

**INSTRUCTION LETTER FOR FILING PROOFS OF CLAIM AGAINST
CHANCELLOR REINSURANCE COMPANY OF CANADA**

(hereafter, the “Company”)

A. – Claims Process

By Order of the Honourable Madam Justice Gropper made April 23, 2012 (the “Claims Process Order”), KPMG Inc., in its capacity as Liquidator of the Company, has been authorized and directed to conduct a claims process (the “Claims Process”).

This letter provides instructions for responding to or completing the accompanying Proof of Claim.

The Claims Process enables any creditor asserting a claim of any kind or nature whatsoever against the Company to prove that claim so as to participate or share in any distribution to be made pursuant to the Company’s liquidation. This includes all claims related to contracts of reinsurance written by the Company.

B. – For Creditors Submitting a Proof of Claim

If you believe that you have a Claim against the Company, you will have to file a Proof of Claim with the Liquidator. **Completed Proofs of Claim must be received by the Liquidator by no later than 5:00 p.m. (PDT) on Friday, June 29, 2012.**

On the Proof of Claim form, a creditor must indicate the amount of its claim against the Company.

Creditors must also attach to the Proof of Claim form an explanation as to how the claim arose as well as any documents that support their claim.

We trust the foregoing is of assistance.

If you have any questions regarding the Claims Process, please contact the Liquidator at the following address:

KPMG Inc.
Liquidator of Chancellor Reinsurance Company of Canada
777 Dunsmuir Street, PO Box 10426
Vancouver British Columbia V7Y 1K3
(Attention: Jennifer Kwok)
Phone no.: (604) 691-3260
Email: jgkwok@kpmg.ca

Information concerning the Company’s Liquidation proceedings can be found on the Liquidator’s website at:

www.kpmg.ca/chancellor