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October 18, 2005

Honorable Ann Womer Benjamin
Director
The Ohio Department of Insurance
2100 Stella Court
Columbus, Ohio 43125
Attention: Stephen J. Vamos, III, Esq.

Re: Plan of Reorganization of The Union Central Life Insurance Company
under Sections 3913.25 to 3913.38 of the Ohio Revised Code

Dear Director Womer Benjamin:

This letter is in reference to the letter dated July 21, 2005 to you from David Westerbeck, Executive Vice President, General Counsel and Secretary of The Union Central Life Insurance Company ("Union Central") in connection with the proposed reorganization of Union Central. The purpose of this letter is to provide the Ohio Department of Insurance (the "Department") with the following supplemental documents relating to Union Central's correspondence with its policyholders regarding the proposed reorganization:

1. Internal memorandum dated October 7, 2005 from Eddie Ericson, Contact Center Manager of Union Central, to Mr. Westerbeck summarizing the Contact Center's proxy hotline activity.
2. Letter from Charles L. Barngrover, policyholder of Union Central, regarding the policyholder materials and response letter dated September 13, 2005 by John Lucas, Second Vice President, Counsel and Assistant Secretary of Union Central.
3. Letter from Charles R. Puckett, policyholder of Union Central, regarding the proposed transaction and response letter dated

Honorable Ann Womer Benjamin
October 18, 2005
Page 2

September 29, 2005 by John Jacobs, Chairman, President and Chief Executive Officer of Union Central.

4. Letter from Sharon Green, Hearing Administrator at the Department, enclosing correspondence received by the Department from John Snider II, policyholder of Union Central, expressing concern regarding the proposed reorganization and response letter dated October 3, 2005 by Mr. Jacobs and response letter dated October 4, 2005 by Mr. Westerbeck.
5. Letter from Sharon Green, Hearing Administrator at the Department, enclosing correspondence received by the Department from John B. Schepman, policyholder of Union Central, expressing concern regarding the proposed reorganization and response letter dated October 4, 2005 by Mr. Westerbeck.

Thank you very much for your assistance with this matter. If you have any questions or require any further information, please do not hesitate to contact us.

Sincerely,



Lei Yu

cc: David Westerbeck, The Union Central Life Insurance Company
Randall M. Walters, Jones Day

EXHIBIT 1

**Internal
Memorandum**

The Union Central
Life Insurance Company
Cincinnati Ohio

UnionCentral

TO: David F. Westerbeck, LLIF,
Executive VP General Counsel and Secretary **DATE:** October 7, 2005

FROM: Eddie Ericson, CLU, FLMI, EA, ACS
Contact Center Manager **EXT:** 2364

RE: Contact Center Executive Summary of Proxy Hotline Activity

Below is a summary of the Proxy Hotline Activity handled by the Contact Center Associates between July 26, 2005, and October 7, 2005:

Total Calls Answered = 1,331
Total Talk Time = 69.75 Hours
Average Talk Time = 3 minutes 9 seconds per call

Most common questions:

1. How will this affect my personal policy/contract/certificate?
2. Why does the company want to make this change?
3. What type of policy do I own with Union Central?
4. Will you please send a new PIB, Supplement or Proxy Card?

The responses from callers was generally very positive and many expressed their appreciation for Union Central Life Insurance Company over the years, regardless of whether they were inclined to vote for or against the proposal.

Please do not hesitate to let me know if you need any further information.

EXHIBIT 2

John M. Lucas
Second Vice President, Counsel
and Assistant Secretary
(513) 595 2826
(513) 595 2918 Fax
jlucas@unioncentral.com

The Union Central
Life Insurance Company
1876 Waycross Road
Cincinnati, OH 45240
(800) 825 1551

UnionCentral
Insurance and Investments

September 13, 2005

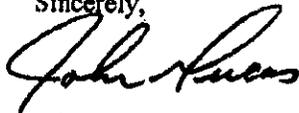
Mr. Charles L. Barngrover
2915 Saddleback Road
Cincinnati, OH 45244-3910

Dear Mr. Barngrover:

Thank you for giving us an opportunity to respond to your question about the proxy card. An insurance policy must have a value of at least \$1,000 in order to receive a proxy card. Since your paid-up policy is valued at less than that amount, you only received the materials for informational purposes.

