

IN THE CIRCUIT COURT OF COLE COUNTY, MISSOURI

JOHN M. HUFF, DIRECTOR)
DEPARTMENT OF INSURANCE, FINANCIAL)
INSTITUTIONS AND PROFESSIONAL REGISTRATION,)

Plaintiff,)

v.)

WATKINS LIFE AND BENEFIT)
ASSOCIATION (“WLBA”),)

Respondent.)

Case No. 11AC-CC00721

JUDGMENT, DECREE AND ORDER OF LIQUIDATION

Now on this 31~~st~~ day of October, 2013, Plaintiff, John M. Huff, Director of the Missouri Department of Insurance, Financial Institutions and Professional Registration, in his capacity as Rehabilitator, appears by counsel, Tamara W. Kopp, upon Plaintiff’s Verified Petition for Liquidation pursuant to §§ 375.1174 and 375.1175, RSMo 2000. The former officer of Defendant Watkins Life and Benefit Association (“WLBA” or “Defendant”), Stephen L Watkins appeared. Cause is heard. The Court, having reviewed the Plaintiff’s Verified Petition and having heard the evidence presented, and being fully apprised of the premises, for good cause shown, finds as follows:

1. The jurisdiction and venue of this proceeding are proper under § 375.1154 RSMo.
2. Plaintiff is the Director of the Missouri Department of Insurance, Financial Institutions and Professional Registration in his capacity as Rehabilitator of WLBA under the Court’s Judgment of Rehabilitation, entered on November 8, 2011.
3. Defendant WLBA is an assessment plan life insurance company, organized under Chapter 377, RSMo, authorized to do business in Missouri only.

4. Sufficient cause exists for liquidation of WLBA under §§ 375.1174 and 375.1175.

5. WLBA is in such condition that further attempts to rehabilitate the company would increase the risk of loss to creditors, policyholders or the public, and would be futile.

6. It is in the best interests of the policyholders and creditors of WLBA and the public that WLBA be placed into liquidation.

7. WLBA's assets are held by Rehabilitator in Missouri.

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED:

8. The rehabilitation of WLBA is hereby terminated, and the business of WLBA is ordered liquidated.

9. John M. Huff, Director of the Department of Insurance, Financial Institutions and Professional Registration, and his successors in office, is appointed Liquidator of Watkins Life and Benefit Association ("Liquidator" of "WLBA"), pursuant to § 375.1176, and shall, forthwith take immediate possession of the assets of WLBA and administer them subject to the supervision of the Court until the Liquidator is discharged by the Court.

10. Liquidator is vested by operation of law with the title to all of the property, contracts and rights of action, and all of the books and records of WLBA, wherever located, as of the entry of this order.

11. Liquidator shall take immediate possession of and secure all of WLBA's records and property and take all measures necessary to preserve the integrity of WLBA's records and property.

12. The filing or recording of this Order with the clerk of the court and recorder of deeds of the county where WLBA's principal office or place of business is located, or in the case of real estate, with the recorder of deeds of the county where the property is located, shall impart

the same notice as a deed, bill of sale or other evidence of title duly filed or recorded with that recorder of deeds would have imparted.

13. The Liquidator is directed to liquidate WLBA, pursuant to the Missouri Insurers Supervision, Rehabilitation and Liquidation Act, § 375.1150 *et seq.* (“Liquidation Act”), to take such other action as the nature of this cause and the interests of the policyholders, creditors or the public may require, subject to further orders of this Court, and to make the continued expenditure of such wages, rents, and other expenses as are necessary for the administration of the liquidation of WLBA’s estate.

14. WLBA’s current and former officers, directors, managers, agents and employees are enjoined from disposing of any or WLBA’s property, or transacting any business except upon permission of the Liquidator, or by further order of this Court.

15. Upon issuance of this Order, the rights and liabilities of WLBA and of its creditors, policyholders, shareholders, members, and any other persons interested in its estate have become fixed. The termination of any period fixed by any statute of limitations provided by law is suspended as of the date of the entry of this Order except as provided in §§ 375.1178, 375.1206, or 375.1210 RSMo.

16. Liquidator shall make annual accountings to this Court beginning within one year of this Order. Such accountings shall include, at a minimum, a statement of the assets and liabilities of the insurer and all funds received or disbursed by the Liquidator during the current period.

