

**GENERAL AMERICAN MUTUAL HOLDING COMPANY
IN REHABILITATION**

FINANCIAL STATEMENTS

For the period November 30, 1999
through December 31, 1999



ACCOUNTANTS' COMPILATION REPORT

To Albert Riederer, Special Deputy Rehabilitator

GENERAL AMERICAN MUTUAL HOLDING COMPANY IN REHABILITATION

We have compiled the statement of net assets of General American Mutual Holding Company In Rehabilitation as of December 31, 1999, and the related statements of changes in net assets, receipts, and disbursements for the period November 30, 1999 through December 31, 1999 included in the accompanying prescribed form in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form prescribed by the Missouri Department of Insurance information that is the representation of management. We have not audited or reviewed the accompanying financial statements referred to above and, accordingly, do not express an opinion or any other form of assurance on them.

These financial statements, including related disclosures, are presented in accordance with the requirements of the Missouri Department of Insurance, which differ from generally accepted accounting principles. Accordingly, these financial statements are not designed for those who are not informed about such differences.

Mayer Hoffman McCann L.C.

January 26, 2001

GENERAL AMERICAN MUTUAL HOLDING COMPANY IN REHABILITATION

STATEMENT OF NET ASSETS

As of December 31, 1999

ASSETS

| Type of Asset | Subtotal Column | Total |
|---|-----------------|-----------|
| Cash | | \$ 12,934 |
| Short-term Obligations | | 95,755 |
| Deposits Held for Other States | | - |
| Bonds: | | |
| U.S. Government, including mortgage backed | \$ 4,890,269 | |
| Industrials, Public Utilities | - | |
| Municipal/Non-revenue | - | |
| Railroad | - | |
| Banks, Insurance and Other Financial Institutions | - | |
| MVA on Bonds | 7,771 | |
| Total Bonds | | 4,898,040 |
| Stocks: | | |
| Preferred | - | |
| Common | - | |
| MVA | - | |
| Total Stock | | - |
| Mortgage Loans | | - |
| MVA | | - |
| Real Estate | | - |
| MVA | | - |
| Policy Loans | | - |
| Other Invested Assets | | |
| Asset 1 | - | |
| Asset 2 | - | |
| Asset 3 | - | |
| Any applicable MVA or adj. for uncollectible | - | |
| Total of Other Invested Assets | | - |
| Advances to Guaranty Associations | | - |
| Recoverable from Reinsurers: | | |
| Paid Losses | - | |
| Paid LAE | - | |
| Known Case Loss Reserves | - | |
| Known Case LAE Reserves | - | |
| IBNR Loss Reserves | - | |
| IBNR LAE Reserves | - | |
| Unearned Ceded Premiums | - | |
| Contingent Commissions (If not claims) | - | |
| MVA | - | |
| Total Recoverable from Reinsurers | | - |
| Federal Income Tax Recoverable | | - |
| Other Taxes Recoverable | | - |
| Salvage and Subrogation Recoverables | | - |
| Premiums Due and Accrued | | - |
| Agents' Balances | | - |
| Receivable from Affiliates | | - |
| Accrued Investment Income | | - |
| Equipment, Furnishings and Supplies | | - |
| Other Fixed Assets | | - |
| Depreciation on Equipment & Other Fixed Assets | | - |
| Other Assets: | | |
| Asset 1 | - | |
| Asset 2 | - | |
| Asset 3 | - | |
| Any applicable MVA or adj. for uncollectible | - | |
| Total Other Assets | | - |

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GENERAL AMERICAN MUTUAL HOLDING COMPANY IN REHABILITATION

STATEMENT OF NET ASSETS

As of December 31, 1999

| <u>ASSETS</u> | Type of Asset | <u>Subtotal Column</u> | <u>Total</u> |
|---------------------------|---------------|------------------------|---------------------|
| Total Unrestricted Assets | | | \$ 5,006,729 |
| Restricted Assets | | | <u>-</u> |
| Total Assets | | | <u>\$ 5,006,729</u> |

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GENERAL AMERICAN MUTUAL HOLDING COMPANY IN REHABILITATION
STATEMENT OF NET ASSETS
As of December 31, 1999

LIABILITIES

| Type of Liability | Subtotal Column | Total |
|--|-----------------|--------------|
| Secured Claims | | \$ - |
| Class 1 Administrative Claims: | | |
| GF | \$ - | |
| General Administrative Expenses Pending | 97,055 | |
| Total Class 1 Claims | | 97,055 |
| Class 2 Policy Benefit Claims: | | |
| GF Covered | - | |
| Ancillary | - | |
| NGC | - | |
| Total Class 2 Claims | | - |
| Class 3 U.S. Government | | - |
| Class 4 Employee Compensation | | - |
| Class 5 Premium and General Creditor Claims: | | |
| GF Covered Premium | - | |
| Reinsurance Assumed | - | |
| Reinsurance Ceded | - | |
| NGC Premium | - | |
| Ancillary | - | |
| Other NGC General Creditor | - | |
| Total Class 5 Claims | | - |
| Class 6 State & Local Government | | - |
| Class 7 Late Filed | | - |
| Class 8 Surplus Note | | 5,000,000 |
| Class 9 Ownership Related | | - |
| Total Liabilities | | 5,097,055 |
| Excess (Deficiency) of Assets Over Liabilities | | (90,326) |
| Total | | \$ 5,006,729 |