I apologize for any confusion this may have caused you. If you have any questions, please call me at (513) 595-2826. Again, thank you for your communication to us.

Sincerely,



John M. Lucas

JML:cr

J:\JMLSHARE\Correspondence\Barngrover_09_13_05_ltr.doc

Control No.
900027



900027

CHARLES L BARNGROVER
2615 SADDLEBACK RD
CINCINNATI OH 45244-3910



Union Central

RECEIVED
SEP 6 2005
LAW AND BUSINESS RELATIONS

This package includes important information relating to the proposed reorganization of The Union Central Life Insurance Company ("Union Central"). Union Central is soliciting your vote in connection with the proposed reorganization. Please read the following items carefully before voting:

• **Proxy Card (with Voting Instructions)**

• **Union Central President's Letter**

• **Questions and Answers**

• **Policyholder Information Booklet**

• **Exhibit Volume to the Policyholder Information Booklet**

Please read the Exhibit Volume of the Policyholder Information Booklet for financial statements and other detailed information about Union Central, Ameritas Acacia and their operations, as well as other information relating to the proposed reorganization.

• **Postage-Paid Return Envelope**

If you have any questions or need help in completing your proxy card, please call our toll-free Reorganization Information Line for Union Central policyholders at 1-800-315-9781.

*Not included
in my package*

EXHIBIT 3

John H. Jacobs, CLU
Chairman, President and
Chief Executive Officer
(513) 595 2428
(513) 595 2206 Fax

The Union Central
Life Insurance Company
1876 Waycross Road
PO Box 40888
Cincinnati Ohio 45240

UnionCentral

Insurance and Investments

September 29, 2005

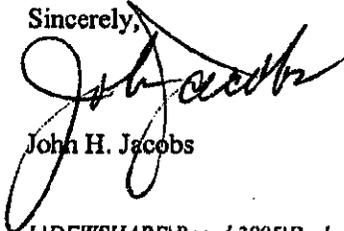
Mr. Charles R. Puckett
1022 South Hughes Street
Hamilton, MO 64644-8232

Dear Mr. Puckett:

On behalf of the Board of Directors, I want to acknowledge receipt of your letter of September 19th and thank you for your interest in Union Central Life. It is always the objective of the Board of Directors to act in the best interest of our Policyholders. We value the confidence you have placed in the Company and in our Board. As noted in my recent letter to the Policyholders, the Board believes the reorganization and merger is fair and equitable and that your interest as a Policyholder will be properly protected.

Again, thank you for your interest in Union Central Life Insurance Company.

Sincerely,



John H. Jacobs

J:\DFWSHARE\Board 2005\Puckett_092705_ltr.doc

Sept. 19, 2005

Union Central Board of Directors
Union Central Life Ins. Co.

To all Directors,

Please act in the best interest of me,
a policyholder, in regard to the
matter of Union Central's merger
and reorganization proposal.

Your attention to this matter
will be appreciated.

Thank you.

Charles Puckert

1012 S. Hughes
Hamilton, Mo 64644

EXHIBIT 4



Bob Taft, Governor
Ann Womer Benjamin, Director

2100 Stella Court, Columbus, OH 43215-1067
(614) 644-2658 www.ohioinsurance.gov

RECEIVED
SEP 14 2005
P&C
(614) 644-3340
(fax) (614) 644-3742
sharon.green@ins.state.oh.us
LAW AND CORPORATE RELATIONS

September 13, 2005

David F. Westerbeck
The Union Central Life Insurance Company
1876 Waycross Road
Cincinnati, Ohio 45240

CC: - JKS
- LLM
- Cytin
- TTD
- GAB
- SPL Lete drawer
DJ
9/14

Re: Ameritas Acadia Companies and Union Central Life Insurance Company Merger

Dear Mr. Westerbeck:

Enclosed is correspondence, in the form of an e-mail, received by the Ohio Department of Insurance ("Department") expressing concern regarding the above-referenced transaction. Please respond to the policyholder and copy the Department on your response.

