



To: Lincoln General Policyholders

Subject: Change to A M Best rating

A.M. Best is an independent third-party organization that provides comprehensive quantitative and qualitative evaluations of a company's balance sheet strength, operating performance and business profile. Largely as a result of our decision to increase claims reserves in the fourth quarter of 2007, A M Best has downgraded the Financial Strength rating of Lincoln General one notch from A- to B++ VIII.

An A.M. Best rating is an opinion of an insurer's ability to meet it's obligations to policyholders. The ratings are broken down into two major categories. Insurance carriers with a "B+" rating or higher are determined by A.M. Best to be "Secure". When an insurance carrier has an A M Best rating of "B" or lower, they are considered "Vulnerable". With a rating of B++VIII, A.M. Best considers Lincoln General to have a good ability to meet the obligations of its policyholders. Lincoln General continues to have the on-going support of our parent, Kingsway Financial Services, which has over \$1B in shareholder equity.

At Lincoln General, we remain committed to meeting the needs of our policyholders, our most important business partners. Throughout 2008, we will demonstrate that commitment by:

- Partnering with "best-of-class" agencies that are experts in your line of business
- Continuing our pursuit of transactional excellence in the Claims and Underwriting Departments
- Enhancing our capabilities in the areas of loss control and loss prevention
- Expanding product development in order to provide you with a superior insurance package

Please be advised this change primarily impacts Lincoln General Insurance Company and a portion of their commercial portfolio.

The following U.S. subsidiaries' business American Service Insurance Company, American Country Insurance Company, Southern United Fire Insurance Company, Universal Casualty Insurance Company, U. S. Security Insurance Company, Mendota Insurance Company and Zephyr Insurance Company will not be materially affected by this change in rating.

With over 30 years of service to the trucking and personal auto marketplace, you can feel secure that Lincoln General will be with you for the long haul.

Sincerely,

John Clark
President

Claims

P.O. Box 3608
York, PA 17402-0628
Phone: 800-395-7489
FAX: 717-751-0144

Retail Underwriting

P.O. Box 12008
York, PA 17402-0608
Phone: 800-876-3350
FAX: 717-751-0165

Program Underwriting

P.O. Box 12009
York, PA 17402-0609
Phone: 800-876-3350
FAX: 717-757-7916

All Other Departments

P.O. Box 3709
York, PA 17402-0136
Phone: 800-876-3350
FAX: 717-751-0165