17. Any person who shall knowingly destroy, conceal, convert or alter any records or property of WLBA after the entry of this Order without having received the Liquidator’s or this Court’s prior permission or who shall knowingly neglect or refuse, upon the order or demand of

the Liquidator to deliver to the Liquidator any record or property of an WLBA in his possession or control, shall be guilty of a class C felony.

Powers of Liquidator

18. Liquidator has all of the powers of the Liquidator granted by §§ 375.1175 to 375.1230 RSMo, and all other powers conferred by law, including but not limited to the power to:

- a. Employ employees and agents, legal counsel, actuaries, accountants, appraisers, consultants and such other personnel as he may deem necessary to assist in the liquidation;
- b. Fix the reasonable compensation for employees and agents, legal counsel, actuaries, accountants, appraisers and consultants with the approval of the Court;
- c. Pay reasonable compensation to persons appointed and to defray from the funds or assets of WLBA all expenses of taking possession of, conserving, conducting, liquidating, disposing of, or otherwise dealing with the business and property of WLBA. In the event that the property of WLBA does not contain sufficient cash or liquid assets to defray the costs incurred, the Director may advance the costs so incurred out of funds appropriated for that purpose. Any amounts so advanced for expenses of administration shall be repaid to the Director out of the first available moneys of WLBA and such funds repaid shall be transferred by the Director to the state treasurer for deposit to the general revenue fund;

- d. Hold hearings, to subpoena witnesses to compel their attendance, to administer oaths, to examine any persons under oath, and to compel any person to subscribe to his testimony after it has been correctly reduced to writing; and in connection therewith to require the production of any books, papers, records or other documents which he deems relevant to the inquiry;
- e. Collect all debts and moneys due and claims belonging to WLBA, wherever located, and for this purpose to:
 - i. institute timely action in any jurisdiction in order to forestall garnishment and attachment proceedings against such debts;
 - ii. do such other acts as are necessary or expedient to collect, conserve or protect its assets or property, including the power to sell, compound, compromise or assign debts for purposes of collection upon such terms and conditions as he deems best; and
 - iii. pursue any creditor's remedies available to enforce his claims.
- f. Conduct public and private sales of WLBA's property;
- g. Acquire, hypothecate, encumber, lease, improve, sell, transfer, abandon or otherwise dispose of or deal with WLBA property at its market value or upon such terms and conditions as are fair and reasonable. He shall also have power to execute, acknowledge and deliver any and all deeds;
- h. Borrow money on the security of WLBA's assets or without security and to execute and deliver all documents necessary to that transaction for the purpose of facilitating the liquidation. Any such funds borrowed may be repaid as an

administrative expense and have priority over any other claims in class 1 under the priority of distribution;

- i. Enter into such contracts as are necessary to carry out the Order to liquidate, and to affirm or disavow any contracts to which WLBA is a party;
- j. Continue to prosecute and to institute in the name of WLBA or in his own name any and all suits and other legal proceedings, in this state or elsewhere and, with the approval of the supervising Court, to abandon the prosecution of claims he deems unprofitable to pursue further. If WLBA is dissolved pursuant to § 375.1180, he shall have the power to apply to any court in this state or elsewhere for leave to substitute himself for WLBA as plaintiff;
- k. Prosecute any action that may exist on behalf of the creditors, members, policyholders or shareholders of WLBA against any officer of WLBA, or any other person;
- l. Institute proceedings for any organization or corporation having the exclusive or dominant right to manage or control WLBA that is the subject of the main case, when it appears that a receiver is necessary for the preservation of the assets of WLBA or that a receiver is necessary to determine the assets of WLBA held by the organization or corporation. The duration of the receivership and the duties of the receiver shall be in the discretion of the Court;
- m. Remove any or all records and property of WLBA to the offices of the Director or to such other place as may be convenient for the purposes of efficient and orderly execution of the liquidation;

- n. Deposit in one or many banks in this state such sums as are required for meeting current administration expenses and to invest all sums not currently needed, unless the Court orders otherwise; provided that, at the election of the Court, funds held by the Liquidator of WLBA's estate shall be deposited and invested by the Liquidator pursuant to either of the following standards:
 - i. The standards specified by law for the deposit and investment of state funds by the state treasurer, as such standards are determined to be applicable by the Court;
 - ii. The standards specified by law for the investment of money and property of the Missouri state employees' retirement system, as such standards are determined to be applicable by the Court.
- o. File any necessary documents for record in the office of any recorder of deeds or other office in this state or elsewhere where property of WLBA is located;
- p. Assert all defenses available to WLBA against third persons, including statutes of limitation, statutes of frauds, and the defense of usury;
- q. Exercise and enforce all the rights, remedies, and powers of any creditor, shareholder, policyholder or member, including any power to avoid any transfer or lien that may be given by the general law and that is not included within §§ 375.1192 to 375.1195, except for any right of distribution pursuant to § 375.1218;
- r. Intervene in any proceeding wherever instituted that might lead to the appointment of a receiver or trustee, and to act as the receiver or trustee whenever the appointment is offered;

