

# NATIONAL STATES INSURANCE COMPANY IN REHABILITATION

## Memorandum

*TO*• Agents of National States Insurance Company in Rehabilitation  
*FROM*• Bruce E. Baty, Special Deputy Receiver  
*DATE*• April 12, 2010  
*RE*• Agent Advance Commissions

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As you are aware, the Circuit Court of Cole County, Missouri placed National States Insurance Company into rehabilitation on April 1, 2010, and National States ceased accepting new business effective April 2, 2010. We appreciate your assistance during this difficult period for National States, and we look forward to your continued support and cooperation.

It has come to our attention that National States had a practice of paying advance commissions. Until we are further along in the rehabilitation process, we have determined that it is in the best interest of all of our constituents to suspend the payment of these advance commissions. It is the current plan, however, to continue paying commissions to you as they are earned.

We appreciate your understanding and look forward to working with you through these difficult times.

Regards,  


Bruce E. Baty, Special Deputy Receiver for  
National States Insurance Company in Rehabilitation