Mr. Snider also corresponded directly with John Jacobs, Chairman, President, and CEO of Union Central Life Insurance Company. A copy of that letter, dated September 6, 2005, is also enclosed. Please provide the Department with a copy of Mr. Jacobs' response to Mr. Snider.

Thank you for your anticipated cooperation in this matter.

Sincerely,

Sharon Green
Hearing Administrator
Office of Legal Services

cc: John Snider II, JD, Policyholder
Stephen J. Vamos, Ohio Department of Insurance



Accredited by the National Association of Insurance Commissioners (NAIC)
Consumer Hotline: 1-800-686-1526 Fraud Hotline: 1-800-686-1527 OSHIIP Hotline: 1-800-686-1578

Sharon Green

From: Protect Policyholders [protectpolicyholders@earthlink.net]
Sent: Tuesday, September 06, 2005 4:55 PM
To: Ann Womer Benjamin
Cc: Sharon Green; twagner@doj.state.ne.us; hmills@ins.state.ny.us; life@ins.state.ny.us
Subject: Union Central Life Insurance Company - Proposed Reorganization Using a Mutual Holding Company Structure



9-6 Final Open
Letter to Union...

September 6, 2005

To the Ohio Department of Insurance
Director - Ann Womer Benjamin

Dear Ann,

My name is John Snider II. I am a policyholder of the Union Central Life Insurance Company. I am writing to request that the Ohio Department of Insurance deny Union Central's proposed plan to reorganize using a mutual holding company structure for the following reasons:

- 1. NO INFORMED CONSENT - POLICYHOLDER VOTE IS INVALID.** Union Central's proxy materials failed to disclose material information which is necessary for policyholders to give informed consent to this reorganization (such as the approximate economic value of policyholders' membership interests in Union Central, the approximate economic value of policyholders' membership interests in UNIFI after considering foreseeable future risks, and the approximate value of what policyholders could have received under either a demutualization or a sponsored demutualization as an alternative to this transaction);
- 2. FAIRNESS OPINIONS EXCLUDE MATERIAL RISKS.** The fairness opinions which were relied upon by Union Central's Board of Directors and sent to policyholders exclude reasonably foreseeable material risks to policyholders (ignoring the potential impact a stock offering made by the intermediate stock holding company under the proposed structure would have on the value and control of the membership interests in UNIFI owned by Union Central's policyholders);
- 3. FAIRNESS OPINION BIASED.** Morgan Stanley's fairness opinion is tainted by the fact that Morgan Stanley will receive a contingent fee ranging from 2.5M to 4.5M, but only if this reorganization is consummated;
- 4. FAIRNESS OPINION APPLIES INCORRECT LEGAL STANDARD.** Morgan Stanley failed to apply the proper legal standard in its fairness opinion;
- 5. NOT FAIR AND EQUITABLE TO POLICYHOLDERS.** Considering all of the risks Union Central is asking policyholders to accept in this transaction, and that Union Central is not compensating policyholders to accept those risks, this transaction is NOT fair and equitable to policyholders. It would be unfair, inequitable, and unreasonable to policyholders to allow Union Central to convert to a stock company and pursue the reorganization on these terms, so the stock conversion and this reorganization should not be permitted under the Ohio statutes.
- 6. NOT IN POLICYHOLDERS' BEST INTERESTS.** Union Central's Board of Directors has provided no evidence that this action is in the best interests of Union Central's policyholders (a duty which the Board affirms in the proxy materials), and the Board confirms in the proxy materials that they did not consider a sponsored demutualization as an alternative to this transaction.