- s. Enter into agreements with any receiver or director of any other state relating to the rehabilitation, liquidation, conservation or dissolution of an insurer doing business in both states; and
- t. Exercise all powers now held or hereafter conferred upon receivers by the laws of this state not inconsistent with the provisions of §§ 375.1150 to 375.1246.

19. The enumeration in this section of the powers and authority of the Liquidator shall not be construed as a limitation upon him, nor shall it exclude in any manner his right to do such other acts not herein specifically enumerated or otherwise provided for, as may be necessary or appropriate for the accomplishment of or in aid of the purpose of liquidation.

20. Notwithstanding the powers of the Liquidator as stated in this liquidation Order, the Liquidator shall have no obligation to defend claims or to continue to defend claims subsequent to the discharge of the Liquidator.

21. The Director as Liquidator, any special deputy receiver, all employees, agents and attorneys of the Liquidator and the special deputy receiver, and all employees of the State of Missouri when acting with respect to the liquidation shall be considered to be officers of the Court when acting in such capacities and as such shall be subject to the orders and directions of the Court with respect to their actions or omissions in connection with the liquidation. The Liquidator, special deputy liquidator, commissioners and referees appointed by the Court, the agents, attorneys and employees of the Liquidator and employees of the State of Missouri when acting with respect to the liquidation shall enjoy absolute judicial immunity and be immune from any claim against them personally for any act or omission committed in the performance of their functions and duties in connection with the liquidation.

Right to Repudiate Contracts.

22. The Liquidator may disaffirm or repudiate any contract or lease:
 - a. To which WLBA is a party;
 - b. The performance of which the Liquidator, in his sole discretion, determines to be burdensome; and
 - c. The disaffirmance or repudiation, of which the Liquidator determines, in his sole discretion, will promote the orderly administration of the affairs of WLBA.

23. The Liquidator shall determine whether or not to exercise the right of repudiation within a reasonable period following the entry of the Order of liquidation. In the sole discretion of the Liquidator, the contract shall be repudiated as of either:
 - a. The date of the entry of this Order of liquidation; or
 - b. Some other date subsequent to the entry of this Order of liquidation selected by the Liquidator for the disaffirmance or repudiation of such contract or agreement.

24. The liability of the Liquidator for the disaffirmance or repudiation of any contract shall be calculated as of the date of repudiation, and shall be limited to actual direct compensatory damages. Any such damages shall be submitted as a claim to the Liquidator pursuant to §§ 375.1206 to 375.1222.

25. An agreement which tends to diminish or defeat the interest of the Liquidator in any asset acquired by him under § 375.1176, whether acquired before or subsequent to the entry of the Order of liquidation, shall not be valid against the Liquidator unless such agreement:
 - a. Is in writing;

- b. Was executed by WLBA and any person claiming an adverse interest thereunder, including the obligor, contemporaneously with the acquisition of the asset by WLBA;
- c. Was approved by the board of directors of WLBA, which approval shall be reflected in the minutes of said board; and
- d. Has been, continuously, from the time of its execution, an official record of WLBA maintained and readily available to the Director or examiners of the Department of Insurance, Financial Institutions and Professional Registration.

Liquidation Notice, Termination of Policies & Proofs of Claim.

26. The Liquidator shall give or cause to be given, notice of this liquidation Order, pursuant to the provisions of § 375.1185, as soon as possible:

- a. By first class mail and either by telegram or telephone to the director of the insurance department of each state in which WLBA is doing business;
- b. By first class mail to any guaranty association or foreign guaranty association that is or may become obligated as a result of the liquidation;
- c. By first class mail to all known insurance agents of WLBA;
- d. By first class mail to all persons known or reasonably expected to have claims against WLBA including all policyholders, contract holders, and insureds, at their last known address as indicated by the records of WLBA; and
- e. By publication in a newspaper of general circulation in the county in which WLBA has its principal place of business and in such other locations as the Liquidator deems appropriate.

