

**Notice to Agents  
for  
Vesta Fire Insurance Corporation  
Vesta Insurance Corporation  
Shelby Casualty Insurance Company  
The Shelby Insurance Company  
Texas Select Lloyds Insurance Company**

The Travis County District Court has placed the above-referenced insurance companies into receivership for the purpose of rehabilitation and has appointed the Texas Commissioner of Insurance as Receiver. Since his appointment, the Receiver and his staff have worked diligently with a prospective buyer to negotiate the purchase of certain of the companies and, as part of that transaction, to place catastrophe reinsurance. For a variety of reasons, the parties have not been able to complete a transaction.

At this time, the Receiver has made the difficult decision to stop issuing new policies, to discontinue renewal policies, to initiate cancellation of all policies that are currently in force, and to ask the court to place the companies into liquidation. The Receiver intends to begin sending non-renewal and cancellation notices directly to policyholders in the very near future. The cancellation of all policies will take effect as of 11:59 p.m. CST on August 23, 2006. The Receiver will cease issuing renewal policies at the same time.

At this time, policyholders are entitled to renew their policies, if they choose. Obviously, it is in policyholders' best interest to obtain new coverage as quickly as possible. In order to speed the transition to new coverage, the Receiver will also provide policyholders with a list of carriers that are currently writing homeowners insurance in Texas. You can find additional information concerning homeowners insurance on the Texas Department of Insurance web site: [www.tdi.state.tx.us/consumer/Vesta.html](http://www.tdi.state.tx.us/consumer/Vesta.html).

Policyholders may have a claim for unearned premiums against the company that issued their policies. The Receiver will contact policyholders at a later date with specific instructions to make a claim for that unearned premium. Policyholders will not receive this unearned premium before the policies are cancelled.

Please take appropriate steps to assist your customers with placing new coverage as quickly as possible.

The Receiver, through his Special Deputy Receiver, will contact you directly within 14 days to address issues related to commissions and balances owed. You can find general information concerning the receivership at [www.sdrtx.com](http://www.sdrtx.com).