligation in conjunction with the Assumption Certificates or with the explanation of this Agreement shall be approved by the SDR and NOLHGA prior to mailing. If the SDR and NOLHGA do not disapprove any such proposed written communication within 30 days of receipt, the written communication may be used by Assuming Insurer. Assuming Insurers are responsible for complying with any statutes or regulations regarding such communications.

4. Covered Obligations – Calculations and Payment Obligations.

4.1. Payment of Association Liability.

On the Closing Date, each Participating Association shall transfer or cause to be transferred to Assuming Insurer its Association Liability via wire transfer or via delivery of a fully executed Promissory Note. The Association Liability shall be calculated based on the calculations provided for in Exhibit 7.1.2. Assuming Insurer shall not be obligated to pay the Covered Obligations of any Participating Association until the Participating Association has funded its Covered Obligations (including via wire transfer or via delivery of a fully executed Promissory Note). No later than ten (10) business days prior to the Closing Date, NOLHGA shall notify Assuming Insurer as to which Participating Associations will transfer cash and which will issue Promissory Notes and the respective amount for each.

4.2. Format for Promissory Note.

The Promissory Note shall be in the form of Exhibit 4.2.

4.3. Pre-Closing Access.

Prior to the Closing Date, the Participating Associations and the SDR shall give Assuming Insurer reasonable access to records and information concerning Covered Obligations and shall cooperate with the reasonable efforts of Assuming Insurer to prepare for the administration of the Covered Obligations by Assuming Insurer. SDR shall make personnel and data available to and as requested by the Assuming Insurer and its authorized representatives for Assuming Insurer to prepare for and effectuate the conversion of data from the SDR's database systems to those of Assuming Insurer.

4.4. Administration.

4.4.1. On the Closing Date, Assuming Insurer will assume and take responsibility for the administration of the Assigned Preneed Funeral Contracts, the Unfunded Obligations and the Covered Obligations, subject to Assuming Insurer's obligations to bear costs for administration between the Effective Date and the Closing Date.

4.4.2. While at no point shall Assuming Insurer provide fewer benefits than required for Covered Obligations, in the Assuming Insurer's discretion, the Assuming Insurer may provide greater benefits if such costs are offset by related administrative efficiencies that result in a positive cost-benefit analysis. Assuming Insurer shall provide written notice to NOLHGA and to the SDR of any such situations or circumstances where the Assuming Insurer has exercised its discretion hereunder. Any increased costs associated with such benefits will be paid solely by Assuming Insurer and presumably from the administrative efficiencies. Under no circumstances will Participating Associations pay any amounts greater than the costs associated with benefits provided for under the Covered Obligations.

5. Participation by Affected Associations.

5.1. Designation of Participating Associations.

On or before the first business day that is forty-five days after the date on which all Parties have signed this Agreement, NOLHGA shall notify the Assuming Insurer of the Affected Associations that have elected to become Participating Associations.

5.2. Minimum Participation.

This Agreement shall not become effective unless Affected Associations with anticipated dollar exposure for Covered Obligations totaling at least seventy-five percent (75%) of the aggregate Association Liability to be funded on the Covered Obligations elect to become Participating Associations.

6. Closing.

6.1. Closing Date.

6.1.1. Subject to the terms, conditions and limitations of this Agreement, unless otherwise agreed to by the Parties, the Closing shall take place on the Closing Date at a location to be agreed upon by the Parties. Upon consent of the Parties, the Closing may occur electronically.

6.2. Conditions to Closing.

The respective obligations of the Parties to consummate the transactions contemplated by this Agreement are subject to the satisfaction of the following conditions in addition to any conditions elsewhere specified in this Agreement. The SDR, NOLHGA (on its own behalf and on behalf of any Participating Association) and Assuming Insurer may waive in writing any or all of these conditions in whole or in part, but no waiver of a condition will constitute a waiver by that Party of any other condition. The closing of the transactions contemplated by this Agreement will be deemed a waiver of the preconditions by the Parties.

6.2.1. The Receivership Court shall have entered an Order that approves the terms and conditions of and the transactions contemplated by this Agreement and the period for appeal of such Order has expired without an appeal being filed.

6.2.2. All regulatory approvals required to close the transactions contemplated by this Agreement have been obtained.

6.2.3. All representations and warranties made by any Party in this Agreement 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 or warranty that has changed. No Party may avoid its obligations under this Agreement by asserting that its own representations and warranties are not true and correct in all material respects as of the Closing Date.

6.2.4. All obligations of the Parties hereunder to be performed on or before the Closing Date shall have been performed.

6.2.5. The Assuming Insurers and NOLHGA shall have agreed, in writing, to the Reserves in accordance with Section 7.5 hereof.

6.3. Closing Date Consideration and Deliveries.

6.3.1. Participating Associations. Subject to the terms and conditions of this Agreement and in consideration of Assuming Insurer's assumption of the Covered Obligations, each Participating Association shall deliver to the Assuming Insurer the Participating Association's Association Liability in the amount specified in Exhibit 7.1.2.

6.3.2. SDR. Subject to the terms and conditions of this Agreement and any applicable privileges, the SDR shall transfer to the Assuming Insurer all documents, forms, files and any other records in electronic format related to the Covered Obligations. To the extent that Assuming Insurers require such additional records the SDR agrees to produce them upon written request.

6.3.3. Cooperation of SDR, NOLHGA, the Participating Associations, and Assuming Insurer. The SDR, NOLHGA, the Participating Associations, and Assuming Insurer agree to execute any and all appropriate documents and to take all other reasonable actions on or before the Closing Date necessary to effectuate or facilitate the assignments and transfers to the Assuming Insurer. Thereafter, the SDR, NOLHGA, the Participating Associations, and the Assuming Insurer agree to provide and execute all other necessary documents and to take all other reasonable actions to implement the various transactions contemplated by this Agreement.

7. Accounting Procedures.

7.1. Pre-Closing Accounting.

7.1.1. No later than fifteen (15) days prior to the Closing Date, NOLHGA shall prepare and deliver to Assuming Insurers a seriatim listing of each policy and the associated reserve for and face amount for each policy, and any related information, representing a complete listing, as of the Effective Date, of the Covered Obligations and Unfunded Obligations, which may be delivered in electronic format.

7.1.2. No later than fifteen (15) days prior to the Closing Date, NOLHGA shall prepare and deliver to Assuming Insurers the Pre-Closing Accounting an initial closing schedule substantially in the form of Exhibit 7.1.2 depicting the Covered Obligations to be transferred to the Assuming Insurers, along with related information for the Unfunded Obligations, based on reserves for the Covered Obligations as calculated for the most recently available month end and the Ceding Fee to calculate the Association Liability at Closing.

7.1.3. At the Closing, the Association Liability, as calculated and depicted in Exhibit 7.1.2, shall be transferred to Assuming Insurer.

7.1.4. In addition, while there shall be no corresponding funding, the Unfunded Obligations shall also be depicted in the Pre-Closing Accounting.

7.2. Interim True-Up.

7.2.1. An Interim True-Up shall be prepared by NOLHGA substantially in the form attached as Exhibit 7.2 and distributed to the Assuming Insurers no later than sixty (60) days after the Closing Date.

7.2.2. Assuming Insurer shall confirm the adjustments and modifications reflected in the Interim True-Up within thirty (30) days after receipt of the Interim True-Up.

7.2.3. NOLHGA shall distribute the agreed-upon Interim True-Up to the Assuming Insurer and the Participating Associations within ten (10) days after receipt of the Assuming Insurers' confirmation.

7.2.4. In addition, while there shall be no corresponding funding, the Unfunded Obligations shall also be depicted in the Interim True-Up.

7.3. Final Accounting.

7.3.1. The Final Accounting shall be prepared by NOLHGA substantially in the form attached as Exhibit 7.3 and distributed to Assuming Insurers no later than twelve (12) months after the Closing Date.

7.3.2. Assuming Insurer shall confirm the adjustments and modifications reflected in the Final Accounting within thirty (30) days after receipt of the Final Accounting.

7.3.3. NOLHGA shall distribute to the agreed-upon Final Accounting to the Assuming Insurer and Participating Associations within ten (10) days after receipt of the Assuming Insurers' confirmation.

7.3.4. In addition, while there shall be no corresponding funding, the Unfunded Obligations shall also be depicted in the Final Accounting.

7.4. Payments Based on Final Accounting Adjustments.

Any additional Association Liability amounts due from a Participating Association to Assuming Insurer and likewise any return of Association Liability amounts due from Assuming Insurer to a Participating Association shall be paid by the Party owing such amount no later than thirty (30) days after distribution of the agreed Final Accounting. The payment amount shall be subject to simple interest from the Closing Date until the date paid at the rate of four and one half percent (4.5%) per annum. The exhibits hereto and any Promissory Notes shall be adjusted to reflect the agreed Final Accounting. Participating Associations may, in their discretion, make payments after receipt of the Interim Accounting in order to avoid interest costs.

NOLHGA and the Assuming Insurers may agree, in writing, to modify any of the exhibits, dates and deadlines associated with the Accounting Procedures in this Article 7. In event of such modifications, NOLHGA shall provide notice thereof to the Participating Associations.

7.5. Reserves.

The parties intend that all Reserves with respect to Covered Obligations for the Policies will be computed in accordance with commonly accepted actuarial standards consistently applied, using the 1980 CSO ALB Mortality Table and interest rates equal to the maximum permissible rates by issue year prescribed by the NAIC, and fairly stated in accordance with such principles, subject to any adjustment due to the Final Accounting as provided in Section 7.3 above. The amount of Reserves will be mutually agreed to by the Assuming Insurers and

NOLHGA in the preparation of the Pre-Closing Accounting and subject to the Accounting Procedures provided for herein. The calculation of the Reserves will be subject to Section 2.10 hereof regarding errors and omissions.

7.6. No Further Adjustments.

With the limited exception of errors and omissions as provided for in Section 2.10 and the reconciliation of reserves in Section 7.5 hereof, no further adjustments shall be made after the making of any payments due as a result of the Final Accounting unless agreed in writing by the Assuming Insurer, NOLHGA and the applicable Participating Association.

8. Premiums and Other Receipts.

8.1. Transfer of Receipts.

All premiums and other receipts on the Covered Obligations and the Unfunded Obligations (whether in the form of checks, drafts, money orders, postal notes or otherwise) received by any Party or person on or after the Effective Date shall be the sole property of Assuming Insurer. All premiums and other receipts due to Assuming Insurer under this Section shall be delivered by the Party in possession thereof no later than forty-five (45) business days after the premiums or other receipts are received by that Party. All premiums and other receipts delivered shall bear all necessary endorsements required to effect transfer to Assuming Insurer. The parties may use electronic funds transfers.

8.2. Bank Drafts.

After the Closing Date, Assuming Insurer shall have all rights of LML, the SDR and the Participating Associations under outstanding bank draft authorizations that authorize withdrawal from bank accounts to pay premiums on the Covered Obligations and the Unfunded Obligations, to the extent permitted by the laws of the states in which the affected policyholders reside.

8.3. Collections.

With respect to Covered Obligations and Unfunded Obligations after the Effective Date, Assuming Insurer shall have the right and authority to collect for its own account all receivables and other items to be transferred by LML, the SDR and the Participating Associations to Assuming Insurer and to make any necessary endorsement without recourse and without warranties of any kind on any checks or other evidences of indebtedness received by Assuming Insurer on account of any such receivables or other items.

9. Records.

9.1 NOLHGA and each Participating Association agree to transfer, assign, deliver and convey to Assuming Insurer, subject to the terms set forth in this Agreement, all files and records related to the Covered Obligations and Unfunded Obligations in their possession or under their control. The SDR has title to business records and electronic business data relating to the Assigned Preneed Funeral Contracts and related LML policies (the "Records"). Prior to the

Closing Date, the SDR has provided and shall continue to provide the Assuming Insurers reasonable access to the Records. Under this Agreement, the SDR agrees to transfer a copy of the electronic database maintained pre and post receivership constituting the NPS business records relating to the Policies and the Assigned Preneed Funeral Contracts. Electronic images of these records are available to the SDR from NPS, Lincoln, and Memorial computer systems. The SDR agrees that, after the Effective Date, the Assuming Insurers shall be entitled, upon reasonable notice, to inspect, review, and copy any and all business records in the SDR's possession relating to the Policies and the Assigned Preneed Funeral Contracts. The SDR retains the original of any Records required to be maintained pursuant to all applicable Texas Department of Insurance ("TDI") Rehabilitation and Liquidation Oversight records retention policies and procedures and those Records necessary to pursue claims against third parties until the claims are tried and a final non-appealable judgment is obtained or the claims are otherwise settled, but the Assuming Insurers shall be entitled to receive copies of such Records at its own expense. Assuming Insurer agrees that after such delivery, the SDR, Participating Associations and/or NOLHGA shall be entitled, at any reasonable time and at their expense, to inspect, audit and copy any and all such records and files of Assuming Insurers and all other records and files of Assuming Insurers relating to the Covered Obligations and Unfunded Obligations.

9.2 No Representation or Warranty Relating to Records. Neither NOLHGA nor any Participating Association makes any warranty or representation that the books and records of the SDR and/or LML and/or NPS which may be transferred to Assuming Insurer are either accurate or complete. The SDR makes no warranties or representations that the Records and any copies thereof are accurate or complete. NOLHGA, the Participating Associations and the SDR shall have no liability whatsoever for any error contained therein. The Assuming Insurers acknowledge that in entering into this Agreement they are not relying upon any representation and/or warranty made by the SDR, NOLHGA or the Participating Associations.

10. Liabilities and Indemnities.

10.1 From and after the Effective Date, the Assuming Insurer shall be liable for all payments related to each Covered Obligation and Unfunded Obligation and for handling all claims that are incurred under the Covered Obligation and Unfunded Obligation. The Assuming Insurer does not assume and shall not be liable for any claims involving Excluded Obligations, as defined in Section 2.5.

10.2 The SDR, NOLHGA, each Participating Association, and the Assuming Insurer will notify the other Parties hereto promptly of any suit or claim brought against it with respect to the Covered Obligations.

10.3 Assuming Insurer agrees to save, defend, indemnify and hold the SDR, NOLHGA and each Participating Association completely free and harmless from any and all suits or claims arising out of any action or omission of Assuming Insurer, taken with respect to the Covered Obligations and Unfunded Obligations on or after the Closing Date. Except as otherwise provided in the Agreement, choice of counsel and management of any such suit shall be in the discretion of Assuming Insurer, which will have the sole right to settle any such suit when, in its informed and good faith opinion, it is appropriate to do so. Where the suit concerns or involves

acts or decisions of the Participating Association, the applicable Participating Association will cooperate with the Assuming Insurer in its defense of such suit, and the Assuming Insurer will notify the Participating Association before any settlement thereof. The payment of all judgments and settlement agreements resulting from such suit shall be the sole responsibility of the Assuming Insurer to the extent such actually relate to decisions of the Assuming Insurer.

10.4 The Participating Associations agree to save, defend, indemnify and hold the Assuming Insurer completely free and harmless from any and all suits, claims or costs arising out of any action or omission of the Participating Associations taken with respect to the Covered Obligations prior to the Closing Date.

10.5 No SDR Indemnification. The SDR shall not save, defend, indemnify or hold harmless any Assuming Insurer from any and all suits or claims for any reason whether arising by statute, common law, or contract, and no such right of indemnity arises under this Agreement.