27. The identity of all prospective claimants may be reasonably determined from WLBA records.

28. WLBA policies that were current as of the Order of Rehabilitation and remain active as of the date of this Order of liquidation shall terminate on November 30, 2013 at 11:59 p.m. Central Standard Time.

29. All claims in this liquidation shall file an appropriate Proof of Claim, to be received by the Liquidator on or before December 31, 2013 at 5:00 p.m. Central Standard Time.

30. The Notices of Liquidation and Proof of Claim shall be in the approved forms attached hereto as Attachments A, B, C, and D, and shall specify December 31, 2013 as the last day for filing of claims with the Liquidator. Beneficiaries under active WLBA policies shall file claims by December 31, 2013. Specifically, the Court hereby dispenses with the requirement of filing a proof of claim by all policyholders, insureds, or contract holders for liquidation proceeds.

31. Liquidator shall make all reasonable efforts to evaluate and pay allowed beneficiary claims by May 31, 2014.

Actions by and against the Liquidator.

32. No action at law or equity or in arbitration shall be brought against WLBA or the Liquidator, whether in this state or elsewhere, nor shall any such existing actions be maintained or further presented after issuance of this liquidation Order. The courts of this state shall give full faith and credit to injunctions against the Liquidator or WLBA or the continuation of existing actions against the Liquidator or WLBA, when such injunctions are included in an order to liquidate an insurer issued pursuant to corresponding provisions in other states. Whenever, in the Liquidator's judgment, protection of the WLBA estate necessitates intervention in an action against WLBA that is pending outside this state, he may intervene in the action. The Liquidator may defend any action in which he intervenes at the expense of the WLBA estate.

List of assets.

33. As soon as practicable after this liquidation Order but not later than one hundred twenty (120) days thereafter, the Liquidator shall prepare in duplicate a list of WLBA assets. The list shall be amended or supplemented from time to time as the Liquidator may determine. One copy shall be filed with the clerk of the Court and one copy shall be retained for the Liquidator's files. All amendments and supplements shall be similarly filed.

34. The Liquidator may reduce the assets to a degree of liquidity that is consistent with the effective liquidation of WLBA.

Recovery of premiums.

35. A producer, premium finance company, or any other person, other than the insured, responsible for the payment of a premium, shall be obligated to pay any unpaid earned premium due WLBA at the time of the declaration of insolvency as shown on the records of WLBA. The Liquidator shall also have the right to recover from such person any part of an unearned premium that represents commission of such person. Credits or setoffs or both shall not be allowed to a producer or premium finance company for any amounts advanced to WLBA by the producer or premium finance company on behalf of, but in the absence of a payment by the insured. An insured shall be obligated to pay any unpaid earned premium due WLBA at the time of the declaration of insolvency, as shown on the records of WLBA. Earned premium will be accounted for at the time of claim payment to a beneficiary or liquidation payment to an insured.

Review of claims by Liquidator.

36. The Liquidator shall review all claims duly filed in the liquidation and shall make such further investigation as the Liquidator shall deem necessary. The Liquidator may compound, compromise or in any other manner negotiate the amount for which claims will be

allowed, under the supervision of the Court, except where the Liquidator is required by law to accept claims as settled by any person or organization. Unresolved disputes shall be determined pursuant to § 375.1214. No claim under a policy of insurance shall be allowed for any amount in excess of the applicable policy limits or without regard to policy deductibles.

37. If the fixing or liquidation of any claim or claims would unduly delay the administration of the liquidation or if the administrative expense of processing and adjudication of a claim or group of claims of a similar type would be unduly excessive when compared with the moneys that are estimated to be available for distribution with respect to such claim or group of claims, the determination and allowance of such claim or claims may be made by an estimate. Any such estimate shall be based upon an actuarial evaluation made with reasonable actuarial certainty or upon another accepted method of valuing claims with reasonable certainty.

38. The estimation of contingent liabilities permitted by § 375.1220(2) or any other section of the Liquidation Act may be used for the purpose of fixing a creditor's claim in the estate, and for determining the percentage of partial or final payments to be paid to creditors with reported allowed claims. However, nothing in § 375.1220(2) or any other section of the Liquidation Act shall be construed as authorizing the Liquidator, or any other entity, to compel payment from a reinsurer on the basis of estimated incurred but not reported losses and, except with respect to claims made pursuant to § 375.1212, outstanding reserves. Nothing in § 375.1220(2) shall be construed to impair any obligation arising pursuant to any insurance agreement.