My concerns are explained and documented in the attached letter, which has been sent to John Jacobs (Chairman, President and CEO) and David Westerbeck (Executive Vice President, General Counsel and Secretary) at Union Central.

As a policyholder, I am pleading with the Ohio Department of Insurance to deny this proposed transaction, which would seriously jeopardize the future value of our ownership interests in our "mutual" insurance company. The interests of policyholders have not been fairly represented in this transaction, nor have the risks to policyholders been adequately evaluated and disclosed. Particularly when the interests of policyholders could be so severely negatively impacted in the future, full and fair disclosure is essential. Union Central has failed to provide adequate information to policyholders so that they can give informed consent to this reorganization.

On a more personal note, I am deeply disappointed that Union Central's Board would advise policyholders to vote for this reorganization while ignoring such significant risks to policyholders in the fairness opinions, and failing to present to us even a rough estimate of what policyholders might receive in a demutualization or sponsored demutualization. Over the years, Union Central has promised us that we as policyholders owned the company, and that the Board was acting in our best interests. I relied on those promises, and currently own Union Central policies insuring my wife and I, and our four young children (ages 3 through 10). Please do not permit Union Central to compromise the interests of policyholders in this way.

I am also sending a copy of this email and the attached letter to your hearing clerk for the October 21st hearing on this matter. If possible, I respectfully request that Mr. Jacobs be required to answer the questions which I have posed in the attached letter on the record. I believe policyholders are entitled to know the answers to these questions.

Thank you for your consideration of this most important matter. Policyholders all over the United States are impacted.

Sincerely,

John Snider II, JD
Union Central Life Insurance Company Policyholder/owner
1816 Paddock Drive
Kearney, MO 64060

Office phone: 816-903-9993

Email: protectpolicyholders@earthlink.net

cc: L. Tim Wagner, Director of the Nebraska Department of Insurance
Howard Mills, Superintendent of the New York State Insurance Department

September 6, 2005

John H. Jacobs
Chairman, President and Chief Executive Officer
Union Central Life Insurance Company
1876 Waycross Road
Cincinnati, OH 45240

Re: Union Central's Proposed Reorganization using a Mutual Holding Company Structure
An Open Letter to John Jacobs, Chairman, President and CEO

Mr. Jacobs,

As a policyholder of Union Central Life Insurance Company, I am alarmed that you and the Board of Directors would recommend that the policyholders vote for the proposed reorganization (using a mutual holding company structure), without providing policyholders even basic information to assess whether this transaction is fair and equitable to them. The materials mailed to policyholders withhold material information which prevents policyholders from adequately assessing the value of their interests under this reorganization, or from assessing the value they would receive if other alternatives are chosen.

You did not provide policyholders with even a rough estimate of the cash or stock the average policyholder would currently receive under a demutualization or sponsored demutualization. Indeed, the proxy materials state that you did not even consider a sponsored demutualization¹ as an alternative to this reorganization, which could have resulted in cash or securities being paid to Union Central's policyholders immediately. Additionally, in our September 1st telephone conversation, you advised me that you and the Board did not calculate even a rough estimate of what the average policyholder would receive under either a demutualization or sponsored demutualization in connection with this transaction. Although the Board may have considered a sponsored demutualization in 1999, you did not provide policyholders with any indication of the cash, stock, or policy credits they would have received under such a structure.

Without knowing the approximate fair value of the membership interests in Union Central they are surrendering, or the approximate fair value of the membership interests in UNIFI they will receive, policyholders cannot possibly give informed consent to this reorganization. Any rational investor would also require an economic analysis of the projected impact to their membership interests in UNIFI from reasonably foreseeable events, such as an IPO by the intermediate stock holding company, which you failed to provide. It is not adequate to state that no such IPO is currently planned, or that policyholders can rely on the Ohio or New York Department of Insurance to protect them in the future. In light of the Enron and WorldCom scandals, policyholders will accept nothing less than full and fair disclosure.

