



May 29, 2009

Re: Q & A for ACA Assurance/Union Vie Agreement

1) Will the assessment on my policy be lifted with this transaction?

Ans: No, as indicated in the letter we sent you, pursuant to the assumption reinsurance agreement, ACA is ceding the policy liabilities to Union-Vie subject to, and net of, the 25% assessment in place as of September 08, 2008. L'Union-Vie will provide benefits to you subject to such reductions. In other words, the assessment is permanent. All other material terms and conditions of your policy remain the same. This is described in paragraph 2.3 of the "Amended and Restated Assumption Reinsurance Agreement Between ACA Assurance (ACA) and L'Union Vie, compagnie mutuelle d'assurance (Union Vie), a copy of which can be mailed to you upon written request to our office.

2) Can I surrender my policy now for cash?

Ans: As explained on our web site the moratorium is still in place, which does not allow for surrenders. However, surrenders may be possible in cases involving financial hardship. As you may be aware, Union Vie administers our policies for us. If you believe you qualify as a hardship case, please contact Union Vie at 1-866-441-7224 for further details.

3) When will the moratorium on surrenders and withdrawals be lifted?

Ans: The moratorium will be lifted once the Minister of Finance approves the transaction with Union Vie and the transaction has closed.

4) Is my policy current?

Ans: As you may be aware Union Vie administers your policy for ACA and for specific information about your policy contact Union Vie at 1-866-441-7224.

5) I did not know I had a policy, how do I find out what it is?

Ans: Union-Vie administers our policies for us. You should contact Union Vie for all information concerning your policy at 1-866-441-7224.

6) How has the assessment affected my policy and the values therein?

Ans: You will find this information on the ACA web site and the information you have just received. In summary, your policy shall be ceded under the Assumption Reinsurance Agreement subject to, all assessments in place as of September 30, 2008. All reductions in the face amount and/or surrender values of your policy pursuant to such assessments shall become permanent as of the September 30, 2008 date, and Union vie shall provide benefits under your policy subject to such restrictions.

7) Am I getting a new policy?

Ans: As explained in the information you have received you will not receive a new policy. When the transaction is approved by the Minister of Finance, Union Vie will issue you a Certificate of Assumption, which should be attached to your insurance policy.

8) Who is Union Vie Mutual Assurance Company?

Ans: Union-Vie is a Quebec incorporated mutual life insurance company located in Drummondville Quebec. You will find information on the company in the Statement of Material Facts you just received as well. For more information you can call them at 1-800-567-0988 or look them up on their web site at www.union-vie.com

9) What is happening to the fraternal chapters in Canada as a result of this transaction?

Ans: ACA Assurance's Canadian Branch intends to wind-up its operations once all insurance and other outstanding business matters have been settled. The fraternal chapters in Canada are expected to be wound up also.

10) Will my children still be eligible for scholarships from the ACA Scholarship Trust?

Ans: The ACA Scholarship Trust is a separate entity from ACA Assurance with its own Board of Trustees. Currently the eligibility for scholarships requires membership in ACA. The trustees of the Ed fund are working on changing the eligibility requirements to those that focus on Catholic Franco-American heritage.

11) Will my payments continue to be the same?

Ans: There will be no change in the amount you pay or how or when you pay it. All of your premium payments, notices and claims in respect of your policy should continue to be sent directly to Union-Vie, which is already administering your policy.

12) Will I be told when the moratorium on surrender and withdrawals will be lifted?

Ans: There will be no formal announcement. If you wish to surrender or cancel your policy please inform Union Vie in writing now. When the moratorium is lifted they will process your request or contact you first.

13) If I want to surrender my policy now but the moratorium will not allow it do I have to continue paying premiums?

Ans: No, once you have communicated in writing your wish to surrender your policy you do not have to pay any more premiums. Once the moratorium is lifted the surrender will be processed effective the day you requested it.

14) What is going to happen to ACA Assurance?

Ans: ACA's immediate future is to settle its outstanding business commitments in both Canada and the United States. The Rehabilitator for the State of New Hampshire and the Board of Directors will then be in a position to determine the future of the organization.

15) After ACA Assurance has paid off all its debts and there is money left over what will happen to it?

Ans: The Rehabilitator has stated that any surplus funds remaining in ACA Assurance belong to the members and would be paid out to them pro-rata.

16) Can I have a copy of my policy?

Ans: Yes, just contact Union Vie at 1-866-441-7224 and make your request.

17) Can they make another assessment against my policy?

Ans: Yes, that could happen, however, upon approval and completion of the assumption reinsurance transaction, you will not be subject to any additional assessments in the future. You may wish to contact Union-Vie at 1-866-441-7224 for further information concerning this matter.

18) Is there a Guarantee Fund in Canada to protect insurance policy holders?

Ans: The life insurance industry in Canada does manage a fund under the name of Assuris to protect policyholders' insurance funds. This fund is only for policyholders of life insurance companies. Fraternal benefit societies are not members of Assuris. In general Fraternal benefit Societies are authorized by their bylaws and constitution to place an assessment on any policies written with their members when financial conditions require it and the Fraternal's Board of directors approve such an action.

19) How did this assessment come about?

Ans: This information was previously provided to you in the letter that we sent to you back in September 2008 when the assessment became effective. You may also go our web site for more details regarding the assessment

20) What happens if the Union Vie transaction does not close?

Ans: In the unlikely event that the Assumption Reinsurance transaction with Union-Vie does not close there are sufficient assets in Canada held in trust to cover Canadian policyholders' liabilities.