10.6 Unless expressly stated herein, the terms of this Agreement shall not modify the terms of the Service Agreement.

10.7 Notwithstanding the preceding paragraphs, if any suit seeks consequential damages, tort damages, punitive damages or attorneys' fees or costs based upon alleged acts or decisions of NOLHGA and the Participating Association, then NOLHGA and/or the Participating Association may retain its own counsel and participate in and control the defense or settlement of its own acts or decisions.

10.8 Neither the Assuming Insurer, nor the Participating Association shall bear liability for any damages awarded to any claimant solely because of the acts or decisions of the other Party in administering the Covered Obligations. In the event that a judgment is entered by a court of competent jurisdiction against the Assuming Insurer or a Participating Association for such damages solely attributable to the other's acts or decisions, or a settlement is entered into by the Assuming Insurer or a Participating Association, which includes a sum as and for such damages solely attributable to any other's acts or decisions, then, to the extent authorized by law, the Party whose acts or decisions were the sole cause of such damages will indemnify and hold the other Party harmless to the extent of such damages awarded, or in the case of settlement approved by such Party, the consideration for such settlement.

10.9 Each Participating Association will undertake at its expense the defense of any suit, whenever filed, which is based or alleged to be based on any Covered Obligation of such Participating Association and any decision or act solely of such Participating Association regarding coverage or level of benefits prior to the Effective Date. The Participating Association will make any and all decisions regarding management of the defense and settlement of any such suit. The payment of all judgments and settlement agreements resulting from such suit shall be the sole responsibility of the Participating Association to the extent they actually relate to decisions or acts of the Participating Association prior to the Effective Date.

10.10 Each Participating Association agrees to indemnify and hold the Assuming Insurer harmless against any and all loss, liability and expense, including reasonable attorney's fees and court costs, which result from negligent, dishonest, malicious, fraudulent or criminal

acts, by the Participating Association, its employees or agents. The Assuming Insurer agrees to indemnify and hold each Participating Association harmless against any and all loss, liability and expense, including reasonable attorney's fees and court costs, which results from negligent, dishonest, malicious, fraudulent or criminal acts, by the Assuming Insurer, its employees or agents.

10.11 No liability in damages, or for indemnity or contribution to any Assuming Insurer to this Agreement, shall arise under this Agreement against NOLHGA for its negligent acts. Each Participating Association agrees to indemnify and hold NOLHGA harmless against any and all loss, liability and expense, including attorney's fees, which arise in connection with its Covered Obligations for any negligent acts of NOLHGA.

10.12 Each Party, with the exception of the SDR, will indemnify and hold the other Parties harmless from and against any and all claims, liabilities, losses, damages, costs and expenses, including reasonable attorney's fees, arising out of or related to any incorrect representation or warranty or any failure or breach by it of any representation, warranty, covenant, obligation or understanding made by it in this Agreement.

11. Representations and Warranties.

11.1. Participating Association Representations.

Each Participating Association represents that it has the statutory authority to participate in this Agreement, and has taken all actions necessary under its Enabling Act to do so.

11.2. NOLHGA Representations.

NOLHGA represents that it is duly authorized to execute this Agreement on behalf of the Participating Associations.

11.3. SDR Representations.

The SDR represents that it is duly authorized by the Receiver and the Receivership Court to execute this Agreement on behalf of LML and NPS.

11.4. Assuming Insurer Representations.

The Assuming Insurer represents as follows:

11.4.1. Each Assuming Insurer represents that it is a corporation duly organized as a stock life insurance company, validly existing and in good standing under the laws of its state of domicile, 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.

11.4.2. The signatory for each Assuming Insurer below is authorized to execute this Agreement on behalf of Assuming Insurer and bind Assuming Insurer to the terms and conditions of this Agreement.

11.4.3. Assuming Insurer represents it 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. Assuming Insurer further represents that no material adverse change in its financial condition has occurred since its most recent Annual Statement and that it has no knowledge that would be reasonably likely to indicate that a material adverse change in its financial condition will occur before the Accounting Date.

11.4.4. Except for liabilities and obligations in the ordinary course of Assuming Insurer's business that are not material to its business or financial condition, Assuming Insurer has no material liabilities or obligations of any nature (matured or unmatured, fixed or contingent) that are not provided for in the Financial Statements. All reserves established by Assuming Insurer and set forth in the Financial Statements are adequate to the best of Assuming Insurer's knowledge.

11.4.5. With the exception of the State of Minnesota, Assuming Insurer (taking into accounting licensing for Liberty and Capitol) is admitted to write life business in all states in which there exist Participating Associations, and is in good standing in these states.

11.4.6. Assuming Insurer agrees that it has the sole responsibility to pay any finder or other fees, due or claimed to be due, to any Party engaged by Assuming Insurer which provided services for or assistance to Assuming Insurer as a part of the assumption of the Covered Obligations. Assuming Insurer agrees to hold harmless NOLHGA and any applicable Participating Association from the payment of any finder or other fees, due or claimed to be due, to any Party engaged by Assuming Insurer because of the Assuming Insurer's assumption of the Covered Obligations.

11.4.7. The information submitted by Assuming Insurer as part of the bid process that culminated in this Agreement was true and accurate in all material respects when submitted, and there has been no material change in the information since its submission.

11.4.8. Assuming Insurers represent that they have been provided with full and unrestricted access to the Strohm Ballweg due diligence website and all material posted thereto, have had such time as Assuming Insurers deem necessary and appropriate to review and analyze such materials and further have been provided unlimited opportunities to meet with and ask questions of the SDR, its staff and professionals with respect to such materials, the administration of the Assigned Preneed Funeral Contracts and the practice and process of administering Covered Obligations under the Liquidation Plan pursuant to the terms of the Service Agreement and that the SDR has fully satisfied all inquiries. Assuming Insurers acknowledge that the SDR has not made any representations or warranties, express or implied, in connection with the transactions contemplated in this Agreement, other than the representations and warranties contained in this Agreement.

11.4.9. Assuming Insurer shall not file a proof of claim or make any claim against the assets of the receivership estates of LML and NPS.

11.4.10. The representations and warranties of Assuming Insurer contained in this Agreement shall survive the Closing until all of the liabilities reinsured and assumed hereunder have been discharged or have otherwise expired.

12. Miscellaneous Provisions.

12.1. Amendment.

This Agreement may be amended only by a writing executed by the NOLHGA and Assuming Insurer. Notwithstanding the foregoing, (i) each Participating Association shall have the right to approve any amendment which NOLHGA determines is reasonably expected to have a material impact on the rights or obligations of the Participating Association (ii) the SDR shall have the right to approve any amendment which is reasonably expected to have a material impact on the rights or obligations of the SDR; and (iii) the Receivership Court must approve any amendment which is reasonably expected to result in a material reduction in policyholder benefits or otherwise substantively modifies the Liquidation Plan provisions.

12.2. Assignment.

No Party may assign this Agreement or any of its rights, interests, or obligations hereunder without the prior written consent of the SDR, NOLHGA and Assuming Insurer.

12.3. Broker Fees.

Each Party hereby represents and warrants that it has not taken any action that would impose on any other Party hereto liability for payment of any broker, finder, or similar fee in connection with the origin, negotiation, execution, or performance of this Agreement.

12.4. Commissions.

Assuming Insurer, NOLHGA, and the Participating Associations do not assume hereby any legal obligation with respect to commissions, service fees, and/or producer compensation under third-Party, independent contractor, producer agent or broker commission contracts or administrative contracts in connection with premiums (and any other types of payments) paid or to be paid associated with the Covered Obligations or administration for the Covered Obligations. The SDR and the Assuming Insurers do not assume any legal obligation of LML and NPS, if any, with respect to fees, commissions, service fees, expenses and/or producer compensation under third-party, independent contractor, producer, agent or broker commission contracts, administrative or other contracts between LML and NPS and third persons in connection with the Policies or the Assigned Preneed Funeral Contracts.

12.5. Reserves.

Assuming Insurer shall maintain reserves consistent with the law of any jurisdiction having regulatory authority with respect to the Covered Obligations.

12.6. 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 may be required to carry out effectively the intent of this Agreement and the orderly transfer of administration of the Covered Obligations.

12.7. Counterparts.

This Agreement may be executed in separate counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

12.8. Entire Agreement; Merger.

This Agreement constitutes the entire understanding of the Parties pertaining to the subject matter contained in this Agreement and supersedes all prior oral and written agreements, representations, and understandings of the Parties.

12.9. 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.

12.10. 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.

12.11. 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 Parties 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 Parties 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.

12.12. Expenses.

Each Party shall pay all of its own costs, fees, and expenses incurred or to be incurred in negotiating and preparing this Agreement and in closing and carrying out the transactions contemplated by this Agreement; provided, however, that the expenses of NOLHGA and the Participating Associations may be included in their Omnibus Proof of Claim submission.

12.13. Governing Law.

This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Texas notwithstanding any state's choice of law rules to the contrary provided, however, that any application or interpretation of a governing statute of a Participating Association shall be made in accordance with the laws of the state of that Participating Association solely by a court of that state.

12.14. Jurisdiction.

Each Party hereby consents to the exclusive jurisdiction of the Receivership Court to resolve any and all disputes among the Parties arising out of or related, directly or indirectly, to this Agreement or any of the transactions contemplated hereby, and further covenants not to sue any other Party in connection with such a dispute except in the Receivership Court. The Parties further agree that service of process shall be effective if sent by certified or registered mail, return receipt requested, to the addresses shown in this Agreement.

12.15. Notices.

Any notice made pursuant to this Agreement shall be in writing and shall be deemed to have been duly given on the date of delivery, if delivered personally or by facsimile transmission; on the day after transmittal, if sent by overnight delivery service; or on the third day after mailing, if mailed by certified mail, return receipt requested. Any notice must be properly addressed as follows:

The SDR:

Jo Ann Howard
Jo Ann Howard & Associates, P.C.
P.O. Box 160050
Austin, TX 78716
Telephone: (512) 329-7119
FAX: (512) 328-0072
Email: jhoward@lincolnmemorallife.com

Hand or Overnight Delivery:
260 Addie Roy Road, Ste. 150
Austin, TX 78746

Copy to:

Christopher Fuller
4612 Ridge Oak Drive
Austin, TX 78371
Telephone: (512) 470-9544
Email: cfuller@fullerlaw.org

NOLHGA:

National Organization of Life and
Health Insurance Guaranty Associations
13873 Park Center Road, Suite 329
Herndon, Virginia 20171
FAX: (703) 481-5209

Copy to:

Joel Glover, Esq. and Franklin D. O'Loughlin, Esq.
Lewis Roca Rothgerber Christie LLP
1200 17th Street, Suite 3000
Denver, CO 80210
FAX: (303) 623-9222

Participating Associations:

To the addresses as identified in writing by NOLHGA in Exhibit 1.2.

Assuming Insurer:

Liberty Bankers Life Insurance Company
1605 LBJ Freeway, Suite 710
Dallas, TX 75234
Attn: Brad Phillips

Copy to:

Bennett, Weston, LaJone & Turner
1603 LBJ Freeway
Dallas, TX 75234
Attn: Jay LaJone

Any Party to this Agreement may change the address to which notice is to be delivered by delivering written notice to that effect to the other Parties.

12.16. Headings.

The captions and headings of the sections of this Agreement are included for purposes of convenient reference only and shall not affect the construction or interpretation of this Agreement.

12.17. Severability.

In the event that any provision or term of this Agreement shall be held by any court to be invalid, illegal or unenforceable, all the other provisions and terms shall remain in full force and effect to the extent that their continuance is practicable and consistent with the original intent of the Parties. In addition, if provisions or terms are held invalid, illegal or unenforceable, the Parties will attempt in good faith to renegotiate this Agreement to carry out its original intent.

12.18. Successors.

This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and permitted assigns.

12.19. Termination.

Any rights of or obligations by the SDR under this Agreement shall terminate as of the dismissal or closing of the delinquency pending against Lincoln Memorial and NPS and the existence of any such rights or obligations shall not be a basis to contest such dismissal or closing.

[The remainder of this page is intentionally left blank.]

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

NATIONAL ORGANIZATION OF LIFE AND HEALTH INSURANCE GUARANTY ASSOCIATIONS, on its own behalf and on behalf of those guaranty associations that become Participating Associations

By: _____ Date: _____, 2017
Peter G. Gallanis, President

ASSUMING INSURER – LIBERTY BANKERS LIFE INSURANCE COMPANY

By: _____ Date: _____, 2017
Bradford A. Phillips, President

ASSUMING INSURER – THE CAPITOL LIFE INSURANCE COMPANY

By: _____ Date: _____, 2017
Bradford A. Phillips, President

SPECIAL DEPUTY RECEIVER

By: _____ Date: _____, 2017
Jo Ann Howard, President of Jo Ann Howard & Associates, P.C.

EXHIBITS

1.2 Affected Associations

See attached list.

2.4.1 Assignment and Release Forms

See attached forms and narrative.

2.5.2.4 Excluded Obligations – MTW Trust

The information in Exhibits 2.5.2.4, 2.5.2.5, and 2.6 are included in the seriatim listing addressed in Exhibit 7.1.1, which have been circulated and reviewed in electronic format with Exhibit 7.1.1 to be signed at or before Closing.

2.5.2.5 Excluded Obligations – Reduced Paid-Up (RPU)

The information in Exhibits 2.5.2.4, 2.5.2.5, and 2.6 are included in the seriatim listing addressed in Exhibit 7.1.1, which have been circulated and reviewed in electronic format with Exhibit 7.1.1 to be signed at or before Closing.

2.6 Assigned Preneed Funeral Contracts

See attached sample.

2.6.2 Run-off Responsibilities

For purposes of this Agreement, Run-off Responsibilities shall be rights and responsibilities of NPS as the Seller under the Assigned Prepaid Funeral Contracts including the recordkeeping and reporting requirements as required by applicable state law.

Provided, however, Run-off Responsibilities do not include any liability or responsibility for any action, or failure to act, for any recordkeeping or compliance matter or for any matter arising out of the marketing, administration or servicing of the Assigned Prepaid Funeral Contracts, prior to the Effective Date, including any action or failure to act of NPS, its officers, directors, agents or employees, NOLHGA, Participating Associations or SDR. The Run-off Responsibilities do not include any financial obligation or commitment of NPS or any financial obligation arising from the funeral provider failing to perform under an Assigned Prepared Funeral Contract. Assuming Insurer's financial obligations shall be limited to the Covered Obligations under the Assumption Reinsurance Agreement.

2.6.3 Assigned Preneed Contract Benefits Report

DATA FIELDS NEEDED FOR POST ASSUMPTION PAID CLAIMS REPORT

NPS CONTRACT NUMBER
DECEASED'S LAST NAME
DECEASED'S FIRST NAME
DATE OF BIRTH
DATE OF DEATH
PREMIUM RECEIVED POST ASSUMPTION
IS PROVIDING FUNERAL HOME THE CONTRACTING FUNERAL HOME? Y/NO
PROVIDING FUNERAL HOME EIN/TIN
PROVIDING FUNERAL HOME ADDRESS
PAYEE 1 NAME
PAYEE 1 EIN/TIN
PAYEE 1 ADDRESS
AMOUNT PAID
DATE PAID
(ALL OTHER PAYEES SAME FORMAT AS PAYEE 1)

3.1 Notice of Assumption to Funeral Homes

See attached notice.

3.2 Assumption Certificate

[Assuming Insurer Letterhead and Contact Information]

Certificate of Assumption

This is to certify that [Assuming Insurer]:

HEREBY ASSUMES the Covered Obligations of the Participating Association under the Liquidation Plan arising out of the insolvency and liquidation of Lincoln Memorial Life Insurance Company subject to: (1) all the terms and conditions of the Covered Obligation and applicable provisions of the Participating Association’s Enabling Act; and (2) collection of completed and fully executed Assignment and Release Forms as a condition precedent to benefit payments being due and owing.

