



**Watson Wyatt Insurance
& Financial Services, Inc.**

1055 Westlakes Drive
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Berwyn, PA 19312-2410

February 24, 2003

Hon. Albert Riederer
Special Deputy Liquidator
General American Mutual Holding Company
2800 City Center Square
1100 Main Street
Kansas City, MO 64105

Re: Calculation of Schedule of Membership Interests for Eligible Members of General American Mutual Holding Company, In Liquidation

Statement of Actuarial Opinion

Background

PricewaterhouseCoopers LLP ("PwC") was engaged by Keith A. Wenzel, acting in his capacity as Rehabilitator of General American Mutual Holding Company ("GAMHC") pursuant to Section 375.1168.1 RSMo to perform actuarial services related to the rehabilitation of GAMHC. These services were provided under the engagement agreement dated May 15, 2000 between PwC and Director Wenzel as Rehabilitator of GAMHC. The member firms of PwC transferred their management consulting and technology services business, including the actuarial consultants retained in this case, to International Business Machines Corporation ("IBM"). I provided you, the Special Deputy Liquidator ("SDL"), with written notice of this transfer on October 25, 2002. IBM transferred the actuarial consultants to the firm of Watson Wyatt. I provided verbal notice of this transfer on February 3, 2003.

I, Todd H. Erkis, am affiliated with the firm of Watson Wyatt and a member of the American Academy of Actuaries. I am qualified under the Academy's Qualification Standards to render the opinion set forth herein. This opinion covers the calculation of the schedule of membership interests for the eligible members of GAMHC as required in the GAMHC Plan of Reorganization. On December 6, 2000, the Receivership Court approved the general methodology for calculating the schedule of membership interests in its Judgment Establishing Eligibility Date, Calculation Date and Certain Other Matters with Respect to the Plan of Reorganization (the Judgment). The Judgment references the methodology and principles set out in the Rehabilitator's Application for Order fixing Bar Date for Claims, Approving Eligibility Rules and Procedures and Approving the Form and Manner of Notice of Hearing of This Motion and For Orders Concerning Certain Related Issues filed with the Court on September 22, 2000 (the Application).

The Judgment approved the following items related to the calculation of the schedule of membership interests:

- The Eligibility Date is January 5, 2000;
- The Calculation Date is December 31, 1999;
- The definition of eligible policies and the criteria for identifying policies entitled to fixed and variable shares in the distribution;
- The general methodology and principles for determining the allocation consideration to each eligible member;
- The amount of the fixed share distribution shall be 5% of the total amount available for distribution to members at the time the fixed component is paid.

Reliance

I, and other staff members acting under my direction, received from General American Life Insurance Company extensive information concerning General American Life Insurance Company's past and present financial experience and the characteristics of its policies. We relied on the accuracy and completeness of the data and assumptions supplied by General American Life Insurance Company and did not independently verify that information. Where possible, the information was reviewed for general reasonableness and in certain circumstances the data was reconfirmed with General American.

The information described above was provided to me under the direction of General American's Chief Financial Officer, Tim Klopfenstein, F.S.A., M.A.A.A. I relied on the completeness and accuracy of the data provided by Mr. Klopfenstein.

My opinion relates to the calculation of the membership interests and not the accuracy of the information described above that was provided by General American Life Insurance Company.

Opinion

I, and other staff members acting under my direction, created a calculation methodology and a computer program (called the calculation engine) that was designed to take the data supplied by General American Life Insurance Company and determine each eligible member's membership interests pursuant to the rules set by the Court. The calculation engine was tested several times and the results were reviewed by executives at General American Life Insurance Company. Therefore, it is my professional opinion that the calculations of the eligible members' membership interests were performed pursuant to the Court's rules.

Sincerely,



Todd H. Erkis, F.S.A., M.A.A.A.
Consulting Actuary