39. Notwithstanding the provisions of § 375.1220 or any other section of the Liquidation Act to the contrary, the Liquidator may negotiate a voluntary commutation and release of all obligations arising from reinsurance contracts or other agreements.

Proposal to disburse assets.

40. Following the payment of all allowed beneficiary claims, the Liquidator shall make application to the Court for approval of a proposal to distribute WLBA's remaining assets to other claimants, contract holders, policyholders and insureds.

41. Such proposal shall include provisions for reserving amounts for the payment of expenses of administration and the payment of claims of secured creditors, to the extent of the value of the security held, and claims falling within priority Class I as established in § 375.1218.

42. Such proposal, without regard to the type of WLBA contract or policy held, shall take into account the following:

- a. Face value of the WLBA policy or contract;
- b. Duration of policy or contract;
- c. Unearned amounts paid to the Rehabilitator or Liquidator; and
- d. Past due premium assessments.

Payment of distributions.

43. Under the direction of the Court, the Liquidator shall pay distributions in a manner that will assure the proper recognition of the priorities and a reasonable balance between the expeditious completion of the liquidation and the protection of unliquidated and undetermined claims, including third party claims. Distribution of assets in kind may be made at valuations set by agreement between the Liquidator and the creditor and shall be approved by the Court.

Application for discharge.

44. When all assets justifying the expense of collection and distribution have been collected and distributed under §§ 375.1150 to 375.1246, the Liquidator shall apply to the Court for discharge. The Court may grant the discharge and make any other orders, including an order

to transfer any remaining funds that are uneconomical to distribute pursuant to § 375.1224, as may be deemed appropriate.

Miscellaneous.

45. The Liquidator shall have all the powers of the directors, officers and managers of WLBA, whose authority shall be terminated.

46. All banks, savings and loan associations, or other persons or entities that have on deposit, in their possession, custody and/or control of such funds are hereby instructed that the Liquidator has absolute control over such accounts and other assets. The Liquidator may change the name of such accounts and other assets, withdraw them from any such bank, savings and loan association, other person or entity, or take any lesser action necessary for the proper conduct of this liquidation. No bank, savings and loan association, other person or entity shall exercise any form of set-off, alleged set-off, lien, any form of self-help whatsoever or refuse to transfer any funds or assets to the Liquidator's control without permission of this Court.

47. All insurers, agents, salespeople, brokers and any and all other persons in the business of insurance are enjoined from in any way counseling, encouraging or soliciting the cancellation, surrender, replacement or termination of policies issued by WLBA until further order of this Court.

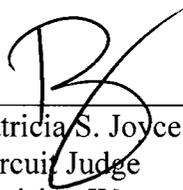
48. All previous procedural orders entered by this Court in the Rehabilitation proceeding shall continue in effect during the Liquidation absent further orders of this Court.

49. The enumeration of the powers and authority of the Liquidator in this Order shall not be construed as a limitation upon the statutory powers of the Liquidator, nor shall it exclude in any manner the right to do such other acts not specifically enumerated or otherwise provided for, as may be necessary or appropriate for the accomplishment of the liquidation of WLBA.

50. This Court shall retain jurisdiction (supervision of this Court pursuant to § 375.1167) of this matter for the purpose of granting such other and further relief as the nature of this cause and the interests of the policyholders, creditors and stockholders of WLBA or the members of the public may require.

51. There is no just reason for delay, and this Order, pursuant to § 375.630.4, is entered as a final judgment.

SO ORDERED 10-31, 2013.



Patricia S. Joyce
Circuit Judge
Division IV



DIFP
 Department of Insurance,
 Financial Institutions &
 Professional Registration

Proof of Death Beneficiary's Statement

WATKINS LIFE & BENEFIT ASSOCIATION "WLBA"

www.insurance.mo.gov/wlba

573-522-6115

THIS PROOF OF DEATH FORM IS DUE BY DEC. 31, 2013

To file a claim under a Watkins Life & Benefit Association policy, please mail this form along with a certified copy of the insured's death certificate.

Note: Additional information may be requested from the insured's estate, next of kin or personal representative.