This Certificate of Assumption is issued pursuant to an “Assumption Reinsurance Agreement” between the National Organization of Life and Health Insurance Guaranty Associations, the Participating Member Guaranty Associations and [Assuming Insurer]. All claims, requests for service or other inquiries should be direct to:

[Assuming Insurer physical address, phone number and email]

The Effective date of the Certificate of Assumption is 12:01 a.m. on [insert Effective Date].

In witness whereof, [Assuming Insurer] has issued this Certificate of Assumption. This Certificate was signed at the home office of [Assuming Insurer].

President

Secretary

NOTICE: THIS CERTIFICATE OF ASSUMPTION BECOMES A PART OF YOUR RIGHTS UNDER THE LIQUIDATION PLAN AND SHOULD BE MAINTAINED WITH YOUR RECORDS.

4.2 Form of Promissory Note

PROMISSORY NOTE

\$ _____, 2017

For Value Received, the undersigned _____ Association (“Maker”), promises to pay to the order of _____ (“Holder”) the principal sum of _____ Dollars (\$ _____), with interest on the balance of the principal remaining unpaid from time to time at the rate of four and one half percent (4.5%) per annum until such principal is paid.

1. Payment of principal and interest shall be made as follows:

- (a) The entire balance of unpaid principal and all accrued and unpaid interest calculated from the Closing Date shall be due and payable on the first business day two (2) years after the date first written above.
- (a) Payment shall be made to Holder at _____, or at such other address as Holder shall designate.

2. Failure by Maker to pay or perform any of its obligations under this Promissory Note shall be a default hereunder and under the Assumption Reinsurance Agreement Regarding Insurance Benefits Covered Under the Liquidation Plan Related to Lincoln Memorial Life Insurance Company among NOLHGA and Participating Associations and the Special Deputy Receiver of Lincoln Memorial Life Insurance Company and Liberty Bankers Life Insurance Company and The Capitol Life Insurance Company dated _____. Notwithstanding any other provisions of this Promissory Note, if Maker fails to make a payment of principal or interest (the “Default Amount”) when due and does not cure such failure within thirty (30) business days of receiving written notice of such failure from Holder, then the Covered Obligations (as that term is defined in the Assumption Reinsurance Agreement) as to which this Promissory Note was made shall be reduced by the principal amount of such Default Amount. The Default Amount shall revert back and be a direct liability of Maker associated with the respective Covered Obligations, and this Promissory Note shall be deemed reduced, without further action on the part of Maker or Holder by the Default Amount and with (a) appropriate revisions and adjustments made in accordance with the Assumption Reinsurance Agreement, and (b) appropriate notification by Holder and Maker with respect to Covered Obligations Policy. In the event of Default, if Maker’s cash payment of Association Liability is less than the amount of claims Holder actually paid for Maker’s Covered Obligations, Maker shall pay such difference to Holder in accordance with the Assumption Agreement.

3. Maker waives presentment for payment, protest and demand, notice of protest, demand and of dishonor and nonpayment of this Promissory Note, and consents that Holder may extend the time of payment or otherwise modify the terms of payment of any part of the whole of the

debt evidenced by this Promissory Note, at the request of any person liable hereon, and such consent shall not alter nor diminish the liability of any person.

4. Maker agrees to pay all costs of collection, including reasonable attorneys' fees, in case the principal of this Promissory Note or any payment on the principal or any interest thereon is not paid at the respective maturity, thereof.

5. Maker reserves the right to prepay this Promissory Note in full or in part at any time without any premium or penalty. Any such prepayment shall be applied first to interest, then to reduce the principal balance.

6. This Promissory Note shall be construed under the laws of the State of _____[Insert Maker's State].

7. The covenants of Maker and Holder contained in this Promissory Note shall be binding upon and inure to the benefit of their respective successors and assigns.

IN WITNESS WHEREOF, the undersigned Maker has caused this Promissory Note to be executed the day and year first above written.

_____ Association
"MAKER"

By: _____

Its: _____

7.1.1 Serialim Listing of Covered Obligations and Unfunded Obligations

As a condition precedent to Closing, the Assuming Insurers and NOLHGA hereby confirm in writing that they have agreed to the Reserves as detailed in this Exhibit 7.1.1 and in accordance with Section 7.5.

NATIONAL ORGANIZATION OF LIFE AND HEALTH INSURANCE GUARANTY ASSOCIATIONS, on its own behalf and on behalf of those guaranty associations that become Participating Associations

By: _____ Date: _____, 2017
Peter G. Gallanis, President

ASSUMING INSURER – LIBERTY BANKERS LIFE INSURANCE COMPANY

By: _____ Date: _____, 2017
Bradford A. Phillips, President

ASSUMING INSURER – THE CAPITOL LIFE INSURANCE COMPANY

By: _____ Date: _____, 2017
Bradford A. Phillips, President

The information in Exhibits 2.5.2.4, 2.5.2.5, and 2.6 are included in the serialim listing addressed in Exhibit 7.1.1, which have been circulated and reviewed in electronic format with Exhibit 7.1.1 to be signed at or before Closing.

7.1.2 Summary – Initial Closing Schedule

See attached sample.

7.2 Interim True-Up

See attached sample.

7.3 Final Accounting

See attached sample.

ASSUMPTION REINSURANCE AGREEMENT

Regarding Insurance Benefits Covered Under
The Liquidation Plan
Related to
Lincoln Memorial Life Insurance Company

Exhibit 1.2 Affected Associations.

Alabama Life & Disability
Insurance Guaranty Association
6 Office Park Circle, Suite 200
Birmingham, AL 35223
(205) 879-2202
(205) 879-2292 Fax

Alaska Life & Health
Insurance Guaranty Association
1007 West 3rd Ave., Suite 400
Anchorage, AK 99501
(907) 243-2311
(907) 277-1331 (Fax)

Arizona Life & Disability
Insurance Guaranty Fund
2910 N. 44th Street, Second Floor
Phoenix, AZ 85018
(602) 364-3863
(602) 364-3872 Fax

Arkansas Life and Health Insurance
Guaranty Association
c/o Dover Dixon Horne PLLC
425 West Capitol Ave., #3700
Little Rock, AR 72201
(501) 375-9151
(501) 375-6484 Fax

California Life & Health
Insurance Guarantee Association
10537 Santa Monica Blvd., Suite 240
Los Angeles, CA 90025
(323) 782-0182
(323) 782-8108 Fax

(Colorado) Life & Health
Insurance Protection Association
201 Robert S. Kerr Ave., Suite 600
Oklahoma City, OK 73102
(303) 292-5022

Connecticut Life and Health
Insurance Guaranty Association
PO Box 1550
Pawcatuck, CT 06379
(401) 315-0526
(401) 315-0526 Fax

Delaware Life & Health
Insurance Guaranty Association
220 Continental Drive, Suite 309
Newark, DE 19713
(302) 456-3656
(302) 456-3680

District of Columbia Life & Health
Insurance Guaranty Association
1200-G Street, NW, Suite 800
Washington, DC 20005
(202) 434-8771
(202) 346-2990 Fax

Florida Life & Health
Insurance Guaranty Association
3740 Beach Boulevard, Suite 201-A
Jacksonville, FL 32207-3819
(904) 398-3644
(904) 398-4474 Fax

Georgia Life & Health
Insurance Guaranty Association
3700 Crestwood Parkway, NW, Suite 400
Duluth, GA 30096
(770) 621-9835
(770) 938-3296 Fax

Hawaii Life & Disability
Insurance Guaranty Association
1132 Bishop Street, Suite 1590
Honolulu, HI 96813
(808) 528-5400

(808) 528-5279

Idaho Life & Health
Insurance Guaranty Association
PO Box 441
Boise, ID 83669-0441
(208) 378-9510

Illinois Life and Health
Insurance Guaranty Association
1520 Kensington Road, Suite 112
Oak Brook, IL 60523-2140
(773) 714-8050
(773) 442-0197

Indiana Life & Health
Insurance Guaranty Association
3502 Woodview Trace, Suite 100
Indianapolis, IN 46268
(317) 636-8204
(317) 264-2395

Iowa Life & Health
Insurance Guaranty Association
700 Walnut Street, #1600
Des Moines, IA 50309-3899
(515) 248-5712
(515) 283-8018 Fax

Kansas Life & Health
Insurance Guaranty Association
2909 S.W. Maupin Lane
Topeka, KS 66614-5335
(785) 271-1199
(785) 272-0242 Fax

Kentucky Life & Health
Insurance Guaranty Association
4010 Dupont Circle, #232
Louisville, KY 40207
(502) 895-5915
(502) 895-6543 Fax

Louisiana Life & Health
Insurance Guaranty Association
620 Florida Street, Suite 210
Baton Rouge, LA 70801
(225) 381-0656
(225) 344-1132 Fax

Maine Life & Health
Insurance Guaranty Association
620 Florida Street, Suite 210
Baton Rouge, LA 70801
(225) 381-0656
(225) 344-1132 Fax

Maryland Life & Health
Insurance Guaranty Corporation
8817 Belair Road, Suite 208
Perry Hall, MD 21236
(410) 248-0407
(410) 248-0409

Michigan Life & Health
Insurance Guaranty Association
1640 Haslet Road, Suite 160
Haslett, MI 48840-8683
(517) 339-1755
(517) 339-5500

Minnesota Life & Health
Insurance Guaranty Association
4760 White Bear Parkway, Suite 101
White Bear Lake, MN 55110
(651) 407-3149
(651) 407-3150 Fax

Mississippi Life & Health
Insurance Guaranty Association
P.O. Box 4562
Jackson, MS 39296
(601) 981-0755
(601) 362-9544 Fax

Missouri Life & Health
Insurance Guaranty Association
2210 Missouri Blvd.
Jefferson City, MO 65109
(573) 634-8455
(573) 634-8488 Fax

Montana Life & Health
Insurance Guaranty Association
P.O. Box 8247
Missoula, MT 59807
(406) 459-89441

Nebraska Life & Health
Insurance Guaranty Association
1900 U.S. Bank Building
233 South 13th Street, Suite 1900
Lincoln, NE 68508
(402) 474-6900
(402) 474-5393 Fax

Nevada Life & Health
Insurance Guaranty Association
4600 Kietzke Lane, Suite O-269
Reno, NV 89502
(775) 329-6171

New Mexico Life
Insurance Guaranty Association
PO Box 2880
Santa Fe, NM 87504-2880
(505) 820-7355
(505) 820-7365 Fax

North Carolina Life & Health
Insurance Guaranty Association
PO Box 10218
Raleigh, ND 27605-0218
(919) 833-6838
(919) 833-9576

North Dakota Life & Health
Insurance Guaranty Association
PO Box 2422
Fargo, ND 58108-2422
(701) 235-4108

Ohio Life & Health
Insurance Guaranty Association
5005 Horizons Drive, Suite 200
Columbus, OH 43220
(614) 442-6601
(614) 442-0004

Oklahoma Life & Health
Insurance Guaranty Association
201 Robert S. Kerr Avenue, Suite 600
Oklahoma City, OK 73102
(405) 272-9221
(405) 236-3121 Fax

Oregon Life & Health
Insurance Guaranty Association
6700 N. Linder Road, Suite 156 Box 138
Meridian, ID 83646
(855) 378-9510

Pennsylvania Life & Health
Insurance Guaranty Association
Radnor Station Building No. 2, Suite 218
290 King of Prussia Road
Radnor, PA 29087
(610) 975-0572
(610) 975-9348 Fax

Rhode Island Life & Health
Insurance Guaranty Association
The Foundry, Suite 445
235 Promenade Street
Providence, RI 02908
(401) 273-2921
(401) 273-4933 Fax

South Carolina Life and Accident and Health
Insurance Guaranty Association
PO Box 8625
Columbia, SC 29202
(803) 276-0271
(877) 272-9022 Fax

South Dakota Life & Health
Insurance Guaranty Association
PO Box 1030
Sioux Falls, SD 57101-1030
(605) 336-0177
(605) 335-3639 Fax

Tennessee Life & Health
Insurance Guaranty Association
150 3rd Avenue South, Suite 1600
Nashville, TN 37201
(615) 651-6702
(615) 651-6701 Fax

Texas Life & Health
Insurance Guaranty Association
515 Congress Avenue, Suite 1875
Austin, TX 78701
(512) 476-5101
(512) 472-1470 Fax

Utah Life & Health
Insurance Guaranty Association
60 East South Temple, Suite 500
Salt Lake City, UT 84111
(801) 320-9955
(801) 320-9956 Fax

Vermont Life & Health
Insurance Guaranty Association
One National Life Drive, Suite M585
Montpelier, VT 05604
(802) 229-3553

Virginia Life, Accident & Sickness
Insurance Guaranty Association
c/o APM Management Services, Inc.
1503 Santa Rosa Road, Suite 101
Henrico, VA 23229-5105
(804) 282-2240
(804) 282-1816 Fax

Washington Life & Disability
Insurance Guaranty Association
PO Box 2292
Shelton, WA 98584
(360) 426-6744

West Virginia Life & Health Insurance Guaranty Association
PO Box 816
Huntington, WV 25712
(304) 733-6904
(304) 733-6905 Fax

Wisconsin Insurance Security Fund
2820 Walton Commons Lane, Suite 135
Madison, WI 53718-6797
(608) 242-9473
(608) 242-9472 Fax

Wyoming Life & Health
Insurance Guaranty Association
6700 N. Linder Road, Suite 156, Box 139
Meridian, ID 83646
(800) 362-0944

EXHIBIT 2.4.1

Assignment and Release Forms

FORM 2.4.1 – A: Next of Kin/Personal Representative

RELEASE, SUBROGATION AND ASSIGNMENT FORM

LIFE POLICIES

A release to these parties is used in all states except California and signed by a spouse, blood relative or personal representative such as court appointed executor of the deceased estate or trust officer of a trust created by the decedent. This form is usually obtained at the time final arrangements are made with the providing Funeral Home. If this form cannot be completed because no next of Kin is available please see section FORM 2.4.1 – E: INDEMNITY AGREEMENT

FORM 2.4.1 – B: Funeral Home

RELEASE, SUBROGATION AND ASSIGNMENT FORM

LIFE POLICIES

The Funeral Home release is used in all states except California and signed by a representative of the funeral home that provided the funeral services and merchandise and who will be receiving a payment or has assigned all or part of the benefits to a Funding Company. These Funeral Home releases are generated after the claim is approved and is policy and payment amount specific. This form is not used if the funeral home is not entitled to any claim benefits (i.e., funeral home has been paid in full by some other party such as other insurance or Next of Kin).

FORM 2.4.1 – C: Funding Company

RELEASE SUBROGATION AND ASSIGNMENT FORM

LIFE POLICIES

The Funding Company release is used in all states except California and signed by a representative of a funding company that has accepted an assignment of benefits from a funeral home that would have otherwise been entitled to receive the payment. These releases are generated after the claim is approved and is policy and payment amount specific.

FORM 2.4.1 – D: RELEASE, SUBROGATION AND ASSIGNMENT FORM FOR LIFE POLICIES

(must be signed by next of kin/personal representative)

This form is used in all states except California and is used only in cases where neither a funeral home nor funding company is entitled to any policy proceeds such as, payment is to the Beneficiary of a Standard policy, or in the a situation where the funeral home has been paid in full by a third party and the payment is being issued to the third party such as the decedent's estate or family member who paid the funeral home bill in full. The form is to be signed by the recipient of the payment but a funeral home representative's signature is not required. These releases are generated after the claim is approved and is policy and payment amount specific.