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GENERAL AMERICAN MUTUAL HOLDING COMPANY IN REHABILITATION

STATEMENT OF CHANGES IN NET ASSETS

For the period November 30, 1999 through December 31, 1999

| <u>Itemization of Individual Net Asset Changes</u> | <u>Individual Amounts of Net Asset Changes</u> | <u>Totals Column</u> |
|---|--|--------------------------|
| Net Assets at Date of Receivership | \$ | - |
| Increases in Net Assets: | | |
| Premium | \$ - | |
| Commission | - | |
| Rental Income | - | |
| Mortgage Receipts (Principal & Interest) | - | |
| Policy Loan Receipts (Principal & Interest) | - | |
| Proceeds from Sales of Real Estate | - | |
| Proceeds from Sales of PP&E | - | |
| Reinsurance Recoveries on Losses | - | |
| Reinsurance Recoveries on LAE | - | |
| Agents Balances Received | - | |
| Collection of Affiliate Receivables | - | |
| Salvage and Subrogation Recoveries | - | |
| Recovery of Taxes Previously Paid | - | |
| Interest & Dividend Income | 13,528 | |
| Other Income – Unrealized appreciation of investments | 7,771 | |
| Proceeds from Sales and Maturities of Investments | <u>-</u> | |
| Total Increase in Net Assets | | 21,299 |
| Decreases in Net Assets: | | |
| Secured Claims | | |
| Class 1 Administrative Claims: | | |
| Legal fees | - | |
| Audit, accounting, and actuarial fees | - | |
| Special Deputy Receiver fees | - | |
| Consulting fees | - | |
| Salaries | - | |
| Employee benefits | - | |
| Payroll and other taxes | - | |
| Rent and related expenses | - | |
| Office expenses | - | |
| Acquisition of fixed assets | - | |
| Investment expenses | (15) | |
| Other disbursements | <u>(97,055)</u> | |
| Total Class 1 Claims | <u>(97,070)</u> | |
| Class 2 Policy Benefit Claims: | | |
| GF Covered Paid Loss | - | |
| GF Covered Open Loss | - | |
| GF Covered Paid LAE | - | |
| GF Covered Open LAE | - | |
| Ancillary Paid | - | |
| Ancillary Open | - | |
| NGC Paid | - | |
| NGC Open | <u>-</u> | |
| Total Class 2 Claims | <u>-</u> | |
| Class 3 U.S. Government | <u>-</u> | |
| Class 4 Employee Compensation | <u>-</u> | |

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GENERAL AMERICAN MUTUAL HOLDING COMPANY IN REHABILITATION

STATEMENT OF CHANGES IN NET ASSETS

For the period November 30, 1999 through December 31, 1999

| <u>Itemization of Individual Net Asset Changes</u> | <u>Individual Amounts of Net Asset Changes</u> | <u>Totals Column</u> |
|--|--|--------------------------|
| Class 5 Premium and General Creditor Claims: | | |
| GF Covered Premium | \$ - | |
| Reinsurance Assumed | - | |
| Reinsurance Ceded | - | |
| NGC Premium | - | |
| Ancillary | - | |
| Other NGC General Creditor | - | |
| | <hr/> | |
| Total Class 5 Claim | - | |
| | <hr/> | |
| Class 6 State & Local Government | - | |
| Class 7 Late Filed | - | |
| Class 8 Surplus Note, net of amount received | (14,555) | |
| Class 9 Ownership Related | - | |
| Amounts Expensed for Investment Purchases | - | |
| | <hr/> | |
| Total decrease in net assets | | <hr/> (111,625) |
| Net assets at December 31, 1999 | | <u>\$ (90,326)</u> |

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GENERAL AMERICAN MUTUAL HOLDING COMPANY IN REHABILITATION

STATEMENT OF RECEIPTS

For the period November 30, 1999 through December 31, 1999

| <u>Type of Receipt</u> | <u>Current Period to Date (11/30/99– 12/31/99)</u> | <u>From November 30, 2000 to Present</u> |
|--|--|--|
| Premium Receipts | \$ - | \$ - |
| Commission Receipts | - | - |
| Rental Receipts | - | - |
| Mortgage Receipts: | | |
| Principal | - | - |
| Interest | - | - |
| Policy Loan Receipts: | | |
| Principal | - | - |
| Interest | - | - |
| Proceeds from Sales: | | |
| Real Estate | - | - |
| PP&E | - | - |
| Reinsurance Recoveries | - | - |
| Agents' Balances Received | - | - |
| Collection of Affiliate Receivables | - | - |
| Salvage and Subrogation Recoveries | - | - |
| Recovery of Taxes Previously Paid | - | - |
| Interest and Dividend Receipts | 13,528 | 13,528 |
| Other Receipts: | | |
| Receipt 1 – Advance from GALIC | 4,985,445 | 4,985,445 |
| Receipt 2 | - | - |
| Receipt 3 | - | - |
| Total Before Proceeds from Investment Sales and Maturities | <u>4,998,973</u> | <u>4,998,973</u> |
| Proceeds from Sales and Maturities of: | | |
| Short-term Investments (Net) | 85,336,354 | 85,336,354 |
| Bonds | - | - |
| Stocks | - | - |
| Total Proceeds from Investment Sales and Maturities | <u>85,336,354</u> | <u>85,336,354</u> |
| Total Cash Receipts | <u>\$ 90,335,327</u> | <u>\$ 90,335,327</u> |

