

2017 CLASS B ASSESSMENT RESOLUTION

WHEREAS, The Life and Health Insurance Company of America (“LHICA”), National States Insurance Company (“NSIC”) and Penn Treaty/American Network Insurance Company (“PennTreaty/ANIC”) were members of the Missouri Life and Health Insurance Guaranty Association (the "Association") and wrote policies of health insurance; and

WHEREAS, LHICA, NSIC and PennTreaty/ANIC were declared insolvent and ordered liquidated on July 2, 2004, November 15, 2010 and March 31, 2017, respectively, by the courts of competent jurisdiction in their respective domiciliary states; and

WHEREAS, The Association has provided or will provide funding for the payment of claims arising from the covered contractual obligations of these companies; and

WHEREAS, The funding to date for the payment of the covered obligations has been funded by applying reserves held in contingency. However, the reserves held for such contingencies are not adequate to fund all the anticipated covered obligations; and

WHEREAS, The Association relies on premium data developed from the membership’s submission of the Life, Health & Annuity Guaranty Association Model Act Assessment Base Reconciliation Exhibits (“Assessment Premium Data”).

BE IT THEREFORE RESOLVED, That the Board of Directors of the Association does hereby authorize a Class B assessment of its membership in the health account in an amount not to exceed ten million eight hundred fifty-eight thousand dollars (\$10,858,000) for PennTreaty/ANIC; six million four hundred eight thousand two hundred thirty-nine dollars (\$6,408,239) for NSIC; and one million two hundred two thousand six hundred seventy-four dollars (\$1,202,674) for LHICA to provide funding for payment of the covered health obligations.

FURTHER RESOLVED, That the assessment is authorized and shall be called in the last quarter of 2017 at such time as the 2016 Assessment Premium Data is available.