FORM 2.4.1 – E: INDEMNITY AGREEMENT

The Indemnity Agreement is used in all states and signed by the providing funeral home in lieu of the Next of Kin Release if no Next of Kin is available or a Personal Representative does not have legal standing to indemnify the persons and entities listed on the form.

**FORM 2.4.1 – F: SWORN STATEMENT OF NO PROBATE ESTATE
And
INDEMNIFICATION AGREEMENT**

Used in all states, the Indemnification Agreement is completed and signed before a Notary if a payment would normally be issued to the decedent's estate but, no Will has been or will be filed in Probate (decedent had no asset etc., or the estate has been administered but has been closed) and the claimants represent they are entitled to the benefits.

**FORM 2.4.1 – G: Next of Kin/Personal Representative
RELEASE, SUBROGATION AND ASSIGNMENT FORM
LIFE POLICIES (California)**

This release is utilized only in California and signed by a spouse, blood relative or personal representative such as court appointed executor of the deceased estate or Trust Officer of a Trust created by the decedent. This form is usually obtained at the time final arrangements are made with the providing Funeral Home. If this form cannot be completed because no next of Kin is available please see section FORM 2.4.1 – E: INDEMNITY AGREEMENT.

**FORM 2.4.1 – H: Funeral Home
RELEASE, SUBROGATION AND ASSIGNMENT FORM (California)
LIFE POLICIES**

This Funeral Home release is used only in California and signed by a representative of the funeral home that provided the funeral services and merchandise and will be receiving a payment or have assigned all or part of the benefits to a Funding Company. These releases are generated after the claim is approved and is policy and payment amount specific. This form is not used if the funeral home is not entitled to any claim benefits (i.e., funeral home has been paid in full by some other party such as other insurance or Next of Kin).

**FORM 2.4.1 – I: Funding Company (California)
RELEASE SUBROGATION AND ASSIGNMENT FORM
LIFE POLICIES**

The Funding Company release is used only in California and signed by a representative of a Funding Company that has accepted an assignment of benefits from a funeral home that would have otherwise been entitled to receive the payment. These releases are generated after the claim is approved and is policy and payment amount specific.

FORM 2.4.1 – J: RELEASE, SUBROGATION AND ASSIGNMENT FORM FOR LIFE POLICIES (California)
<must be signed by next of kin/personal representative>

This form is used only in California and is used only in cases where neither a funeral home or funding company is entitled to any policy proceeds such as, payment is to the Beneficiary of a Standard policy, or in the a situation where the funeral home has been paid in full by a third party and the payment is being issued to the third party such as the decedents estate or family member who paid the funeral home bill in full. A funeral home representative's signature is not required. These releases are generated after the claim is approved and is policy and payment amount specific.

FORM 2.4.1 – K: TRAPPISTS CASKETS

Prior to the Effective Date, payments associated with Trappists Caskets were made subject to an Indemnity, Release and Assignment Agreement subject to monthly updates of Exhibit A thereto. After the Effective Date, the procedure shall be modified to allow for completion of an updated indemnity agreement, in the form of Exhibit K, on a per claim basis.

FORM 2.4.1 – L: ORPHAN (Z CODE) SETTLEMENTS

Approximately 40 policies have been identified that appear to qualify as orphans, ending with a letter Z in the system, and that still lack settlement agreements from the applicable Participating Association. For these policies, before any payment is made, the procedure shall be (i) to use the applicable form(s) as otherwise identified herein and (ii) to require a signed settlement agreement for orphan policies as provided by the Participating Association providing coverage under the circumstances.

**Next of Kin/Personal Representative
RELEASE, SUBROGATION AND ASSIGNMENT FORM
LIFE POLICIES**

**Funeral Home Responsible for Ensuring All Blanks are Filled In
<FORM A: must be signed by Next of Kin/Personal Representative when funeral arrangements are made>**

Name of Decedent (Insured): _____

Name of Next of Kin or Personal Representative: _____
(referred to as "Releasor" in this Release, Subrogation and Assignment)

Address: _____

Phone numbers:
Cell: _____
Home: _____
Work: _____

Email addresses (if known): _____

Name of Funeral Home: _____

Death Benefit Amount: If the Guaranty Association ("Association") determines the Funeral Home has a valid claim in accordance with the Liquidation Plan, the amount of the claim paid to the Funeral Home is the Death Benefit Amount.

Releasor understands that Funeral Home will submit a claim pursuant to the Liquidation Plan for Lincoln Memorial Life Insurance Company ("Insurer") which is insolvent. The Liquidation Plan was approved by the 250th District Court of Travis County, Texas on September 22, 2008. The Funeral Home will submit a claim to the Association for payment of the Death Benefit Amount related to the life insurance policy or policies allegedly issued by Insurer insuring the life of Decedent ("Policies"). The claim is payable only if certain conditions set forth in the Liquidation Plan are satisfied. If and only if Funeral Home's claim for benefits is approved in whole or in part and any Death Benefit Amount is paid by the Association (or its assigns or successors) to the Funeral Home, the Release, Subrogation, Transfer, and Assignment provisions of this document shall become effective. If the Funeral Home's claim is denied, then the Association will not pay a Death Benefit Amount to the Funeral Home. Releasor is being requested to sign this document in advance of the Association's determination on Funeral Home's claims in order to avoid the necessity of Releasor executing additional documents at a later date.

The following provisions become effective if and only if the Association pays a Death Benefit Amount to the Funeral Home.

Release. In consideration of the provision of coverage and payment of the Death Benefit Amount by the Association and other good and valuable consideration, Releasor and Releasor's heirs (if any), personal representatives, guardians, assigns, successors, agents, and all other persons claiming by or through Releasor do hereby release and discharge the Association, its members, affiliates, agents, attorneys, employees, third party administrators, successors and assigns (collectively the "Association and Related Parties") of and from any and all actions, causes of action, claims, demands, costs, expenses, compensation and any and all consequential or special damage or other damage, past, present or future, whether known or unknown, on account of or in any way arising out of any life insurance policies issued by Lincoln Memorial Life Insurance Company or Memorial Service Life Insurance Company ("Insurers") which covered the life of Decedent ("Policies"). This release is not intended in any way to release or discharge any person or entity other than the Association and Related Parties as set forth herein.

Subrogation, Transfer and Assignment. In further consideration of the provision of coverage set forth herein, up to the Death Benefit Amount, Releasor hereby sells, transfers and assigns any and all of Releasor's past, present and future claims, rights, demands, actions and causes of action against the Insurers to the Association (and its successors and assigns) which shall be subrogated to all of Releasor's rights under the Policies and which may bring any action or suit for the recovery of any damages or losses sustained by Releasor as deemed best or appropriate by the Association in its sole and absolute discretion.

Further, up to the Death Benefit Amount, Releasor hereby sells, transfers and assigns to the Association, its successors and assigns, any and all past, present and future claims, demands, actions, rights and/or causes of action Releasor may have against the Insurers and any other persons or entities related in any way to the Policies and/or any losses arising under, resulting from, or otherwise relating to the Policies and the Association (and its successors and Assigns) shall have full power and authority for its own use and benefit, at no cost to Releasor, to ask, demand, collect, prosecute, dismiss or settle any suit or proceedings at law or in equity against the Insurers or any other persons or entities in Releasor's name. Releasor further agrees to cooperate with the Association (and its successors and Assigns) in its prosecution of any suits or proceedings against the Insurer and all other persons or entities, and will voluntarily testify on behalf of the Association (and its successors and Assigns), if asked.

Releasor has carefully read the foregoing Release, Subrogation and Assignment and knows the contents hereof and has signed this Release, Subrogation and Assignment voluntarily and with full knowledge of its contents.

The undersigned is legally authorized to sign this Release, Subrogation and Assignment and bind Releasor. Releasor represents and warrants that Releasor is the personal representative and/or next of kin and is authorized to bind the Decedent's estate and any other relatives, heirs, devisees, legatees or successors of the Decedent in connection with any interest any of them my claim in or arising out of the Policies.

Next of Kin or Personal Representative of Decedent/Insured:

Name: _____

Date: _____

Signature: _____

Relationship to Decedent/Insured: _____

Funeral Home
RELEASE, SUBROGATION AND ASSIGNMENT FORM
LIFE POLICIES

<FORM B: must be signed by funeral home to receive payment>

Name: <to be inserted by SDR>
(referred to as "Releasor" in this Release, Subrogation and Assignment)

Address: <to be inserted by SDR>

Phone numbers: <to be inserted by SDR>

Email address (if known): <to be inserted by SDR>

Policy Information:

Insurer: <SDR to designate name of Insolvent Insurer that issued the Policy>

Insured: <to be inserted by SDR>

Policy Number: <policy number of FIRST policy to be inserted by SDR>, including any and all policies issued by Insurer on the life of Insured

Death Benefit Amount: <to be inserted by SDR>

Association: <SDR to insert name of correct GA>

Release. In consideration of the provision of coverage by the Association with respect to the above referenced Policy(ies) and other good and valuable consideration, Releasor and Releasor's heirs (if any), personal representatives, guardians, assigns, successors, agents, and all other persons claiming by or through Releasor do hereby release and discharge the Association, its members, affiliates, agents, attorneys, employees, third party administrators, successors and assigns (collectively the "Association and Related Parties") of and from any and all actions, causes of action, claims, demands, costs, expenses, compensation and any and all consequential or special damage or other damage, past, present or future, whether known or unknown, on account of or in any way arising out of the above referenced Policy(ies). This release is not intended in any way to release or discharge any person or entity other than the Association and Related Parties as set forth herein.

Subrogation, Transfer and Assignment. In further consideration of the provision of coverage set forth herein, up to the Death Benefit Amount, Releasor hereby sells, transfers and assigns any and all of Releasor's past, present and future claims, rights, demands, actions and causes of action against the Insurer to the Association (and its successors and assigns) which shall be subrogated to all of Releasor's rights under the Policy(ies) and which may bring any action or suit for the recovery of any damages or losses sustained by Releasor as deemed best or appropriate by the Association in its sole and absolute discretion.

Further, up to the Death Benefit Amount, Releasor hereby sells, transfers and assigns to the Association, its successors and assigns, any and all past, present and future claims, demands, actions, rights and/or causes of action Releasor may have against the Insurer and any other persons or entities related in any way to the Policy(ies) and/or any losses arising under, resulting from, or otherwise relating to the Policy(ies) and the Association (and its successors and Assigns) shall have full power and authority for its own use and benefit, at no cost to Releasor, to ask, demand, collect, prosecute, dismiss or settle any suit or proceedings at law or in equity against the Insurer or any other persons or entities in Releasor's name. Releasor further agrees to cooperate with the Association (and its successors and Assigns) in its prosecution of any suits or proceedings against the Insurer and all other persons or entities, and will voluntarily testify on behalf of the Association (and its successors and Assigns), if asked.

Releasor understands that the Association may legally require Releasor to sign this Release, Subrogation and Assignment as a condition to receiving the Death Benefit Amount.

Releasor has carefully read the foregoing Release, Subrogation and Assignment and knows the contents hereof and has signed this Release, Subrogation and Assignment voluntarily and with full knowledge of its contents.

The undersigned is legally authorized to sign this Release, Subrogation and Assignment and bind Releasor.

To the best of Releasor's knowledge, Releasor represents and warrants that all prerequisites to the payment of death benefits including but not limited to the payment of all premiums to the Insurer have been satisfied.

Funeral Service Provider:

Name: _____

Date: _____

Signature: _____

Title, if any: _____

Funding Company
RELEASE, SUBROGATION AND ASSIGNMENT FORM
LIFE POLICIES

<FORM C: must be completed by funding company to receive payment>

Name: <to be inserted by SDR>
(referred to as "Releasor" in this Release, Subrogation and Assignment)

Address: <to be inserted by SDR>

Phone number: <to be inserted by SDR>

Email address (if known): <to be inserted by SDR>

Policy Information:

Insurer: <SDR to designate name of Insolvent Insurer that issued the Policy>

Insured: <to be inserted by SDR>

Policy Number: <policy number of FIRST policy to be inserted by SDR>, including any and all policies issued by Insurer on the life of Insured.

Death Benefit Amount: <to be inserted by SDR>

Association: <SDR to insert name of correct GA>

Release. In consideration of the provision of coverage by the Association with respect to the above referenced Policy(ies) and other good and valuable consideration, Releasor and Releasor's heirs (if any), personal representatives, guardians, assigns, successors, agents, and all other persons claiming by or through Releasor do hereby release and discharge the Association, its members, affiliates, agents, attorneys, employees, third party administrators, successors and assigns (collectively the "Association and Related Parties") of and from any and all actions, causes of action, claims, demands, costs, expenses, compensation and any and all consequential or special damage or other damage, past, present or future, whether known or unknown, on account of or in any way arising out of the above referenced Policy(ies). This release is not intended in any way to release or discharge any person or entity other than the Association and Related Parties as set forth herein.

Subrogation, Transfer and Assignment. In further consideration of the provision of coverage set forth herein, up to the Death Benefit Amount, Releasor hereby sells, transfers and assigns any and all of Releasor's past, present and future claims, rights, demands, actions and causes of action against the Insurer to the Association (and its successors and assigns) which shall be subrogated to all of Releasor's rights under the Policy(ies) and which may bring any action or suit for the recovery of any damages or losses sustained by Releasor as deemed best or appropriate by the Association in its sole and absolute discretion.

Further, up to the Death Benefit Amount, Releasor hereby sells, transfers and assigns to the Association, its successors and assigns, any and all past, present and future claims, demands, actions, rights and/or causes of action Releasor may have against the Insurer and any other persons or entities related in any way to the Policy(ies) and/or any losses arising under, resulting from, or otherwise relating to the Policy(ies) and the Association (and its successors and Assigns) shall have full power and authority for its own use and benefit, at no cost to Releasor, to ask, demand, collect, prosecute, dismiss or settle any suit or proceedings at law or in equity against the Insurer or any other persons or entities in Releasor's name. Releasor further agrees to cooperate with the Association (and its successors and Assigns) in its prosecution of any suits or proceedings against the Insurer and all other persons or entities, and will voluntarily testify on behalf of the Association (and its successors and Assigns), if asked.

Releasor understands that the Association may legally require Releasor to sign this Release, Subrogation and Assignment as a condition to receiving the Death Benefit Amount.

Releasor has carefully read the foregoing Release, Subrogation and Assignment and knows the contents hereof and has signed this Release, Subrogation and Assignment voluntarily and with full knowledge of its contents.

The undersigned is legally authorized to sign this Release, Subrogation and Assignment and bind Releasor.

Funding Company:

Name: _____

Date: _____

Signature: _____

Title, if any: _____

RELEASE, SUBROGATION AND ASSIGNMENT FORM FOR LIFE POLICIES
<FORM D: must be signed by next of kin/personal representative>

Names : <to be inserted by SDR>
(referred to as "Releasor" in this Release, Subrogation and Assignment)

Addresses: <to be inserted by SDR>

Phone numbers: <to be inserted by SDR>

Email addresses (if known): <to be inserted by SDR>

Policy Information:

Insurer: <SDR to designate name of Insolvent Insurer that issued the Policy>

Insured: <to be inserted by SDR>

Policy Number: <policy number of FIRST policy to be inserted by SDR>, including any and all policies issued by Insurer on the life of Insured.