The mutual holding company structure you propose is not fair and equitable to policyholders. Rather, it:

- Strips away the value of mutual policyholders' membership interests ("ownership rights") without adequate compensation to policyholders;
- Allows opportunities for management self-enrichment without corresponding value to policyholders; and
- Exposes policyholders to considerable risks, again without returning corresponding value to them.

¹ Policyholder Information Booklet dated July 21, 2005, page 28.

Furthermore, you also have presented no evidence that you or the Board of Directors found this transaction to be in the "best interests" of policyholders, which you have a duty to uphold.

I am concerned that Union Central would propose a mutual holding company structure, and that the Board would unanimously recommend that policyholders vote for it, when so many respected authorities have raised serious questions about the fairness of this structure to existing policyholders.

Experts Call the Mutual Holding Company Concept "Flawed" and "a Consumer Rip-Off"

When the State of New York Assembly rejected proposed Mutual Holding Company legislation in NY because of its unfairness to mutual company policyholders, the Assembly Standing Committee on Insurance held extensive hearings on the mutual holding company structure. The Committee's report² includes these quotations:

"The mutual holding company concept is fundamentally flawed. If the implications of this type of reorganization were disclosed, most mutual policyowners would vote against the reorganization."
Joseph M. Belth, Emeritus Professor of Insurance, Indiana University

Mutual holding company legislation is "the biggest single consumer rip-off, if this were to pass, in the state's history. Stealing billions of dollars from millions of people." Richard Kirsch, Citizen Action of New York

"This is not about policyholder benefits. This is about investment bankers and managers getting rich."
Ralph Nader, Center for Study of Responsive Law

"I find it impossible to escape the conclusion that, in a mutual holding company reorganization, a partial demutualization would take place without compensation to policyholders." James H. Hunt, Consumer Federation of America

Mr. Jacobs, was Union Central's Board uninformed about how detrimental this reorganization is to policyholders, or did the Board fully understand the implications of the reorganization and tell the policyholders to vote for it anyway? Either way, the result is troubling.

Union Central's Policyholders Assume Significant Risks but Receive Nothing of Value in this Reorganization – Union Central Omitted Material Facts in their Proxy Materials.

1. Policyowners Currently Own Union Central. Policyholders in a mutual insurance company such as Union Central have valuable ownership rights in the company, in addition to the contractual obligations Union Central has to them under their policies. The proxy materials correctly state that Union Central currently "does not have any stockholders and is owned by policyholders/members"³, and that "Prior to the Reorganization, Union Central Policyholders possess all of the ownership rights over Union Central."⁴ Union Central's sales literature also

² "The Feeling's Not Mutual: An Analysis of Governor Pataki's Proposed Mutual Holding Company Legislation". Report by the Assembly Standing Committee on Insurance. <http://assembly.state.ny.us/Reports/Ins/199803/>

³ Introduction to Policyholder Information Booklet introducing Union Central's proposed changes, July 21, 2005. Page 1.

⁴ Policyholder Information Booklet, page 33.

states that "As a mutual company, we have no stockholders; instead, Union Central is owned by our policyholders and managed for their benefit."⁵

Mr. Jacobs, please confirm this: Do Union Central's policyholders currently own Union Central?

2. Union Central Omitted Material Facts Regarding the Value of Policyholders' Current Ownership Interests. In this reorganization, policyholders are surrendering their ownership interests in Union Central (in return for substantially different and less valuable membership interests in UNIFI), and are permitting Union Central to convert to a stock company without distributing any stock or other value to policyholders. Yet, Union Central has failed to disclose to policyholders even basic information about the economic value of the ownership interests the policyholders are surrendering in Union Central. Although the Board considered demutualization as an alternative, the policyholders were not provided with any indication of the economic value the average policyholder would receive. Union Central also failed to disclose the economic value policyholders would receive under other alternatives, including a sponsored demutualization. If policyholders understood the fair value of their current Union Central ownership interests, and the diminished fair value of the membership interests in UNIFI they will receive, they would probably never vote in favor of this reorganization.