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GENERAL AMERICAN MUTUAL HOLDING COMPANY IN REHABILITATION

STATEMENT OF DISBURSEMENT

For the period November 30, 1999 through December 31, 1999

| <u>Disbursement Category</u> | <u>Gen. Admin. Expenses</u> | <u>Claims Admin. Expenses</u> | <u>Asset Recovery Expenses</u> | <u>Total Disbursements</u> |
|--|---------------------------------|-----------------------------------|------------------------------------|--------------------------------|
| Disbursements: | | | | |
| Loss/Benefit Payments | \$ - | \$ - | \$ - | \$ - |
| LAE Payments | - | - | - | - |
| Reinsurance Payments | - | - | - | - |
| Legal Fees | - | - | - | - |
| Audit, Accounting, & Actuarial Fees | - | - | - | - |
| Special Deputy Receiver Fees | - | - | - | - |
| Consulting Fees | - | - | - | - |
| Salaries | - | - | - | - |
| Employee Benefit | - | - | - | - |
| Payroll and Other Taxes | - | - | - | - |
| Rent and Related Expenses | - | - | - | - |
| Office Expenses | - | - | - | - |
| Acquisition of Fixed Assets | - | - | - | - |
| Investment Expenses | 15 | - | - | - |
| Other Disbursements: | | | | |
| Disbursement 1 | - | - | - | - |
| Disbursement 2 | - | - | - | - |
| Disbursement 3 | - | - | - | - |
| <hr/> | | | | |
| Total Disbursements Before Distributions And Investment Purchases | <u>15</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Distributions: | | | | |
| Early access distributions | - | - | - | - |
| Interim or final distributions | - | - | - | - |
| <hr/> | | | | |
| Total Distributions | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <hr/> | | | | |
| Total Disbursements and Distributions Before Investment Purchases | <u>15</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Investment Purchases: | | | | |
| Short-term Investments | - | - | 85,432,110 | 85,432,110 |
| Bonds | - | - | 4,890,268 | 4,890,268 |
| Stocks | - | - | - | - |
| <hr/> | | | | |
| Total Investment Purchase Transactions | <u>-</u> | <u>-</u> | <u>90,322,378</u> | <u>90,322,378</u> |
| <hr/> | | | | |
| Total Disbursements, Distributions, and Investment Purchases | <u>\$ 15</u> | <u>\$ -</u> | <u>\$ 90,322,378</u> | <u>90,322,393</u> |
| <hr/> | | | | |
| Net Increase (Decrease) in Cash | | | | 12,934 |
| Cash at Beginning of Period | | | | <u>-</u> |
| Cash at End of Period | | | | <u>\$ 12,934</u> |

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GENERAL AMERICAN MUTUAL HOLDING COMPANY IN REHABILITATION

NOTES TO FINANCIAL STATEMENTS

(1) Summary of significant accounting policies

Notes to Financial Statements are not a requirement under the prescribed format of the Missouri Department of Insurance. The accompanying disclosures include selected information that is not intended to be all-inclusive.

Principles of accounting – These financial statements represent an accounting for the assets and liabilities of General American Mutual Holding Company (GAMHC) from the point in time the respective assets and liabilities were transferred to the control of the Special Deputy Rehabilitator until such time as the assets and liabilities are liquidated or the control of these items are transferred from the Special Deputy Rehabilitator to another party.

The following items were transferred to the control of the Special Deputy Rehabilitator during the period:

- a) On November 30, 1999, GAMHC in Rehabilitation received a cash advance \$4,985,445 from GALIC.
- b) On December 1, 1999, a \$5,000,000 loan payable, dated September 19, 1999, from GAMHC to General American Life Insurance Company (GALIC), maturing January 2000 at a 6.5% interest rate was received. Accrued interest from the date of the note through December 31, 1999 totals \$97,055 and is reflected as a Class 1 Administrative Claim.

Organization - GAMHC entered into a \$1,200,000,000 stock purchase agreement with Metropolitan Life Insurance Company (MetLife) on August 26, 1999 to sell the common stock of GenAmerica Corporation. In accordance with this stock purchase agreement, the funds, once received, are to be held in an account and used to indemnify MetLife with respect to outstanding claims and losses set forth in the purchase agreement, and to pay certain taxes and expenses of GAMHC, including those associated with the Rehabilitation. The purchase agreement was closed on January 6, 2000.

Income taxes – Income taxes are being recorded on a cash basis due to several uncertainties, the most significant of which is the fact the Company has six years of income tax returns under review by the Internal Revenue Service.

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