Death Benefit Amount: <to be inserted by SDR>

Association: <SDR to insert name of correct GA>

Release. In consideration of the provision of coverage by the Association with respect to the above referenced Policy(ies) and other good and valuable consideration, Releasor and Releasor's heirs (if any), personal representatives, guardians, assigns, successors, agents, and all other persons claiming by or through Releasor do hereby release and discharge the Association, its members, affiliates, agents, attorneys, employees, third party administrators, successors and assigns (collectively the "Association and Related Parties") of and from any and all actions, causes of action, claims, demands, costs, expenses, compensation and any and all consequential or special damage or other damage, past, present or future, whether known or unknown, on account of or in any way arising out of the above referenced Policy(ies). This release is not intended in any way to release or discharge any person or entity other than the Association and Related Parties as set forth herein.

Subrogation, Transfer and Assignment. In further consideration of the provision of coverage set forth herein, up to the Death Benefit Amount, Releasor hereby sells, transfers and assigns any and all of Releasor's past, present and future claims, rights, demands, actions and causes of action against the Insurer to the Association (and its successors and assigns) which shall be subrogated to all of Releasor's rights under the Policy(ies) and which may bring any action or suit for the recovery of any damages or losses sustained by Releasor as deemed best or appropriate by the Association in its sole and absolute discretion.

Further, up to the Death Benefit Amount, Releasor hereby sells, transfers and assigns to the Association, its successors and assigns, any and all past, present and future claims, demands, actions, rights and/or causes of action Releasor may have against the Insurer and any other persons or entities related in any way to the Policy(ies) and/or any losses arising under, resulting from, or otherwise relating to the Policy(ies) and the Association (and its successors and Assigns) shall have full power and authority for its own use and benefit, at no cost to Releasor, to ask, demand, collect, prosecute, dismiss or settle any suit or proceedings at law or in equity against the Insurer or any other persons or entities in Releasor's name. Releasor further agrees to cooperate with the Association (and its successors and Assigns) in its prosecution of any suits or proceedings against the Insurer and all other persons or entities, and will voluntarily testify on behalf of the Association (and its successors and Assigns), if asked.

Releasor understands that the Association may legally require Releasor to sign this Release, Subrogation and Assignment as a condition to receiving the Death Benefit Amount.

Releasor has carefully read the foregoing Release, Subrogation and Assignment and knows the contents hereof and has signed this Release, Subrogation and Assignment voluntarily and with full knowledge of its contents.

This Release, Subrogation and Assignment may be signed in multiple counterparts, each of which shall be deemed an original, but all of which together shall constitute one document.

The undersigned is legally authorized to sign this Release, Subrogation and Assignment and bind Releasor.

For Releasors that are Funeral Service Providers, to the best of Releasor's knowledge, Releasor represents and warrants that all prerequisites to the payment of death benefits including but not limited to the payment of all premiums to the Insurer have been satisfied.

Next of Kin or Personal Representative of Insured:

Date: _____

Name: _____

Title, if any: _____

Signature: _____

INDEMNITY AGREEMENT
<FORM E>

Name of person/entity giving indemnity: FUNERAL HOME NAME
(referred to as "Indemnitor" in this Indemnity Agreement)

Address: ADDRESS
 ADDRESS

Phone: 9999999999

Email:

Policy Information:

Insurer: Lincoln Memorial Service Life

Insured: NAME
(referred to as "Insured" in this Indemnity Agreement)

Policy Number: 99999999, including any and all policies issued by Insurer on the life of Insured.

Death Benefit Amount: TO BE DETERMINED

Association receiving indemnity: STATE Life, Accident, Health & Hospital Service Insurance Guaranty Association
(referred to as "Indemnitee" or "Association" in this Indemnity Agreement)

Indemnity.

In consideration of the provision of coverage by the Indemnitee, with respect to the above referenced Policy(ies) and other good and valuable consideration, Indemnitor agrees to indemnify, defend, and hold harmless the Association, in its individual and official capacity, its board of directors, officers, employees, predecessors, successors, assigns, member insureds, third party administrators, consultants, legal representatives, and attorneys; the National Organization of Life and Health Insurance Guaranty Associations (NOLHGA) in its individual and official capacity, its board of directors, officers, employees, predecessors, successors, assigns, member Associations, task force members, third party administrators, consultants, legal representatives, and attorneys; the Permanent Receiver, his or her predecessors and successors, including but not limited to the Special Deputy Receiver for Lincoln Memorial Life Insurance Company, Memorial Service Life Insurance Company, and National Prearranged Services, Inc., from any and all claims, liens, demands, damages, actions, causes of action, suits in equity, of whatever kind and nature, that may be alleged by Insured and Insured's heirs (if any), personal representatives, guardians, assigns, successors, agents, and all other persons claiming by or through Insured relating to Indemnitee's coverage to Insured and/or Indemnitor.

Indemnitor has carefully read this Indemnity Agreement and knows the contents hereof and has signed this Indemnity Agreement voluntarily and with full knowledge of its contents.

The undersigned is legally authorized to sign this Indemnity Agreement and to bind Indemnitor.

Date: _____

Name: _____

Title, if any: _____

Signature: _____

Name of Decedent:
Client ID#:
Claim #:

**SWORN STATEMENT OF NO PROBATE ESTATE
and
INDEMNIFICATION AGREEMENT
<FORM F>**

My name is _____, I am the _____ <relationship
to insured> of the Decedent. I reside at _____

_____ <address>. I have personal knowledge of the facts
stated in this statement. There is no probate proceeding for the Decedent and none will be commenced
because (check all that apply):

- _____ Decedent did not have a will. _____ Decedent had a will.
- _____ Decedent had no assets (real estate or personal property).
- _____ There are no other heirs that are entitled to the insurance proceeds.
- _____ Other _____.

I am entitled to receive proceeds that would otherwise be payable to the executor or administrator
of the Decedent's probate estate because _____

I agree to indemnify and hold harmless the < *Guaranty Association* >, its members, affiliates,
agents, attorneys, employees, third party administrators, successors and assigns of and from any and all
actions, causes of action, claims, demands, costs, expenses, compensation and any and all
consequential or special damage or other damage, past, present or future, whether known or unknown,
on account of or in any way arising out of my signing of this document and my receipt of funds that would
otherwise be payable to the executor or administrator of the Decedent's probate estate if there was a
probate proceeding.

Signature

Printed name

SWORN TO AND SUBSCRIBED by _____ before me on the _____ day of
_____, 20____.

My commission expires:

Notary Signature

Notary Public, State of _____

Notary Seal

Notary's printed name: _____

**Next of Kin/Personal Representative
RELEASE, SUBROGATION AND ASSIGNMENT FORM
LIFE POLICIES (CALIFORNIA)**

**Funeral Home Responsible for Ensuring All Blanks are Filled In
<FORM G: must be signed by Next of Kin/Personal Representative when funeral arrangements are made>**

Name of Decedent (Insured): _____

Name of Next of Kin or Personal Representative: _____ ("Releasor" in this Release, Subrogation and Assignment)

Address: _____

Phone numbers:

Cell: _____

Home: _____

Work: _____

Email addresses (if known): _____

Name of Funeral Home: _____

Death Benefit Amount: If the Guaranty Association ("Association") determines the Funeral Home has a valid claim in accordance with the Liquidation Plan, the amount of the claim paid to the Funeral Home is the Death Benefit Amount.

Releasor understands that Funeral Home will submit a claim pursuant to the Liquidation Plan for Lincoln Memorial Life Insurance Company ("Insurer") which is insolvent. The Liquidation Plan was approved by the 250th District Court of Travis County, Texas on September 22, 2008. The Funeral Home will submit a claim to the Association for payment of the Death Benefit Amount related to the life insurance policy or policies allegedly issued by Insurer insuring the life of Decedent ("Policies"). The claim is payable only if certain conditions set forth in the Liquidation Plan are satisfied. If and only if Funeral Home's claim for benefits is approved in whole or in part and any Death Benefit Amount is paid by the Association (or its assigns or successors) to the Funeral Home, the Release, Subrogation, Transfer, and Assignment provisions of this document shall become effective. If the Funeral Home's claim is denied, then the Association (or its assigns or successors) will not pay a Death Benefit Amount to the Funeral Home. Releasor is being requested to sign this document in advance of the Association's determination on Funeral Home's claims in order to avoid the necessity of Releasor executing additional documents at a later date.

The following provisions become effective if and only if the Association pays a Death Benefit Amount to the Funeral Home.

Release. In consideration of the provision of coverage and payment of the Death Benefit Amount by the Association and other good and valuable consideration, Releasor and Releasor's heirs (if any), personal representatives, guardians, assigns, successors, agents, and all other persons claiming by or through Releasor do hereby release and discharge the Association, its members, affiliates, agents, attorneys, employees, third party administrators, successors and assigns (collectively the "Association and Related Parties") of and from any and all actions, causes of action, claims, demands, costs, expenses, compensation and any and all consequential or special damage or other damage, past, present or future, whether known or unknown, on account of or in any way arising out of any life insurance policies issued by Lincoln Memorial Life Insurance Company or Memorial Service Life Insurance Company ("Insurers") which covered the life of Decedent ("Policies"). This release is not intended in any way to release or discharge any person or entity other than the Association and Related Parties as set forth herein. This Release extends to and includes any and all claims, liabilities, injuries, damages, and causes of action that the Releasor does not presently anticipate, know, or suspect to exist, but that may develop, accrue, or be discovered in the future. **RELEASOR EXPRESSLY WAIVE ALL RIGHTS UNDER CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES: "A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."** Releasor represents and warrants that Releasor has considered the possibility that claims, liabilities, injuries, damages, and causes of action that Releasor does not presently know or suspect to exist in Releasor's favor may develop, accrue, or be discovered in the future, and that Releasor voluntarily assumes that risk as part of the consideration for this Release.

Subrogation, Transfer and Assignment. In further consideration of the provision of coverage set forth herein, up to the Death Benefit Amount, Releasor hereby sells, transfers and assigns any and all of Releasor's past, present and future claims, rights, demands, actions and causes of action against the Insurers to the Association (and its successors and assigns) which shall be subrogated to all of Releasor's rights under the Policies and which may bring any action or suit for the recovery of any damages or losses sustained by Releasor as deemed best or appropriate by the Association in its sole and absolute discretion.

Further, up to the Death Benefit Amount, Releasor hereby sells, transfers and assigns to the Association, its successors and assigns, any and all past, present and future claims, demands, actions, rights and/or causes of action Releasor may have against the Insurers and any other persons or entities related in any way to the Policies and/or any losses arising under, resulting from, or otherwise relating to the Policies and the Association (and its successors and Assigns) shall have full power and authority for its own use and benefit, at no cost to Releasor, to ask, demand, collect, prosecute, dismiss or settle any suit or proceedings at law or in equity against the Insurers or any other persons or entities in Releasor's name. Releasor further agrees to cooperate with the Association (and its successors and Assigns) in its prosecution of any suits or proceedings against the Insurer and all other persons or entities, and will voluntarily testify on behalf of the Association (and its successors and Assigns), if asked.

Releasor has carefully read the foregoing Release, Subrogation and Assignment and knows the contents hereof and has signed this Release, Subrogation and Assignment voluntarily and with full knowledge of its contents.

The undersigned is legally authorized to sign this Release, Subrogation and Assignment and bind Releasor. Releasor represents and warrants that Releasor is the personal representative and/or next of kin and is authorized to bind the Decedent's estate and any other relatives, heirs, devisees, legatees or successors of the Decedent in connection with any interest any of them my claim in or arising out of the Policies.

Next of Kin or Personal Representative of Decedent/Insured:

Name: _____

Date: _____

Signature: _____

Relationship to Decedent/Insured: _____

Funeral Home
RELEASE, SUBROGATION AND ASSIGNMENT FORM (California)
LIFE POLICIES

<FORM H: must be signed by funeral home to receive payment>

Name: <to be inserted by SDR>
(referred to as "Releasor" in this Release, Subrogation and Assignment)

Address: <to be inserted by SDR>

Phone numbers: <to be inserted by SDR>

Email address (if known): <to be inserted by SDR>

Policy Information:

Insurer: <SDR to designate name of Insolvent Insurer that issued the Policy>

Insured: <to be inserted by SDR>

Policy Number: <policy number of FIRST policy to be inserted by SDR>, including any and all policies issued by Insurer on the life of Insured

Death Benefit Amount: <to be inserted by SDR>

Association: <SDR to insert name of correct GA>

Release. In consideration of the provision of coverage by the Association with respect to the above referenced Policy(ies) and other good and valuable consideration, Releasor and Releasor's heirs (if any), personal representatives, guardians, assigns, successors, agents, and all other persons claiming by or through Releasor do hereby release and discharge the Association, its members, affiliates, agents, attorneys, employees, third party administrators, successors and assigns (collectively the "Association and Related Parties") of and from any and all actions, causes of action, claims, demands, costs, expenses, compensation and any and all consequential or special damage or other damage, past, present or future, whether known or unknown, on account of or in any way arising out of the above referenced Policy(ies). This release is not intended in any way to release or discharge any person or entity other than the Association and Related Parties as set forth herein.

This Release extends to and includes any and all claims, liabilities, injuries, damages, and causes of action that the Releasor does not presently anticipate, know, or suspect to exist, but that may develop, accrue, or be discovered in the future. RELEASOR EXPRESSLY WAIVE ALL RIGHTS UNDER CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES: "A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor." Releasor represents and warrants that Releasor has considered the possibility that claims, liabilities, injuries, damages, and causes of action that Releasor does not presently know or suspect to exist in Releasor's favor may develop, accrue, or be discovered in the future, and that Releasor voluntarily assumes that risk as part of the consideration for this Release.

Subrogation, Transfer and Assignment. In further consideration of the provision of coverage set forth herein, up to the Death Benefit Amount, Releasor hereby sells, transfers and assigns any and all of Releasor's past, present and future claims, rights, demands, actions and causes of action against the Insurer to the Association (and its successors and assigns) which shall be subrogated to all of Releasor's rights under the Policy(ies) and which may bring any action or suit for the recovery of any damages or losses sustained by Releasor as deemed best or appropriate by the Association in its sole and absolute discretion.

Further, up to the Death Benefit Amount, Releasor hereby sells, transfers and assigns to the Association, its successors and assigns, any and all past, present and future claims, demands, actions, rights and/or causes of action Releasor may have against the Insurer and any other persons or entities related in any way to the Policy(ies) and/or any losses arising under, resulting from, or otherwise relating to the Policy(ies) and the Association (and its successors and Assigns) shall have full power and authority for its own use and benefit, at no cost to Releasor, to ask, demand, collect, prosecute, dismiss or settle any suit or proceedings at law or in equity against the Insurer or any other persons or entities in Releasor's name. Releasor further agrees to cooperate with the Association (and its successors and Assigns) in its prosecution of any suits or proceedings against the Insurer and all other persons or entities, and will voluntarily testify on behalf of the Association (and its successors and Assigns), if asked.

Releasor understands that the Association may legally require Releasor to sign this Release, Subrogation and Assignment as a condition to receiving the Death Benefit Amount.

Releasor has carefully read the foregoing Release, Subrogation and Assignment and knows the contents hereof and has signed this Release, Subrogation and Assignment voluntarily and with full knowledge of its contents.

The undersigned is legally authorized to sign this Release, Subrogation and Assignment and bind Releasor.

To the best of Releasor's knowledge, Releasor represents and warrants that all prerequisites to the payment of death benefits including but not limited to the payment of all premiums to the Insurer have been satisfied.

