



KPMG Inc.
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Canada

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April 30, 2012

To: All Creditors of Chancellor Reinsurance Company of Canada (the “Company”)

Dear Sirs/Mesdames:

**Re: *In the Matter of Chancellor Reinsurance Company of Canada*
B.C.S.C. Action No. A-952278, Vancouver Registry (the “Proceedings”)**

On July 5, 1995, the Supreme Court of British Columbia appointed KPMG Inc. as the Liquidator of the Company (the “Liquidator”) pursuant to sections 385 to 398 of the Insurance Companies Act S.C.1991, C.47.

On April 23, 2012, a further order was made in the Proceedings by the Supreme Court of British Columbia (the “Claims Process Order”) under the Insurance Companies Act establishing the procedure pursuant to which creditors may prove their claims, if any, against the Company.

In accordance with the Claims Process Order, we enclose the following documents for delivery upon you:

- a copy of the Claims Process Order itself;
- a Notice to Creditors;
- a Proof of Claim form; and
- Instructions as to how to complete the Proof of Claim form.

Any creditor that wishes to prove their claim against the Company and receive any distribution pursuant to the liquidation of the Company must complete and return the enclosed Proof of Claim to the Liquidator, KPMG Inc., by no later than 5:00 p.m. (PDT) on June 29, 2012 (the “Claims Bar Date”).

The failure by a creditor to properly complete and return a Proof of Claim in the form attached by the Claims Bar Date will result in its claim being extinguished without any entitlement to receive a distribution in the liquidation or any other form of compensation.



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Additional information is available on the Liquidator's website at:

www.kpmg.ca/chancellor

Should you have any questions, please feel free to contact Jennifer Kwok on (604) 691-3260 or by email at jgkwok@kpmg.ca.

Yours very truly,

KPMG Inc.

In its capacity as Court Appointed

Liquidator of Chancellor Reinsurance Company of Canada

A handwritten signature in black ink, appearing to be 'JK' or similar initials, written in a cursive style.

Per: Jennifer Kwok