WLBA Receivership
 P.O. Box 690
 Jefferson City, MO 65102

INFORMATION ON DECEASED

**DECEASED'S
 NAME**

LAST _____ FIRST _____ MIDDLE MAIDEN/ALIAS/NICKNAME
 INITIAL _____

SOCIAL SECURITY NO. _____ **DATE OF BIRTH** _____ **DATE OF DEATH** _____
 000-00-0000 MM-DD-YYYY POLICY BENEFITS TERMINATE
 AT 11:59 P.M. ON NOV. 30, 2013

ADDRESS _____
 STREET _____ CITY _____ COUNTY _____ STATE ZIP CODE _____

POLICY NUMBER _____ **BILLING NUMBER** _____ **INSURED NUMBER** _____
 (IF KNOWN) (IF KNOWN) (IF KNOWN)

The undersigned hereby applies to Watkins Life & Benefit Association in Liquidation and agrees that the furnishing of this form, or any other forms supplemental thereto, will not constitute nor be considered an admission by the Liquidator that there was any insurance in force on the life in question, nor a waiver of any of its rights or defense.

Any person who knowingly and with intent to defraud any insurance company or person files an application for insurance or statement of claim containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act. This is a crime, and subjects such person to criminal and civil penalties.

SIGNED AT _____ **DATE** _____
 CITY _____ COUNTY _____ STATE _____

BENEFICIARY SIGNATURE _____ **PRINT BENEFICIARY NAME** _____

WITNESS SIGNATURE _____ **BENEFICIARY SS NUMBER** _____ **BENEFICIARY DOB** _____

BENEFICIARY MAILING ADDRESS _____
 STREET _____ CITY _____ STATE ZIP CODE _____ PHONE (000-000-0000) _____



DIFP
 Department of Insurance,
 Financial Institutions &
 Professional Registration

Notice of Liquidation

WATKINS LIFE & BENEFIT ASSOCIATION "WLBA"

www.insurance.mo.gov/wlba

573-522-6115

Huff v. Watkins Life & Benefit Association, Cole County Circuit Court Case No. 11AC-CC00721

TO: Insureds and policyholders who may have claims against WLBA

On Oct. 31, 2013, a Judgment, Decree and Order of Liquidation ("Liquidation Order") was entered against WLBA by the Circuit Court of Cole County, Mo. (the "Court"). The Liquidation Order terminated the rehabilitation proceedings that had been pending since Nov. 8, 2011, and appointed John M. Huff, Director of the Missouri Department of Insurance, Financial Institutions and Professional Registration, as Liquidator of WLBA.

The Liquidator was directed to take possession of the property, books, records and assets of WLBA and to administer them under court supervision. The Liquidator is vested by operation of law with title to all of WLBA's property, contracts and rights of action, and all books and records

of WLBA, wherever located, and all other authority granted to the Liquidator under the Missouri Insurers Supervision, Rehabilitation and Liquidation Act, §375.1150, RSMo et seq. (Liquidation Act).

A copy of the Liquidation Order can be found at www.insurance.mo.gov/wlba.

Consistent with §375.1188, the Liquidation Order enjoins the commencement, prosecution or further prosecution of any suit, action or other proceeding against or involving WLBA, its property or assets, the Liquidator or its former Rehabilitator, other than claims asserted as part of the Liquidation proceedings.

POLICY TERMINATION NOV. 30, 2013

The Liquidation Order terminates coverage provided by WLBA policies on Nov. 30, 2013, at 11:59 p.m. CST.

CLAIMS BAR DATE DEC. 31, 2013

To claim death benefits under a WLBA policy, please submit a claim to the address below. Claim forms are available online at www.insurance.mo.gov/wlba or by calling 573-522-6115. Submit claims with a certified copy of the

insured's death certificate so that it is received by the Liquidator by 5 p.m. CST on Dec. 31, 2013. Pursuant to the Liquidation Order, the Liquidator will make his best efforts to pay timely beneficiary claims by May 31, 2014.

LIVING POLICYHOLDERS AND INSUREDS

Living policyholders and insureds do not need to file a claim to receive proceeds in this Liquidation. Following the payment of all timely received death claims, the Liquidator will propose a plan, to be approved by the Court, to distribute WLBA's remaining assets to policyholders, insureds and other creditors. The distribution plan will consider how long the insurance has been in effect as well as the amount of insurance.

If a policyholder or insured dies after policies terminate on Nov. 30, 2013, the policyholder's or insured's estate may be entitled to liquidation proceeds in the same manner as a living policyholder or insured. The estate representative should contact the Liquidator to provide appropriate contact information and authority to receive liquidation proceeds on behalf of the deceased policyholder or insured.

If you have questions regarding this Notice, other matters related to WLBA, or the Liquidation proceeding, please call 573-522-6115, visit www.insurance.mo.gov/wlba or write to this address:

WLBA Receivership
 P.O. Box 690
 Jefferson City, MO 65102

BY ORDER OF THE COURT dated Oct. 31, 2013.