Funeral Service Provider:

Name: _____

Date: _____

Signature: _____

Title, if any: _____

Funding Company (California)
RELEASE, SUBROGATION AND ASSIGNMENT FORM FOR LIFE POLICIES

<FORM I: must be completed by funding company to receive payment>

Name: <to be inserted by SDR>
(referred to as "Releasor" in this Release, Subrogation and Assignment)

Address: <to be inserted by SDR>

Phone number: <to be inserted by SDR>

Email address (if known): <to be inserted by SDR>

Policy Information:

Insurer: <SDR to designate name of Insolvent Insurer that issued the Policy>

Insured: <to be inserted by SDR>

Policy Number: <policy number of FIRST policy to be inserted by SDR>, including any and all policies issued by Insurer on the life of Insured.

Death Benefit Amount: <to be inserted by SDR>

Association: <SDR to insert name of correct GA>

Release. In consideration of the provision of coverage by the Association with respect to the above referenced Policy(ies) and other good and valuable consideration, Releasor and Releasor's heirs (if any), personal representatives, guardians, assigns, successors, agents, and all other persons claiming by or through Releasor do hereby release and discharge the Association, its members, affiliates, agents, attorneys, employees, third party administrators, successors and assigns (collectively the "Association and Related Parties") of and from any and all actions, causes of action, claims, demands, costs, expenses, compensation and any and all consequential or special damage or other damage, past, present or future, whether known or unknown, on account of or in any way arising out of the above referenced Policy(ies). This release is not intended in any way to release or discharge any person or entity other than the Association and Related Parties as set forth herein. This Release extends to and includes any and all claims, liabilities, injuries, damages, and causes of action that the Releasor does not presently anticipate, know, or suspect to exist, but that may develop, accrue, or be discovered in the future. RELEASOR EXPRESSLY WAIVE ALL RIGHTS UNDER CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES: "A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor." Releasor represents and warrants that Releasor has considered the possibility that claims, liabilities, injuries, damages, and causes of action that Releasor does not presently know or suspect to exist in Releasor's favor may develop, accrue, or be discovered in the future, and that Releasor voluntarily assumes that risk as part of the consideration for this Release.

Subrogation, Transfer and Assignment. In further consideration of the provision of coverage set forth herein, up to the Death Benefit Amount, Releasor hereby sells, transfers and assigns any and all of Releasor's past, present and future claims, rights, demands, actions and causes of action against the Insurer to the Association (and its successors and assigns) which shall be subrogated to all of Releasor's rights under the Policy(ies) and which may bring any action or suit for the recovery of any damages or losses sustained by Releasor as deemed best or appropriate by the Association in its sole and absolute discretion.

Further, up to the Death Benefit Amount, Releasor hereby sells, transfers and assigns to the Association, its successors and assigns, any and all past, present and future claims, demands, actions, rights and/or causes of action Releasor may have against the Insurer and any other persons or entities related in any way to the Policy(ies) and/or any losses arising under, resulting from, or otherwise relating to the Policy(ies) and the Association (and its successors and Assigns) shall have full power and authority for its own use and benefit, at no cost to Releasor, to ask, demand, collect, prosecute, dismiss or settle any suit or proceedings at law or in equity against the Insurer or any other persons or entities in Releasor's name. Releasor further agrees to cooperate with the Association (and its successors and Assigns) in its prosecution of any suits or proceedings against the Insurer and all other persons or entities, and will voluntarily testify on behalf of the Association (and its successors and Assigns), if asked.

Releasor understands that the Association may legally require Releasor to sign this Release, Subrogation and Assignment as a condition to receiving the Death Benefit Amount.

Releasor has carefully read the foregoing Release, Subrogation and Assignment and knows the contents hereof and has signed this Release, Subrogation and Assignment voluntarily and with full knowledge of its contents.

The undersigned is legally authorized to sign this Release, Subrogation and Assignment and bind Releasor.

Funding Company:

Name: _____

Date: _____

Signature: _____

Title, if any: _____

RELEASE, SUBROGATION AND ASSIGNMENT FORM FOR LIFE POLICIES (California)
<FORM J: must be signed by next of kin/personal representative>

Names : <to be inserted by SDR>
(referred to as "Releasor" in this Release, Subrogation and Assignment)

Addresses: <to be inserted by SDR>

Phone numbers: <to be inserted by SDR>

Email addresses (if known): <to be inserted by SDR>

Policy Information:

Insurer: <SDR to designate name of Insolvent Insurer that issued the Policy>

Insured: <to be inserted by SDR>

Policy Number: <policy number of FIRST policy to be inserted by SDR>, including any and all policies issued by Insurer on the life of Insured.

Death Benefit Amount: <to be inserted by SDR>

Association: <SDR to insert name of correct GA>

Release. In consideration of the provision of coverage by the Association with respect to the above referenced Policy(ies) and other good and valuable consideration, Releasor and Releasor's heirs (if any), personal representatives, guardians, assigns, successors, agents, and all other persons claiming by or through Releasor do hereby release and discharge the Association, its members, affiliates, agents, attorneys, employees, third party administrators, successors and assigns (collectively the "Association and Related Parties") of and from any and all actions, causes of action, claims, demands, costs, expenses, compensation and any and all consequential or special damage or other damage, past, present or future, whether known or unknown, on account of or in any way arising out of the above referenced Policy(ies). This release is not intended in any way to release or discharge any person or entity other than the Association and Related Parties as set forth herein. This Release extends to and includes any and all claims, liabilities, injuries, damages, and causes of action that the Releasor does not presently anticipate, know, or suspect to exist, but that may develop, accrue, or be discovered in the future. **RELEASOR EXPRESSLY WAIVE ALL RIGHTS UNDER CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES: "A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."** Releasor represents and warrants that Releasor has considered the possibility that claims, liabilities, injuries, damages, and causes of action that Releasor does not presently know or suspect to exist in Releasor's favor may develop, accrue, or be discovered in the future, and that Releasor voluntarily assumes that risk as part of the consideration for this Release.

Subrogation, Transfer and Assignment. In further consideration of the provision of coverage set forth herein, up to the Death Benefit Amount, Releasor hereby sells, transfers and assigns any and all of Releasor's past, present and future claims, rights, demands, actions and causes of action against the Insurer to the Association (and its successors and assigns) which shall be subrogated to all of Releasor's rights under the Policy(ies) and which may bring any action or suit for the recovery of any damages or losses sustained by Releasor as deemed best or appropriate by the Association in its sole and absolute discretion.

Further, up to the Death Benefit Amount, Releasor hereby sells, transfers and assigns to the Association, its successors and assigns, any and all past, present and future claims, demands, actions, rights and/or causes of action Releasor may have against the Insurer and any other persons or entities related in any way to the Policy(ies) and/or any losses arising under, resulting from, or otherwise relating to the Policy(ies) and the Association (and its successors and Assigns) shall have full power and authority for its own use and benefit, at no cost to Releasor, to ask, demand, collect, prosecute, dismiss or settle any suit or proceedings at law or in equity against the Insurer or any other persons or entities in Releasor's name. Releasor further agrees to cooperate with the Association (and its successors and Assigns) in its prosecution of any suits or proceedings against the Insurer and all other persons or entities, and will voluntarily testify on behalf of the Association (and its successors and Assigns), if asked.

Releasor understands that the Association may legally require Releasor to sign this Release, Subrogation and Assignment as a condition to receiving the Death Benefit Amount.

Releasor has carefully read the foregoing Release, Subrogation and Assignment and knows the contents hereof and has signed this Release, Subrogation and Assignment voluntarily and with full knowledge of its contents.

This Release, Subrogation and Assignment may be signed in multiple counterparts, each of which shall be deemed an original, but all of which together shall constitute one document.

The undersigned is legally authorized to sign this Release, Subrogation and Assignment and bind Releasor.

For Releasors that are Funeral Service Providers, to the best of Releasor's knowledge, Releasor represents and warrants that all prerequisites to the payment of death benefits including but not limited to the payment of all premiums to the Insurer have been satisfied.

Next of Kin or Personal Representative of Insured:

Date: _____

Name: _____

Title, if any: _____

Signature: _____

INDEMNITY, RELEASE AND ASSIGNMENT AGREEMENT (Page 1 of 3)

<FORM K>

Name of entity giving indemnity and release: **Corporation of New Melleray (aka Trappist Caskets)**
(referred to as "Indemnitor" in this Indemnity, Release and Assignment Agreement)

Address: Sam Mulgrew, Manager
Corporation of New Melleray (aka Trappist Caskets)
16632 Monastery Road
Peosta, IA 52068

Phone: 1-888-433-6934

Email: manager@trappistcaskets.com

Policy Information:

Insurer(s): Lincoln Memorial Life Insurance Company ("Lincoln Memorial")
Memorial Service Life Insurance Company ("Memorial Service")

Insured: _____

Association State Code: _____
State of Guaranty Association providing benefits under the Liquidation Plan.

NPS Contract #: _____
The number of the NPS Contract that is related to the Disputed Policy covered by the respective Association as determined from the records of Lincoln Memorial and Memorial Service .

Death Benefit Amount: _____
The amount of the Association death benefits to be paid for the claim incurred under the respective Disputed Policy.

Coverage Limited to Benefits for Disputed Policies Provided under Liquidation Plan: Coverage is being provided by each Association related to the Insureds and Disputed Policies identified above in accordance with, and subject to, the limitations in the September 22, 2008 Liquidation Plan for Lincoln Memorial and Memorial Service and will be determined at the time a death claim is processed. Indemnitor agrees that no further payments or benefits other than those identified above will be sought, requested or demanded from any Association in any way related to Lincoln Memorial and/or Memorial Service. To the extent there is any shortfall or difference in the amount covered by an Association as a Disputed Policy and any contractual agreement with National Prearranged Services, Inc., Indemnitor reserves all right to assert a claim against the insolvent estate of National Prearranged Services, Inc. for such amounts.

Association receiving indemnity, release and assignment: The Association receiving the indemnity, release and assignment is set forth above (referred to as "Indemnitee" or "Association" in this Indemnity, Release and Assignment Agreement).

Indemnity:

In consideration of the provision of coverage by the Association, with respect to each respective Policy and/or Insured identified above, and other good and valuable consideration, Indemnitor agrees to indemnify, defend, and hold harmless each respective Association, in its individual and official capacity, its board of directors, officers, employees, third party administrators, predecessors, successors, assigns, member insurers, third party administrators, consultants, legal representatives, and attorneys; the National Organization of Life and Health Insurance Guaranty Associations (NOLHGA) in its individual and official capacity, its board of directors, officers, employees, predecessors, successors, assigns, member Associations, task force members, third party administrators, consultants, legal representatives, and attorneys; Mike Geeslin, permanent receiver, his predecessors and successors, including but not limited to the Special Deputy Receiver for Lincoln Memorial Life Insurance Company, Memorial Service Life Insurance Company, and National Prearranged Services, Inc., from any and all claims, liens, demands, damages, actions, causes of action, suits in equity, of whatever kind and nature, that may be alleged by any respective Insured and such Insured's heirs (if any), personal

INDEMNITY, RELEASE AND ASSIGNMENT AGREEMENT (Page 2 of 3)

representatives, guardians, assigns, successors, agents, and all other persons claiming by or through Insured relating to Indemnitee's coverage to Insured and/or Indemnitor.

Assignment:

In consideration of the provision of coverage by the Association, with respect to each respective Policy and/or Insured identified above and other good and valuable consideration and up to the respective Death Benefit Amount, Indemnitor hereby sells, transfers and assigns any and all of Indemnitor's past, present and future claims, rights, demands, actions and causes of action against the Insurers to the respective Association (and its successors and assigns) which shall be subrogated to all of Indemnitor's rights under the Policies and which may bring any action or suit for the recovery of any damages or losses sustained by Indemnitor as deemed best or appropriate by the Association in its sole discretion.

Further, up to the respective Death Benefit Amount for which coverage is provided, Indemnitor hereby sells, transfers and assigns to the Association, its successors and assigns, any and all past, present and future claims, demands, actions, rights and/or causes of action Indemnitor may have against the Insurers and any other persons or entities related in any way to the Policies and/or Insureds and/or any losses arising under, resulting from, or otherwise relating to the respective Policies and the Association (and its successors and assigns) shall have full power and authority for its own use and benefit, at no cost to Indemnitor, to ask, demand, collect, prosecute, dismiss or settle any suit or proceedings at law or in equity against the Insurers or any other persons or entities in Indemnitor's name. Indemnitor further agrees to cooperate with the Association (and its successors and assigns) in its prosecution of any suits or proceedings against the Insurer and all other persons or entities, and will voluntarily testify on behalf of the Association (and its successors and assigns), if asked.

Release:

In consideration of the provision of coverage by the Association, with respect to each respective Policy and/or Insured identified above and other good and valuable consideration, Indemnitor and Indemnitor's heirs (if any), personal representatives, guardians, assigns, successors, agents, and all other persons claiming by or through Indemnitor do hereby release and discharge the Association, its members, affiliates, agents, attorneys, employees, third party administrators, successors and assigns (collectively the "Association and Related Parties") of and from any and all actions, causes of action, claims, demands, costs, expenses, compensation and any and all consequential or special damage or other damage, past, present or future, whether known or unknown, on account of or in any way arising out of any life insurance policies issued by Lincoln Memorial Life Insurance Company or Memorial Service Life Insurance Company ("Insurers") which covered the life of any Insured referenced above. This release is not intended in any way to release or discharge any person or entity other than the Association and Related Parties as set forth herein.

Effective Time:

Indemnitor recognizes that the above information may include Policies with claims incurred before the date on which this Indemnity, Release and Assignment Agreement is signed and Policies that have not yet had claims incurred. Indemnitor agrees that the indemnification and release contemplated in this Indemnity, Release and Assignment Agreement shall become effective upon the payment of benefits by any respective Association or its agent under each respective Policy, whether such payments are made related to claims incurred before the date of this Indemnity, Release and Assignment Agreement or after such date.

Updates, Modifications and Supplements:

As a pre-condition to payment of the Death Benefit Amounts referenced herein, Indemnitor must deliver a fully completed and executed copy of this agreement to the person designated by the Association. Indemnitor recognizes and acknowledges that the completed information herein represents the best information currently available based on the books and records of the Insurers identifying the Disputed Policies for which each respective Association is providing coverage under the Liquidation Act. Indemnitor agrees that subsequent versions of this agreement will be updated, modified and supplemented on a claims made basis in order to reflect additional claims incurred under Disputed Policies with calculations for such supplements to be made consistent herewith and subject to the requirement that subsequent versions hereof must be signed by Indemnitor as a pre-condition to payment.

INDEMNITY, RELEASE AND ASSIGNMENT AGREEMENT (Page 3 of 3)

No Benefit to Funeral Homes:

Indemnitor recognizes that this Indemnity, Release and Assignment Agreement does not apply to or otherwise operate for the benefit of any funeral home and in no way relieves funeral homes from any duties, requirements or obligations.

Knowledge of Contents:

Indemnitor has carefully read this Indemnity, Release and Assignment Agreement and knows the contents hereof and has signed this Indemnity, Release and Assignment Agreement voluntarily and with full knowledge of its contents.

Authority:

The undersigned is legally authorized to sign this Indemnity, Release and Assignment Agreement and to bind Indemnitor.

