

July 20, 2001

Hon. Connie L. O'Connell
Commissioner of Insurance
State of Wisconsin
Office of the Commissioner of Insurance
121 East Wilson Street
Post Office Box 7873
Madison, Wisconsin 53707-7873

Re: Proposed Merger of AID ASSOCIATION FOR LUTHERANS,
a Fraternal Benefit Society

Dear Commissioner O'Connell:

It was good to see you on June 28. I hope you are finding time to enjoy the summer with your family! It is moving way too fast!

As an informational filing, I am furnishing you with a copy of the mailing we are beginning to members of Aid Association for Lutherans concerning the proposed merger of Lutheran Brotherhood with and into AAL. It is expected that the mailing will be completed on or about July 26, 2001. A fact sheet on the merged organization is also enclosed for your information.

The Boards of Directors of both AAL and LB have provided their initial approval of the merger of the two societies. With the commencement of the mailing to members, both societies are beginning the formal notice of the proposed transaction to members. Section 614.73 of the Wisconsin Insurance Code requires that the text of the proposed merger contract be submitted to members at least sixty days prior to approval by a fraternal's supreme governing body. AAL's Board of Directors is our supreme governing body. Approval by the Commissioner would follow AAL's formal filing of the merger after our Board gives its final approval. AAL's Board intends to meet again prior to September 29, 2001 to consider final approval of the merger.

The mailing to members includes (i) a joint cover letter from the CEOs of both organizations, John Gilbert and Bruce Nicholson; (ii) a joint members information statement which provides background on the companies and the proposed merger, a summary of the merger agreement, and company contact information; and (iii) the complete text of the merger agreement together with the disclosure letters exchanged by

Hon. Connie L. O'Connell

July 20, 2001

Page 2

the companies. In addition to the printed version of these materials, I have also forwarded to Bud Mandt via email, a "pdf" computer file version of this letter and its enclosures. Staff requested this information in "pdf" format to use for posting on OCI's website.

We continue to expect to file our formal merger documents with OCI this fall. In the meantime, please feel free to call me with any questions or comments.

Best regards!

Mary Beth Leib
2nd Vice President
Government Relations