John M. Huff

Director of Missouri Department of Insurance, Financial Institutions and Professional Registration, in his capacity as Liquidator of Watkins Life & Benefit Association



DIFP

Department of Insurance,
Financial Institutions &
Professional Registration

Notice of Liquidation

WATKINS LIFE & BENEFIT ASSOCIATION "WLBA"

www.insurance.mo.gov/wlba

573-522-6115

Huff v. Watkins Life & Benefit Association, Cole County Circuit Court Case No. 11AC-CC00721

TO: Claimants, creditors, agents and all others who may have claims against WLBA (other than policyholder benefit claims)

COURT ORDER: ALL CLAIMS MUST BE FILED WITH THE LIQUIDATOR BY 5 P.M. CST, DEC. 31, 2013

On Oct. 31, 2013, a Judgment, Decree and Order of Liquidation ("Liquidation Order") was entered against WLBA by the Circuit Court of Cole County, Mo. (the "Court") in Case No. 11AC-CC00721.

The Liquidation Order terminated the rehabilitation proceedings that had been pending since Nov. 8, 2011, and appointed John M. Huff, Director of the Missouri Department of Insurance, Financial Institutions and Professional Registration, as Liquidator of WLBA.

The Liquidator was directed to take possession of the property, books, records and assets of WLBA and to administer them under the Court's supervision. The Liquidator is vested with

title to all of WLBA's property, contracts and rights of action, and all books and records of WLBA, and all other authority granted to the Liquidator under the Missouri Insurers Supervision, Rehabilitation and Liquidation Act, § 375.1150, RSMo et seq. (Liquidation Act). A copy of the Liquidation Order can be found at www.insurance.mo.gov/wlba.

Consistent with § 375.1188, the Liquidation Order enjoins the commencement, prosecution or further prosecution of any suit, action or other proceeding against or involving WLBA, its property or assets, the Liquidator or its former Rehabilitator, other than claims asserted as part of the Liquidation proceedings.

CLAIMS PROCEDURE

All parties wishing to assert claims against WLBA, other than policyholder or insured benefit claims, must complete and return the Proof of Claim "POC" form so that the Liquidator receives it by 5 p.m. CST, Dec. 31, 2013 (the "Claims Bar Date"), or it may not be considered. There will be no payment by WLBA for any claim, incident, lawsuit or other matter, other than policyholder or insured benefit claims, not properly filed as a POC on an official POC form, even if it was previously filed with WLBA or another person or official. Each claim must be filed on a separate POC form. All claims liabilities will be determined and all assets will be distributed in accordance with the Liquidation Act.

An original signature must be on the POC. The Liquidator will approve or deny the POC. A hearing may be required.

Keep a copy of your POC form and proof of its timely mailing. If you want proof that your claim was received, send your POC via registered or certified mail (return receipt requested) — make sure your POC is received at the below address by the Claims Bar Date. Late claims may be precluded from sharing in the distribution of available assets, if any, from the WLBA estate.

POC forms are available at www.insurance.mo.gov/wlba or by calling 573-522-6115.

CHANGE OF ADDRESS NOTIFICATION

You are required to notify the Liquidator if your address changes. Failure to do so may jeopardize your WLBA recovery. Information in this notice is summarized and may not contain all necessary information for your situation. Please consult an attorney if you have questions. All claims are subject to payment in accordance with the Liquidation Act.

If you have questions regarding this Notice, other matters related to WLBA, or the Liquidation proceeding, please call 573-522-6115, visit www.insurance.mo.gov or write to this address:

WLBA Receivership
P.O. Box 690
Jefferson City, MO 65102

BY ORDER OF THE COURT dated Oct. 31, 2013.

John M. Huff

Director of Missouri Department of Insurance, Financial Institutions and Professional Registration,
in his capacity as Liquidator of Watkins Life & Benefit Association



DIFP

Department of Insurance,
Financial Institutions &
Professional Registration

Proof of Claim

WATKINS LIFE & BENEFIT ASSOCIATION "WLBA"

www.insurance.mo.gov/wlba

573-522-6115

DEADLINE FOR FILING THIS PROOF OF CLAIM WITH THE LIQUIDATOR IS 5 P.M. CST, DEC. 31, 2013

INFORMATION ON CLAIMANT

SOCIAL SECURITY or
FEDERAL TAX ID NUMBER

NAME _____
LAST FIRST MIDDLE MAIDEN/ALIAS/NICKNAME
INITIAL

ADDRESS _____
STREET CITY COUNTY STATE ZIP CODE

Any Claimant who has or may have a claim against Watkins Life & Benefit Association "WLBA," other than a policyholder, insured or beneficiary, is required to file a completed Proof of Claim "POC" with the Liquidator to be eligible to participate

in any distribution of assets. The POC should be mailed so the Liquidator receives it on or before the Claims Bar Date of Dec. 31, 2013, at 5 p.m. CST. A separate POC must be filed for each claim.