Date: _____

CORPORATION OF NEW MELLERAY (aka TRAPPIST CASKETS)

By: _____

Name: _____

Title: _____

6.2.4 Assigned Renewed Funeral Contracts (w/Active Policies) (Excluding Gold Status) - SAMPLE

State	Initial Assumed				MTW				RFU and Related Policies				Total Potential Assumed			
	Contract Count	Policy Count of Covered Policies	Contract Value	Paid in Amount on Policies as of 07-31-17	Contract Count	Policy Count	Contract Value	Paid in Amount on Policies as of 07-31-17	Contract Count	Policy Count	Contract Value	Paid in Amount on Policies as of 07-31-17	Contract Count	Policy Count	Contract Value	Paid in Amount on Policies as of 07-31-17
Alabama	29	32	133,083	160,769	-	-	-	-	1	1	7,038	22	33	140,211	183,105	
Alaska	1	1	6,764	6,764	-	-	-	-	2	2	6,764	6,764	2	2	6,764	6,764
Arizona	539	669	1,658,319	1,658,961	-	-	-	-	527	721	2,179,447	1,093,139	1,066	1,330	3,815,775	2,658,300
Arkansas	1	1	1,000	1,000	-	-	-	-	1	1	1,000	1,000	1	1	1,000	1,000
California	2,101	2,324	5,165,697	5,039,431	-	-	-	-	189	238	826,785	168,889	2,290	2,562	5,992,482	5,208,319
Colorado	45	69	167,186	167,186	-	-	-	-	13	13	23,056	16,150	58	82	190,242	179,816
Connecticut	8	12	18,369	17,553	-	-	-	-	2	4	2,390	2,071	10	16	20,759	20,759
Delaware	3	3	20,330	20,134	-	-	-	-	-	-	-	-	3	3	20,330	20,330
District of Columbia	10	12	38,117	32,270	-	-	-	-	-	-	-	-	10	12	38,117	32,270
Florida	890	200	999,846	951,964	-	-	-	-	29	29	147,030	5,149	919	229	1,146,876	957,113
Georgia	2	3	4,520	4,520	-	-	-	-	3	3	4,520	4,520	5	5	9,040	9,040
Hawaii	4	8	27,895	27,895	-	-	-	-	2	2	12,611	2,572	6	6	40,506	30,467
Idaho	1	1	3,765	3,765	-	-	-	-	7	7	25,698	16,223	8	8	33,463	20,012
Illinois	1,022	1,120	1,618,824	1,606,456	-	-	-	-	80	80	159,233	26,720	1,102	1,200	1,778,057	1,633,172
Indiana	1,413	2,213	6,383,346	6,286,525	-	-	-	-	719	1,109	3,449,816	2,199,380	2,132	3,316	9,774,162	8,485,906
Iowa	1,402	1,940	2,138,360	2,160,030	-	-	-	-	411	709	1,951,339	1,469,156	2,043	2,649	4,129,700	3,629,186
Kansas	582	1,050	2,529,039	2,529,201	-	-	-	-	68	74	337,723	47,207	650	824	2,866,762	2,576,387
Kentucky	335	378	1,579,325	1,586,352	-	-	-	-	73	76	468,139	23,059	408	454	2,047,464	1,999,439
Louisiana	22	36	91,234	49,611	-	-	-	-	2	2	12,000	4,378	24	38	63,234	54,089
Maine	41	71	106,966	109,966	-	-	-	-	14	14	31,104	30,778	55	100	140,070	140,744
Marland	61	117	92,248	93,304	-	-	-	-	17	17	19,866	19,527	68	68	112,114	112,831
Massachusetts	21,585	31,624	80,756,650	80,292,603	-	-	-	-	546	957	2,116,506	177,816	24,131	35,522	82,973,156	81,070,419
Michigan	282	290	1,438,708	1,431,268	-	-	-	-	27	41	129,976	76,044	289	331	1,568,684	1,507,312
Minnesota	19	27	52,861	52,861	-	-	-	-	20	29	54,276	53,993	39	56	107,137	106,885
Mississippi	1	1	6,486	6,486	-	-	-	-	1	1	6,486	6,486	1	1	6,486	6,486
Missouri	17	22	69,931	69,733	-	-	-	-	5	5	6,486	6,329	13	17	76,417	76,163
Montana	1	2	985	985	-	-	-	-	1	2	985	985	1	2	1,970	1,970
Nebraska	1,352	1,521	6,548,288	6,537,550	-	-	-	-	51	62	255,410	54,856	1,403	1,583	6,793,738	6,592,406
Nevada	1,295	1,909	7,454,197	7,384,137	-	-	-	-	716	1,039	3,051,421	1,631,895	2,011	2,948	10,435,617	8,992,974
New Hampshire	11	13	117,429	117,429	-	-	-	-	3	3	15,819	15,819	14	16	133,248	133,248
New Jersey	246	21	1,177,729	1,176,629	-	-	-	-	19	19	4,928	7,678	265	240	1,202,338	1,184,307
New Mexico	14	4	4,700	4,700	-	-	-	-	2	2	2,285	1,676	15	4	7,000	4,700
New York	14	16	58,721	58,249	-	-	-	-	1	1	2,285	1,676	18	18	61,006	59,925
North Carolina	18	18	42,732	42,293	-	-	-	-	23	32	84,825	44,890	41	50	127,557	87,182
North Dakota	6	6	1,256,538	1,256,538	-	-	-	-	43	43	1,882,242	1,582,828	49	49	2,138,780	2,138,780
Ohio	505	505	1,256,538	1,256,538	-	-	-	-	23	23	88,242	88,242	528	528	1,344,780	1,344,780
Oklahoma	3	5	7,024	7,024	-	-	-	-	3	5	7,024	7,024	8	13	14,048	14,048
Oregon	1	1	1,490	1,152	-	-	-	-	1	1	1,490	1,152	1	1	1,490	1,152
Pennsylvania	27	49	59,970	59,050	-	-	-	-	4	4	6,940	4,931	27	49	99,970	99,050
Rhode Island	8	8	20,332	20,332	-	-	-	-	2	2	28,845	25,349	10	10	100,175	100,175
South Carolina	87	154	101,417	158,721	-	-	-	-	1	1	8,455	8,455	88	155	110,272	167,176
South Dakota	39,998	54,913	164,057,339	163,234,214	-	-	-	-	1,989	2,941	20,981,346	8,166,655	46,987	64,807	185,038,685	171,400,870
Tennessee	1	1	1,000	1,000	-	-	-	-	1	1	1,000	1,000	1	1	1,000	1,000
Texas	1	1	1,000	1,000	-	-	-	-	1	1	1,000	1,000	1	1	1,000	1,000
Utah	1	1	1,000	1,000	-	-	-	-	1	1	1,000	1,000	1	1	1,000	1,000
Vermont	1	1	1,000	1,000	-	-	-	-	1	1	1,000	1,000	1	1	1,000	1,000
Virginia	27	49	59,970	59,050	-	-	-	-	4	4	6,940	4,931	27	49	99,970	99,050
Washington	8	8	20,332	20,332	-	-	-	-	2	2	28,845	25,349	10	10	100,175	100,175
West Virginia	1	1	1,000	1,000	-	-	-	-	1	1	1,000	1,000	1	1	1,000	1,000
Wisconsin	1	1	1,000	1,000	-	-	-	-	1	1	1,000	1,000	1	1	1,000	1,000
Wyoming	1	1	1,000	1,000	-	-	-	-	1	1	1,000	1,000	1	1	1,000	1,000
Total (IMUC)	39,998	54,913	164,057,339	163,234,214	-	-	-	-	1,989	2,941	20,981,346	8,166,655	46,987	64,807	185,038,685	171,400,870

GS - Incentives
Policy with No
Renewed Contract

42
307,995.00
163,542,209.35
164,354,554.49

16
20,981,364.44
8,184,146.40
10,813,888.81

46,988
64,805
189,939,144.46
176,635,605.24
179,670,600.49

<<Liberty Letterhead>>

TRANSFER OF LINCOLN MEMORIAL LIFE POLICIES AND COVERED OBLIGATIONS UNDER THE LIQUIDATION PLAN

Effective <<Effective Date>>, Liberty Bankers Life Insurance Company and its affiliate The Capitol Life Insurance Company (collectively "Liberty") assumed certain of the remaining insurance policy Covered Obligations of life and health insurance guaranty associations ("Associations") under the Liquidation Plan. This transfer is pursuant to an Assumption Reinsurance Agreement among Liberty, the National Organization of Life and Health Insurance Guaranty Associations ("NOLHGA") and the Special Deputy Receiver ("SDR"). The Assumption Agreement was submitted to and approved by the Receivership Court. The transfer is subject to the Liquidation Plan, which remains in full force and effect.

Also effective <<Effective Date>>, the SDR for National Prearranged Services ("NPS") assigned to Liberty the Run-off Responsibilities on all NPS prepaid funeral benefit contracts associated with those Lincoln Memorial insurance policies giving rise to Covered Obligations. Subject to the exceptions below, Liberty is now responsible for collecting all premiums, administering the prepaid funeral contracts and insurance policies, providing customer service, and paying all claims reported on or after <<Effective Date>> under the Liquidation Plan Covered Obligations. This transaction does NOT involve Memorial Service Life Insurance Company. Claims filed by creditors in the receivership estates are also not affected by the Assumption Reinsurance Agreement.

Excluded Policies and Contracts. While the vast majority of claims will be subject to the transfer to Liberty, the following categories of policies and associated contracts are not being transferred to Liberty at this time and will continue to be administered by the SDR:

- Pending Claims received by the SDR before <<Effective Date>>;
- Any claims related to the Mount Washington Trust, funeral home and cemetery;
- Any claims related to reduced paid-up policies;
- Any claims related to contracts and policies sold by the Hollywood Forever Funeral Home and Cemetery; and
- Certain other claims.

Effective _____, for policies and contracts NOT EXCLUDED ABOVE, please direct any questions related to Lincoln Memorial insurance policies, NPS, prepaid funeral contracts and associated Covered Obligations to:

<<Texas Service Contact Information>>

Lincoln Memorial Life Insurance Company ("Lincoln Memorial"), Memorial Service Life Insurance Company ('Memorial Service Life'), and National Prearranged Services, Inc. ("NPS") were found to be insolvent and ordered liquidated by a Travis County court on September 22, 2008. Memorial Service Life and Lincoln Memorial sold life insurance policies which primarily funded premed funeral service contracts sold by or through funeral homes by an the affiliated non-insurance company, NPS. A Special Deputy Receiver ("SDR") was selected by the Texas Commissioner of Insurance to handle the liquidation of the companies. The Court also approved a Liquidation Plan between the Special Deputy Receiver and the life and health insurance guaranty associations affected by the insolvencies of Memorial Service Life and Lincoln Memorial. As a result of the liquidation, the Association is required under Texas law to continue the Memorial Service and Lincoln Memorial insurance policies, including the collection of premiums and payment of benefits, subject to the terms and provisions of the insurance policies, the court-approved Liquidation Plan and the limitations in the Association's governing statute, Chapter 463 of the Texas Insurance Code. The administration of these insurance policies has been performed by the SDR on behalf of the Association.

