

**Notice of Rehabilitation of FREESTONE INSURANCE COMPANY,
formerly DALLAS NATIONAL INSURANCE COMPANY**

On April 28, 2014, Freestone Insurance Company, formerly Dallas National Insurance Company, a Delaware domestic property and casualty insurance company ("FREESTONE") was ordered into receivership for purposes of rehabilitation by the Court of Chancery of the State of Delaware (the "Court"). The Insurance Commissioner of the State of Delaware is the court appointed statutory Receiver of FREESTONE. The Receiver appointed George J. Piccoli as the Deputy Receiver to carry out the responsibilities of the Receiver with respect to the rehabilitation of FREESTONE. The company consented to the receivership. A copy of the Rehabilitation and Injunction Order (the "Rehabilitation Order") is enclosed. The Rehabilitation Order, and all subsequent proceedings concerning FREESTONE, will be conducted in accordance with Chapter 59 of the Delaware Code (18 *Del. C.* § 5901 *et seq.*)

FREESTONE, which is headquartered in Dallas, Texas, issued workers' compensation, automobile, and general liability insurance policies to its policyholders. As of September 30, 2013, FREESTONE was licensed to transact insurance business in the District of Columbia and **all** states **except** Alaska, Connecticut, Florida, New Hampshire, New York, North Dakota, Ohio, Vermont, Wyoming.

Pursuant to the Order, all persons or entities are enjoined from instituting or further prosecuting any action at law or in equity, or proceeding with any pretrial conference, trial, application for judgment, or proceedings on judgment or settlements and such action at law, in equity, special, or other proceedings in which FREESTONE is obligated to defend a party insured or any other person it is legally obligated to defend by virtue of its insurance contract for a period of 180 days from the date of the Order.

All persons or entities having in their possession Assets or possible Assets are enjoined from transacting any business of, or on behalf of FREESTONE or selling, transferring, destroying, wasting, encumbering, or disposing of any of the Assets, without the prior written permission of the Receiver or upon further Order of the Court. All persons holding Assets of, or on behalf of FREESTONE, are directed to comply with Paragraphs 12 and 13 of the Order.

The company's existing policies are **not** cancelled by the Order.

The Receiver has made a determination that failure of FREESTONE to pay workers' compensation claims for indemnity and medical payments during the rehabilitation would cause a hardship to such claimants. Therefore, the Receiver has determined that such payments should continue to be made during the rehabilitation until further notice. Other non-workers' compensation claims will be evaluated for payment in the future.

All persons are required to fully comply with the terms of the Order.

If You Have Any Questions:

Until further notice, policyholders, claimants, agents, brokers, attorneys, and other persons with questions regarding FREESTONE INSURANCE COMPANY IN REHABILITATION should visit the website at:

http://delawareinsurance.gov/departments/berg/rehab_bureau.shtml.

(Please note that there is an underline between the words "rehab" and "bureau" in the website address.);

or call 1-866-874-6860

Contact the Deputy Receiver directly as follows:

FREESTONE INSURANCE COMPANY IN REHABILITATION
c/o Delaware Insurance Department
Bureau of Rehabilitation and Liquidation
704 N. King Street, Suite 602
Wilmington, DE 19801

George J. Piccoli
Deputy Receiver