Check the box that describes your claim. Provide all requested information where applicable. If your claim involves litigation, include the case name and number and the court or tribunal where the litigation is pending.

For your claim to be considered, you must attach all supporting documentation or fully describe such documentation if previously forwarded to WLBA. You must send additional information as it becomes available.

Claim by U.S. government (other than claims under policy or insurance contract).

Agency _____ Case/Matter No. _____

Claim by a state or local government (other than claims under policy or insurance contract).

State/Locality _____ Case/Matter No. _____

Other.

AMOUNT FOR ABOVE CLAIM

Amount, as it now can be determined \$ _____

Describe the claim and how you computed the amount claimed. Print legibly in ink or type. Use additional, letter-sized sheets of paper, if necessary. Include in your description:

- Basis of claim, including consideration given for it;
- Identity and amount of any security on claim;
- Any payments made on debt (any payments already received on the claim and sources of payments);
- Any right of priority of payment or other specific rights asserted by you; and
- If claim is contingent on a future event. If so, describe the contingency.

OVER

ATTORNEY REPRESENTATION (If an attorney represents claimant regarding this claim, please give the following information):

ATTORNEY'S NAME _____		FIRM _____	
STREET ADDRESS _____		_____	
STREET		CITY	STATE ZIP CODE
MAILING ADDRESS _____		_____	
		CITY	STATE ZIP CODE
ATTORNEY'S CONTACT INFO		FIRM'S FEDERAL TAX ID NUMBER	
PHONE	FAX	EMAIL	

DECLARATION BY CLAIMANT

The undersigned hereby certifies, declares, deposes and states that: he or she has read this POC form and knows the contents; this claim in the amount stated above is justly owing to the Claimant; there is no setoff, counterclaim or defense to the claim; the matters set forth above and in any accompanying statements are true to the best of your knowledge, information and belief, and as to such matters, you believe them to be true; no payment of or on account of the aforesaid claim has been made except as indicated herein; the Claimant understands that the Liquidator may require supplemental information or evidence and may require testimony under oath or affidavits to support this claim and may obtain information or evidence in any regard to this claim.

By signing this POC below as the Claimant or on behalf of the Claimant, you acknowledge that: this document is a declaration and an application for a pecuniary benefit or other consideration made to the Missouri DIFP Director in his capacity as the Liquidator of WLBA and to the Circuit Court of Cole County, Mo., in Case No. 11AC-CC00721; and that making a false statement herein which you do not believe to be true may subject the signee to criminal prosecution and penalties for making a false declaration in violation of §575.060 RSMo, and other laws of the state of Missouri.

AS CLAIMANT OR
SIGNATURE ON BEHALF OF CLAIMANT _____ **DATE** _____

PRINT YOUR NAME AND TITLE, AND OFFICIAL CAPACITY OR RELATION TO CLAIMANT

PHONE _____ FAX _____ EMAIL _____ FILE REFERENCE NO. (IF ANY) _____

SIGNED AT _____ **CITY** _____ **COUNTY** _____ **STATE** _____

Please retain a copy for your records and mail the original of this POC to: **WLBA Receivership • PO Box 690 • Jefferson City, MO 65102**

ALL CLAIMANTS MUST FILE
 Claimants who are not WLBA policyholders or beneficiaries must file POCs with the Liquidator to preserve any right to payment from WLBA. There must be an original signature on the POC.

NON-WAIVER OF DEFENSES
 The Liquidator's acceptance of this POC form is not intended to, nor does it constitute, any waiver or relinquishment by the Liquidator of any defense, setoff or counterclaim that he may have against any person, entity or governmental agency.

CHANGE OF ADDRESS
 If your address changes after you send in your POC, you must provide the Liquidator with your new address. Failure to do so may result in a loss of rights to obtain a distribution on your claim or to object if the Liquidator denies your claim in whole or in part.