



July 26, 2007

Dear Merastar Insurance Policyholder:

Merastar Insurance Company is excited to announce it is joining the Unitrin Direct group of companies. On June 29, 2007, Unitrin Direct's parent company completed its purchase of Merastar. The Unitrin Direct companies are part of the Unitrin, Inc. family of companies.

Unitrin, Inc. (NYSE: UTR) is a leading financial service provider with \$3 billion in annual revenue, over \$9 billion in assets, and more than 6 million policies in force. Unitrin's property and casualty insurance companies are rated "A" by both A.M. Best and S&P for financial strength.

So, how will this acquisition affect you as a Merastar policyholder? You should notice very little change since your policy number, payment method, current premium and discounts will not change due to the acquisition. You may continue using the same billing address, telephone, and fax numbers. Until we inform you of any changes, please continue using the same e-mail and website addresses. Our sales, claims, and customer service staffs will be available during their regular hours.

If you have additional questions concerning Merastar's change in ownership after reading this letter, please call our customer service staff at 1-800-637-2782.

In the coming months, you may begin to see a new logo, **Unitrin Direct preferred insurance**, on correspondence you receive from us. Soon, you'll begin to enjoy greater convenience, service and value from Merastar's joining with Unitrin Direct.

Thank you for allowing Merastar to provide your property and casualty coverage. We look forward to continuing to serve you in the future.

Sincerely,

A handwritten signature in blue ink that reads "Mary D. Jackson".

Mary D. Jackson  
Customer Service Manager

P.S. Please see reverse side for "Questions and answers concerning Merastar's new ownership."

## Questions and answers concerning Merastar's new ownership

**Q: Will my policy premium and discounts remain the same?**

A: Your premium and discounts will not change due to the acquisition.

**Q: Will my policy numbers remain the same?**

A: Yes.

**Q: Will my premium due date stay the same?**

A: Yes.

**Q: What if I pay my premium by payroll deduction — will it continue as usual?**

A: Yes.

**Q: Will my homeowners insurance premium continue to be paid through my escrow account if it is currently paid that way?**

A: Yes.

**Q: Will your billing address remain P.O. Box 181101, Chattanooga, TN 37414-6101?**

A: Yes.

**Q: Will your toll-free phone and fax numbers remain the same?**

A: Yes.

**Q: Will your website remain [www.merastar.com](http://www.merastar.com)?**

A: Yes, for now we will continue using this address. If it changes, we will inform you.

**Q: When will I see the Unitrin Direct preferred insurance logo on my policies, bills and proof of insurance cards?**

A: In the coming months, we will be updating our correspondence and documents with our new logo.

**Q: Will you continue to be located in Chattanooga, Tennessee?**

A: Yes. We look forward to continuing to be part of the Chattanooga community as we have for over thirty years.