

September 8, 2008

All Chesapeake Life Agents:

Recently we informed you about the sale of the HealthMarkets Life Insurance Operations to Wilton Re, of Wilton, CT. A review of the Life Insurance products offered by Chesapeake Life has been completed, and we wish to share with you the resulting business decisions.

The Life Insurance Operations will continue to underwrite and issue The Chesapeake Life Whole Life Final Expense product portfolio. We will continue to accept new business and support this market for the future.

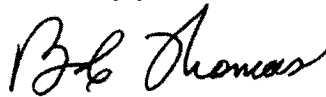
A decision has also been made to no longer accept Term Life and Universal Life business. Therefore, as of October 31, 2008, Chesapeake Life will no longer accept any new life insurance applications for Term and UL business. All applications received in our office in Oklahoma City on or before October 31, 2008 will be underwritten, processed and full commissions will be paid as usual.

Additionally, any application for Term or UL products received by Chesapeake Life in our office in Oklahoma City on or before the October 31, 2008 date will be allowed a full 30 days to be underwritten and issued, if possible. Any applications not able to be underwritten and processed during this 30 day period will be returned to the agent as "incomplete" to allow the agent to place this business with another life insurance carrier.

While we regret that these Term Life and Universal Life products will no longer be offered, we hope these stated time frames will allow you to complete any pending sales activity you have in process.

Of course, all new and renewal commissions will continue to be paid in accordance with your agreement. We thank all the agents who have produced business over these past years, and we want to assure you that your life insurance clients will continue to be serviced with the level of quality they have come to expect from us.

Sincerely yours,



Bob Thomas
Vice President
Chesapeake Life Insurance Company

P.S. While we do not expect Chesapeake Life agents to replace Chesapeake Life business, we want to remind all agents that replacements are a violation of the Chesapeake Life agreement you signed and will cause Chesapeake to "terminate for cause" any agent who violates that agreement. Under a "termination for cause," Chesapeake can hold all commissions permanently and is required to report the "termination for cause" and internal replacement activity to the appropriate Department of Insurance.