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Dear SecurChoice Pre-need Trust Users;

INDEPENDENT REGULATORY
REVIEW COMMISSION

I am writing to inform you of some program changes that will become effective upon your receipt of the new trust packets, which you should receive in a few days.

Changes have been made to our trust documents and the new documents/forms are approved by the State Board of Funeral Directors. These changes were made to come into compliance with recent rulings by the State Board of Funeral Directors and to provide clarity in some parts of previous documents.

You are receiving a new Master Trust Agreement that needs to be signed and returned to us in the postage paid envelope enclosed and we will forward it to PNC Bank for signature by a Trust Officer. We will then return the 2nd copy and attachments to you for your files. Primary changes in the Master Trust Agreement can be seen in the attached "Proposed Changes to the Master Trust Agreement" and are in paragraphs 6 and 9. All Pre-need and Individual Trust Agreements submitted by your funeral home from this date forward will come under the terms of this new Master Trust Agreement.

A copy of a letter from Thomas A. Blackburn, Counsel, State Board of Funeral Directors is enclosed. **This letter is to be kept on file in your funeral home as proof that the trust documents we are providing and you are using have been approved by the appropriate authority. This letter also states that you must submit Exhibit A, a Statement of Funeral Goods and Services with each pre-need contract.** The FTC Statement of Funeral Goods and Services form will be provided in every packet and is approved by the State Board of Funeral Directors. If you use your own, make sure it is approved by the State Board of Funeral Directors.

A new Pre-need and Individual Trust Agreement form is enclosed. Changes to Part I, the front page, includes enlargement of the box titled "Itemization of Amount Financed." You will also notice in the lower left portion of the front page where you choose to Guarantee or Not Guarantee future prices, that you can now Guarantee or Not Guarantee the funeral home's Services and Merchandise and Cash Advances separately. Changes to Part II, the Investment Direction part of the Pre-need and Individual Trust Agreement, includes new mutual fund investment options and the two annuity options at the bottom of the page. Another copy of the investment options, investment risk and a short description will be included in the quarterly report you receive this week. **The first annuity option listed on the new form is the one offered by Funeral Directors Life Insurance Company.** You will also receive detailed information about this new annuity option in your quarterly report this week. The 2nd annuity is the one that has been offered for years through Microdata. Changes have also been made to Part III, Terms and Conditions of the Pre-need and Individual Trust Agreement. **The major change is that the purchaser of a pre-need trust contract can cancel the agreement for any reason and receive all of their money back including interest less fees.** The changes can be seen in the enclosed materials called "Proposed Changes to Part III, The Terms and Conditions of the Pre-need and Individual Trust Agreement."

You will receive a supply of new SecurChoice Trust Packets within the next few days. Again, the new packets will include the new Pre-need and Individual Trust Agreement forms and Exhibit A, a Statement of Funeral Goods and Services form. **Please throw away all of your old trust packets! Yes, throw them out!** We don't want to get the forms mixed up.

If you have any questions regarding any of the changes, please give us a call at the office. There will be no noticeable change in the appearance of the forms. The only new procedure is the required use of a Statement of Funeral Goods and Services, which was directed by the State Board of Funeral Directors.

Thank you for your business and your continued support of both PFDA and Unichoice.

Sincerely,

Ted Nielsen, Exec. V.P. & COO
Unichoice Cooperative, Inc.

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