

**SPECIAL DEPUTY RECEIVER'S
NOTICE TO AGENTS FOR**

**Texas Select Lloyds Insurance Company
Vesta Fire Insurance Corporation
Vesta Insurance Corporation
Shelby Casualty Insurance Company
The Shelby Insurance Company**

As you know, the Travis County District Court has placed the above-referenced insurance companies ("Vesta Companies") into receivership for rehabilitation and has appointed the Texas Commissioner of Insurance as Rehabilitator. The Rehabilitator has designated Prime Tempus, Inc., as Special Deputy Receiver.

The Rehabilitator 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 Rehabilitator has begun sending notices of non-renewal and cancellation to policyholders. A copy of the policyholders' notice is attached for your reference, including a Spanish translation. Unless the policies are canceled or assumed by another carrier before that date, the cancellation of policies will take effect as of 12:01 a.m. CST on August 24, 2006. The Rehabilitator will cease renewing policies at that same time.

Please continue to take appropriate steps to assist your customers with placing new coverage. As outlined in the Texas Insurance Commissioner's letter of July 21, 2006, this request includes making policyholders aware of other options that may be available. The Texas Department of Insurance and the Office of Public Insurance Counsel websites have additional information at www.tdi.state.tx.us and www.opic.state.tx.us. Please make policyholders aware of these resources if they inquire about other options.

I recognize your need for access to policyholder information in order to do this. Beginning July 28 and continuing weekly thereafter through August 25, we will send to you a list of your policyholders by e-mail. The information provided will be the best information available given the difficult and rapidly changing circumstances we all face. I know that you will exercise due care when verifying this information with your customers in your efforts to assist them.

We have also established the following telephone and facsimile numbers for your use:

Claim Phone Calls:

1. Vesta & Shelby (800) 444-3928
2. Texas Select (866) 887-7276
3. *California Select (800) 209-0200

Claim Fax Number for all Companies (888) 286-9458

Customer Service Calls:

1. Vesta & Shelby (800) 443-1573
2. Texas Select (866) 887-7276
3. *California Select (800) 408-1000

Customer Service Fax Number for all Companies (888) 286-9458

*refers to California Select Insurance Agency business

A hearing on the Application for Order of Liquidation originally set for July 26, 2006 has been reset for July 31, 2006 at 9:00 a.m. CST in Austin, Texas.

You will be contacted after the hearing to address issues related to commissions and balances owed.

You can find general information about the receivership on the Texas Department of Insurance website www.tdi.state.tx.us/consumer/vesta. You can find all pleadings filed in the receivership court, including the Application for Order of Liquidation and Amended Notice of Hearing, at the Special Deputy Receiver's website www.sdrtx.com.

I sincerely appreciate your personal efforts in this difficult situation.

Prime Tempus, Inc. As Special Deputy Receiver

IMPORTANT NOTICE TO POLICYHOLDERS OF:

**Texas Select Lloyds Insurance Company
Vesta Fire Insurance Corporation
Vesta Insurance Corporation
Shelby Casualty Insurance Company
The Shelby Insurance Company**

The Travis County District Court has placed the above-referenced insurance companies into receivership. A Special Deputy Receiver (“SDR”) has been appointed to administer the receivership. Pursuant to the court’s order and Section 21A.102(b) of the Texas Insurance Code, **all policies issued by these companies are CANCELLED, and no renewal policies will be issued, effective 12:01 a.m. CST on August 24, 2006.** You are receiving this notice because the companies’ records indicate that you may be a policyholder of one of these companies. Please look at your current policy to see if you are insured by one of these companies. **If you are insured by one of these companies, it is important that you find new insurance coverage before the cancellation date.** Your agent has also received information concerning the policy cancellation. Please contact your agent as soon as possible to begin the process of finding new coverage. As the consumer, you have the right to choose your new insurance carrier. Additional information on finding new coverage for Texas residents can be found at www.tdi.state.tx.us/consumer/Vesta.html.

If you paid premium in advance, you may have a claim for unearned premium for any portion of the policy period after the cancellation date. If the guaranty fund in your state does not automatically process your refund, the SDR will provide you with instructions in the near future describing the process for making a claim. It will not be possible to refund any unearned premium before the cancellation date.

Additional information regarding the receivership can be found at the SDR’s website, www.sdrtx.com.

AVISO IMPORTANTE PARA ASEGURADOS DE:

Texas Select Lloyds Insurance Company

Vesta Fire Insurance Corporation

Vesta Insurance Corporation

Shelby Casualty Insurance Company

The Shelby Insurance Company

La Corte del Distrito del Condado de Travis ha puesto las compañías de seguros mencionadas arriba en liquidación. Un Delegado Especial de Liquidación (Special Deputy Receiver, por sus siglas en Inglés “SDR”) ha sido nombrado para administrar la liquidación. De acuerdo a la orden de la corte y Sección 21A.102(b) del Código de Seguros de Texas, **todas las pólizas vendidas por estas compañías están CANCELADAS, y no habrá renovación de pólizas a partir de las 12:01 a.m. (CST) del 24 de agosto de 2006.** Usted está recibiendo éste aviso porque los archivos de las compañías indican que usted puede ser un asegurado de una de éstas compañías. Por favor revise su póliza actual para ver si está asegurado por una de éstas compañías. **Si está asegurado por una de estas compañías, es importante que encuentre nueva cobertura de seguro antes de la fecha de cancelación.** Su agente también ha recibido información acerca de la cancelación de estas pólizas. Por favor comuníquese con su agente tan pronto como sea posible para empezar el proceso de encontrar nueva cobertura. Como consumidor, usted tiene derecho a escoger su nueva compañía de seguros. Información adicional para hallar nueva cobertura para residentes de Texas puede encontrarse en www.tdi.state.tx.us/consumer/Vesta.html.

Si usted pagó una prima como anticipo, usted puede tener derecho a un reclamo por primas no pagadas por cualquier parte del período de la póliza después de la fecha de cancelación. Si la fundación de garantías de su estado no procesa automáticamente su reembolso, el Delegado Especial de Liquidación (SDR) le proveerá con instrucciones más adelante describiendo el proceso para hacer un reclamo. No será posible el reembolso de primas no pagadas antes de la fecha de cancelación.

Información adicional respecto a la liquidación puede encontrarse en el sitio web del SDR (Delegado de Especial de Liquidación) www.sdrtx.com.