Exhibit 7.1.2 - Summary of Transferred Business - by State

GA State	Part A - Inforce Policies Transferred at Initial Closing										Part B - Policies Subject to Possible Later Assumption and GA Funding									
	Association Liability					Unfunded Obligations					MTW					RPU and Other related policies				
	Adj. Reserve Amount/Subject to GA Funding	Interest Paid by GA	Ceding Allowance	Total GA Funding	Adjusted Face Amount	Unfunded Face Amount	Adj. Reserve Subject to GA or Estate Funding	Total Face Amount Transferred at Initial Closing	Total Reserve Transferred at Initial Closing	Total Face Amount Assumed	Total Reserve Assumed	Total Reserves + Interest + Ceding	Assumed by Capito Life	Assumed by Liberty Bankers	Association Liability - Total Subject to Possible Transfer at Later Date	Unfunded Obligations (none)	Adj. Reserve Amount Subject to Possible GA Funding	Unfunded Obligations Face	Adj. Reserve Amount Subject to Possible GA Funding	Unfunded Obligations Reserve
Alabama	131,083	0	0	131,083	0	0	131,083	96,112	0	0	0	131,083	96,112	0	0	0	0	0	0	0
Alaska	6,764	0	0	6,764	0	0	6,764	5,295	0	0	0	6,764	5,295	0	0	0	0	0	0	0
Arizona	1,626,961	1,126,292	2,892	1,626,961	2,892	2,892	1,626,961	1,126,292	1,126,292	1,126,292	1,126,292	1,626,961	1,126,292	1,126,292	1,126,292	1,126,292	1,126,292	1,126,292	1,126,292	1,126,292
Arkansas	2,947,129	2,054,406	145	2,947,129	145	145	2,947,129	2,054,406	2,054,406	2,054,406	2,054,406	2,947,129	2,054,406	2,054,406	2,054,406	2,054,406	2,054,406	2,054,406	2,054,406	2,054,406
California	5,059,451	3,610,240	7,783	5,059,451	7,783	7,783	5,059,451	3,610,240	3,610,240	3,610,240	3,610,240	5,059,451	3,610,240	3,610,240	3,610,240	3,610,240	3,610,240	3,610,240	3,610,240	3,610,240
Colorado	167,028	119,456	0	167,028	0	0	167,028	119,456	119,456	119,456	119,456	167,028	119,456	119,456	119,456	119,456	119,456	119,456	119,456	119,456
Connecticut	17,902	12,180	0	17,902	0	0	17,902	12,180	12,180	12,180	12,180	17,902	12,180	12,180	12,180	12,180	12,180	12,180	12,180	12,180
Delaware	20,134	18,560	0	20,134	0	0	20,134	18,560	18,560	18,560	18,560	20,134	18,560	18,560	18,560	18,560	18,560	18,560	18,560	18,560
District of Columbia	4,671	4,671	0	4,671	0	0	4,671	4,671	4,671	4,671	4,671	4,671	4,671	4,671	4,671	4,671	4,671	4,671	4,671	4,671
Florida	34,311	25,633	0	34,311	0	0	34,311	25,633	25,633	25,633	25,633	34,311	25,633	25,633	25,633	25,633	25,633	25,633	25,633	25,633
Georgia	952,126	650,032	0	952,126	0	0	952,126	650,032	650,032	650,032	650,032	952,126	650,032	650,032	650,032	650,032	650,032	650,032	650,032	650,032
Hawaii	4,520	3,688	0	4,520	0	0	4,520	3,688	3,688	3,688	3,688	4,520	3,688	3,688	3,688	3,688	3,688	3,688	3,688	3,688
Idaho	4,995	3,686	0	4,995	0	0	4,995	3,686	3,686	3,686	3,686	4,995	3,686	3,686	3,686	3,686	3,686	3,686	3,686	3,686
Illinois	22,850,024	17,572,313	0	22,850,024	0	0	22,850,024	17,572,313	17,572,313	17,572,313	17,572,313	22,850,024	17,572,313	17,572,313	17,572,313	17,572,313	17,572,313	17,572,313	17,572,313	17,572,313
Indiana	5,613,204	4,122,473	0	5,613,204	0	0	5,613,204	4,122,473	4,122,473	4,122,473	4,122,473	5,613,204	4,122,473	4,122,473	4,122,473	4,122,473	4,122,473	4,122,473	4,122,473	4,122,473
Iowa	6,258,677	4,739,146	0	6,258,677	0	0	6,258,677	4,739,146	4,739,146	4,739,146	4,739,146	6,258,677	4,739,146	4,739,146	4,739,146	4,739,146	4,739,146	4,739,146	4,739,146	4,739,146
Kansas	7,188,837	5,253,139	0	7,188,837	0	0	7,188,837	5,253,139	5,253,139	5,253,139	5,253,139	7,188,837	5,253,139	5,253,139	5,253,139	5,253,139	5,253,139	5,253,139	5,253,139	5,253,139
Kentucky	5,253,139	3,846,531	0	5,253,139	0	0	5,253,139	3,846,531	3,846,531	3,846,531	3,846,531	5,253,139	3,846,531	3,846,531	3,846,531	3,846,531	3,846,531	3,846,531	3,846,531	3,846,531
Louisiana	1,560,343	1,110,532	0	1,560,343	0	0	1,560,343	1,110,532	1,110,532	1,110,532	1,110,532	1,560,343	1,110,532	1,110,532	1,110,532	1,110,532	1,110,532	1,110,532	1,110,532	1,110,532
Maine	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Maryland	49,611	39,872	0	49,611	0	0	49,611	39,872	39,872	39,872	39,872	49,611	39,872	39,872	39,872	39,872	39,872	39,872	39,872	39,872
Michigan	101,305	83,213	0	101,305	0	0	101,305	83,213	83,213	83,213	83,213	101,305	83,213	83,213	83,213	83,213	83,213	83,213	83,213	83,213
Minnesota	93,455	72,479	0	93,455	0	0	93,455	72,479	72,479	72,479	72,479	93,455	72,479	72,479	72,479	72,479	72,479	72,479	72,479	72,479
Mississippi	64,963	45,243	0	64,963	0	0	64,963	45,243	45,243	45,243	45,243	64,963	45,243	45,243	45,243	45,243	45,243	45,243	45,243	45,243
Missouri	80,443,753	58,749,934	0	80,443,753	0	0	80,443,753	58,749,934	58,749,934	58,749,934	58,749,934	80,443,753	58,749,934	58,749,934	58,749,934	58,749,934	58,749,934	58,749,934	58,749,934	58,749,934
Montana	1,426,664	1,077,248	0	1,426,664	0	0	1,426,664	1,077,248	1,077,248	1,077,248	1,077,248	1,426,664	1,077,248	1,077,248	1,077,248	1,077,248	1,077,248	1,077,248	1,077,248	1,077,248
Nebraska	52,861	38,694	0	52,861	0	0	52,861	38,694	38,694	38,694	38,694	52,861	38,694	38,694	38,694	38,694	38,694	38,694	38,694	38,694
Nevada	37,269	29,682	0	37,269	0	0	37,269	29,682	29,682	29,682	29,682	37,269	29,682	29,682	29,682	29,682	29,682	29,682	29,682	29,682
New Mexico	69,723	49,371	0	69,723	0	0	69,723	49,371	49,371	49,371	49,371	69,723	49,371	49,371	49,371	49,371	49,371	49,371	49,371	49,371
North Carolina	1,182	938	0	1,182	0	0	1,182	938	938	938	938	1,182	938	938	938	938	938	938	938	938
North Dakota	6,542,288	4,859,429	0	6,542,288	0	0	6,542,288	4,859,429	4,859,429	4,859,429	4,859,429	6,542,288	4,859,429	4,859,429	4,859,429	4,859,429	4,859,429	4,859,429	4,859,429	4,859,429
Ohio	7,384,495	5,020,911	0	7,384,495	0	0	7,384,495	5,020,911	5,020,911	5,020,911	5,020,911	7,384,495	5,020,911	5,020,911	5,020,911	5,020,911	5,020,911	5,020,911	5,020,911	5,020,911
Oklahoma	1,176,422	901,616	0	1,176,422	0	0	1,176,422	901,616	901,616	901,616	901,616	1,176,422	901,616	901,616	901,616	901,616	901,616	901,616	901,616	901,616
Oregon	4,700	4,187	0	4,700	0	0	4,700	4,187	4,187	4,187	4,187	4,700	4,187	4,187	4,187	4,187	4,187	4,187	4,187	4,187
Rhode Island	58,249	46,144	0	58,249	0	0	58,249	46,144	46,144	46,144	46,144	58,249	46,144	46,144	46,144	46,144	46,144	46,144	46,144	46,144
South Carolina	41,699	31,673	0	41,699	0	0	41,699	31,673	31,673	31,673	31,673	41,699	31,673	31,673	31,673	31,673	31,673	31,673	31,673	31,673
South Dakota	4,561,035	3,044,159	0	4,561,035	0	0	4,561,035	3,044,159	3,044,159	3,044,159	3,044,159	4,561,035	3,044,159	3,044,159	3,044,159	3,044,159	3,044,159	3,044,159	3,044,159	3,044,159
Tennessee	1,392,008	1,030,050	0	1,392,008	0	0	1,392,008	1,030,050	1,030,050	1,030,050	1,030,050	1,392,008	1,030,050	1,030,050	1,030,050	1,030,050	1,030,050	1,030,050	1,030,050	1,030,050
Texas	7,024	3,205	0	7,024	0	0	7,024	3,205	3,205	3,205	3,205	7,024	3,205	3,205	3,205	3,205	3,205	3,205	3,205	3,205
Utah	1,492	1,422	0	1,492	0	0	1,492	1,422	1,422	1,422	1,422	1,492	1,422	1,422	1,422	1,422	1,422	1,422	1,422	1,422
Vermont	43,898	33,859	0	43,898	0	0	43,898	33,859	33,859	33,859	33,859	43,898	33,859	33,859	33,859	33,859	33,859	33,859	33,859	33,859
Virginia	33,680	24,628	0	33,680	0	0	33,680	24,628	24,628	24,628	24,628	33,680	24,628	24,628	24,628	24,628	24,628	24,628	24,628	24,628
Washington	46,330	34,591	0	46,330	0	0	46,330	34,591	34,591	34,591	34,591	46,330	34,591	34,591	34,591	34,591	34,591	34,591	34,591	34,591
West Virginia	29,185	22,619	0	29,185	0	0	29,185	22,619	22,619	22,619	22,619	29,185	22,619	22,619	22,619	22,619	22,619	22,619	22,619	22,619
Wisconsin	119,171	126,209	0	119,171	0	0	119,171	126,209	126,209	126,209	126,209	119,171	126,209	126,209	126,209	126,209	126,209	126,209	126,209	126,209
Wyoming	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Grand Total	161,880,672	118,629,712	0	161,880,672	0	0	161,880,672	118,629,712	118,629,712	118,629,712	118,629,712	161,880,672	118,629,712	118,629,712	118,629,712	118,629,712	118,629,712	118,629,712	118,629,712	118,629,712
From Summary	161,880,672	118,629,712	0	161,880,672	0	0	16													

Exhibit 7.1.2 - Summary Initial Closing Schedule

Part A - Inforce Policies Transferred at Initial Closing

Block Category	Block Description	Association Liability		Unfunded Obligations		Total Transferred Amount	
		Policy Count	Adjusted Face Amount	Adjusted Face Amount	Adj. Reserve Amount NOT Subject to GA or Estate Funding	Face Amount	Reserve
For Sale - Disputed and Standard - CA 20%	Pursuant to its enabling act, the benefits covered by California Association's are limited to 80% of the otherwise covered face amount. These face and reserve amounts show both the 100% and 80% amounts. On detail tab Total Exposure and Net Reserve columns have been adjusted for the 20%.	2,248	4,004,362	1,001,090	713,966	5,005,452	3,569,830
For Sale - Disputed - Non CA 80/20 Policies - 80% Policy	Listing includes both the 80% and the 20% policy, however the 20% policy was not issued within 90 days. These face and reserve amounts are at 100%. On detail tab the Total Exposure and Net Reserve columns have been adjusted for the 20% policy.	960	2,065,736	0	0	2,069,736	1,574,293
For Sale - Disputed - Non CA 80/20 Policies - 20% Policy	Listing includes both the 80% and the 20% policy, however the 20% policy was not issued within 90 days. These face and reserve amounts are at 100%. On detail tab the Total Exposure and Net Reserve columns have been adjusted for the 20% policy.	960	0	517,639	401,155	517,639	401,155
For Sale - Disputed - CA 80/20 Policies - 80% Policy	Pursuant to its enabling act, the benefits covered by California Association's are limited to 80% of the otherwise covered face amount. Listing includes CA 80%/20%, however the 20% policy was not issued within 90 days and the 80% policy would further be adjusted for the California 20% adjustment. On the detail tab, the Total Exposure and the Net Reserve columns have been adjusted for the 20% policy and the 20% CA haircut.	38	34,559	8,640	6,437	43,199	32,183
For Sale - Disputed - CA 80/20 Policies - 20% Policy	Listing includes both the 80% and the 20% policy, however the 20% policy was not issued within 90 days. These face and reserve amounts are at 100%. On detail tab the Total Exposure and Net Reserve columns have been adjusted for the 20% policy.	38	0	10,800	8,227	10,800	8,227
For Sale - Disputed - Annuities	No interest treated adjustments on these annuities.	31	111,928	0	0	111,928	82,055
For Sale - Disputed - Gold Status (GS)	Disputed policies where the insured signed only an insurance policy application and paid an insurance premium, but a preneed funeral contract was never signed or issued.	40	299,000	0	0	299,000	193,442
For Sale - Disputed - Orphans	Benefits are not addressed in the Liquidation Plan. Instead, benefits were determined in accordance with separate settlement agreements that must be signed by the consumer and agreed to by the respective Guaranty Association.	614	736,243	0	0	736,243	519,988
For Sale - Disputed - Williams Funeral Chapel Orphans	In general, MO Guaranty association will pay 80% of the preneed contract value for Orphans. These Williams Funeral Chapel policies were issued at a face value of 100%. Thus, when a claim is submitted MO will only pay the 80% value. Both the 100% and 80% policy face and reserve values are shown. On the detail tab, the Total Exposure and the Net Reserve columns have been adjusted for the 20%.	180	499,310	124,827	23,276	624,137	116,381
For Sale - Disputed - Term	Term policies that are improper as no term policy app exists and/or company converted them from WL/RPU to Term.	35,859	98,165,942	0	0	98,165,942	72,556,966
For Sale - Disputed - Terminated	Policies listed were improperly terminated, however there is evidence of an active preneed contract.	1,166	3,381,541	0	0	3,381,541	2,465,027
For Sale - Disputed - Whole Life	Normal WL policies from many different GA jurisdictions.	9,771	42,650,955	30,927,012	0	42,650,955	30,927,012
For Sale - Disputed - CSA	In general, these relate to MO policies where NPS was the preneed contract seller and therefore are treated as Disputed. The non-MO policies relate to MO funeral homes.	1,202	2,656,292	0	0	2,656,292	1,960,391
For Sale - Standard - Gold Status (GS)	Standard policies where the insured signed only an insurance policy application and paid an insurance premium, but a preneed funeral contract was never signed.	2	8,995	0	0	8,995	6,546
For Sale - Standard - Whole Life (Non-MO)	Includes one Standard - Whole Life MO policy (231003197) otherwise these are all Non-MO policies.	1,847	7,281,810	4,969,277	0	7,281,810	4,969,277
Grand Total Initial Closing Amounts Transferred		54,956	161,880,672	1,662,996	1,153,061	163,343,669	119,927,772

Block Category	Block Description	Association Liability		Unfunded Obligations		Total Transferred Amount	
		Policy Count	Adjusted Face Amount	Adjusted Face Amount	Adj. Reserve Amount NOT Subject to GA or Estate Funding	Face Amount	Reserve
Standard and Disputed - MTW	Block of standard and disputed policies (all covered by the MOGA) involved in a separate dispute. The additional MTW block to be sold once the dispute is resolved.	2,940	4,727,790	0	0	4,727,790	3,290,567
For Sale - Disputed - RPU	Many RPU's are improper but no adjustment has been made to the Total Exposure column in the Detail. See separate text of RPU values on claims paid.	3,252	1,953,577	0	0	1,953,577	1,341,045
For Sale - Standard - RPU		1	560	0	0	560	159
RPU - other related policies:							
	Yes - D - GS	15	17,280	0	0	17,280	11,583
	Yes - D - Orphan	22	3,054	0	0	3,054	1,562
	Yes - S - GS	1	211	0	0	211	168
	Yes - D - Terminated	1,683	1,168,150	0	0	1,168,150	689,553
	Yes - S/D - CA 20%	238	135,114	0	0	168,892	112,816
	Yes - D - Term	1,204	4,659,527	0	0	4,659,527	3,237,889
	Yes - D - Whole Life	123	173,441	0	0	173,441	116,338
	Yes - S - Whole Life (Non-MO)	30	39,515	0	0	39,515	27,358
	Total RPU And related policies	6,569	8,150,368	0	0	8,150,368	5,538,470
Grand Total Amounts Subject to Possible Later Assumption		9,906	12,878,158	0	0	12,878,158	8,829,037

Ex 7.2 Interim True-up and 7.3 Final Accounting SAMPLE

	Association Liability		Unfunded Obligations		Total Transferred Amount		Assumed by Capitol Life		Assumed by Liberty Bankers	
	Policy Count	Adjusted Face Amount	Adj. Reserve Amount NOT Subject to GA or Estate Funding	Adjusted Face Amount	Face Amount	Reserve	Adjusted Face Amount	Adj. Reserve Amount Subject to GA Funding	Adjusted Face Amount	Adj. Reserve Amount Subject to GA Funding
Sample If Due to Liberty										
Amounts At Initial Closing - Ex 7.1.1 (excluding interest)	54,956	161,880,672	1,153,061	1,662,996	163,543,669	119,782,772	80,576,835	58,846,036	82,966,833	60,936,737
Adjusted Amounts	65,000	181,000,000	1,300,000	1,800,000	182,800,000	136,300,000	86,000,000	64,000,000	96,800,000	72,300,000
Amounts Due to Liberty/Capitol (+) or GA's (-)	10,044	19,119,328	146,939	137,004	19,256,331	16,517,228	5,423,165	5,153,964	13,833,167	11,363,263
Interest			Interim - 7.2			Final				
Amounts Due		16,370,288	60 days after initial closing			180 months after closing				
Effective Date		10/1/2017	30 Liberty confirms after receipt			30 Liberty confirms after receipt				
Interim Trueup Date		6/8/2018	10 NOLHGA distributes to GA			10 NOLHGA distributes to GA/Liberty				
# days		250	0 collect \$ from GA			30 collect \$ from GA or Liberty				
Interest Rate		4.50%	100 total days for interim			250 total days for interim				
Interest (GA Funded Reserves * #days/365 * rate)		504,564	NO PAYMENTS DUE			PAYMENTS DUE				
Ceding Fee (Funded reserve * ceding percent)		442,918								
Total Due Liberty/Capitol (+) or GA's (-)		17,317,771								
Sample If Due to GA										
Amounts At Initial Closing - Ex 7.1.1 (excluding interest)	54,956	161,880,672	1,153,061	1,662,996	163,543,669	119,782,772	80,576,835	58,846,036	82,966,833	60,936,737
Adjusted Amounts	44,912	142,761,345	1,006,122	1,525,993	144,287,338	103,265,545	75,153,671	53,692,071	69,133,667	49,573,474
Amounts Due to Liberty/Capitol (+) or GA's (-)	(10,044)	(19,119,328)	(146,939)	(137,004)	(19,256,331)	(16,517,228)	(5,423,165)	(5,153,964)	(13,833,167)	(11,363,263)
Interest										
Amounts Due		(16,370,288)								
Effective Date		10/1/2017								
Interim Trueup Date		6/8/2018								
# days		250								
Interest Rate		4.50%								
Interest (GA Funded Reserves * #days/365 * rate)		(504,564)								
Ceding Fee (Funded reserve * ceding percent)		(442,918)								
Total Due Liberty/Capitol (+) or GA's (-)		(17,317,771)								