Mr. Jacobs, please answer the following questions:

- (a) What is the approximate fair market value of Union Central?
- (b) Approximately how many participating policyholders does Union Central have?
- (c) On average (a rough estimate will suffice), what is the fair market value of stock or cash a policyholder would receive upon full demutualization of Union Central?
- (d) Short of a full demutualization, what other alternatives to the mutual holding company structure could have resulted in current economic benefits (stock, cash or policy credits) being distributed to Union Central policyholders?
- (e) Why weren't those alternatives, and the economic value of those alternatives to policyholders, fully disclosed to policyholders?
- (f) Do you and the Board believe it is fair and equitable to ask policyholders to give up their current membership interests in Union Central, when the policyholders do not know the approximate fair value of what they are surrendering?
- (g) Do you and the Board believe it is fair and equitable to ask the policyholders to accept a membership interest in UNIFI in exchange for their current ownership interest in Union Central, without disclosing to them a complete and unbiased opinion regarding the fair value of their membership interests in UNIFI? (see the discussion below)
- (h) Since the fair value of the ownership interests the policyholders are exchanging, and the fair value of the membership interests in UNIFI the policyholders are receiving are not disclosed in the fairness opinions and proxy materials, on what basis did you and the Board determine that the exchange is fair and equitable to the policyholders?
- (i) How can policyholders possibly make an informed decision to vote for this reorganization without knowing the fair value of the ownership interests in Union Central they are exchanging, the fair value of the UNIFI membership interests they are receiving, and the economic impact to them if the intermediate stock holding company issues stock to the public?

⁵ For example, Union Central client and producer flyer, "Our Mutual Advantage", compliance #UC 0815 C 7-04

3. In the Reorganization, Policyholders Initially Receive Nothing with Monetary Value. The proxy materials state that "Union Central Policyholders will not receive any distribution of cash, securities, policy credits or other monetary value at the time of the Reorganization."⁶ Unfortunately for policyholders, mutual holding company structures like the one Union Central is proposing do NOT reward the policyholders who own the corporation. Instead of receiving stock or cash as in a typical demutualization, policyholders are expected to except a new "membership interest" in the parent holding company (UNIFI), with little chance that the policyholders will ever receive fair value for their new membership interests.
4. Policyholders new membership interests in UNIFI are "essentially worthless". The New York Assembly Standing Committee on Insurance stated that federal securities law and regulation "sharply limit a mutual holding company's ability to make distributions to mutual policyholders. SEC 'No-Action' letters describe mutual holding company membership interests as essentially worthless."⁷ It is unlikely that Union Central's policyholders would receive any distributions if the intermediate stock holding company (Ameritas Holding Company) issues stock in an IPO or private placement, or at any other time before UNIFI were to liquidate, dissolve or demutualize (which may never occur).⁸ Worse, even if UNIFI were to liquidate, dissolve or demutualize in the future, policyholders who surrender their contracts or die prior to that event, would not receive the value of their membership interests.
- Mr. Jacobs,
- (a) Rather than obtaining an SEC no-action letter, it is my understanding that Union Central is relying on an opinion letter by counsel. Does the opinion letter describe the membership interests in UNIFI to be received by Union Central's policyholders as worthless, essentially worthless, or in similar terms (or otherwise discuss or make assumptions about the value of the membership interests)?
 - (b) Wouldn't any statements regarding the value of UNIFI membership interests contained in SEC or IRS correspondence (or in opinion letters) be material information for Union Central's policyholders?
 - (c) Please provide the Ohio Department of Insurance with a copy of Union Central's SEC no-action letter or opinion letter (and all related correspondence with counsel or the SEC regarding such opinion).
 - (d) Please provide the Ohio Department of Insurance with a copy of Union Central's private letter ruling confirming the tax consequences of the reorganization (and include copies of any other correspondence to or from the IRS regarding this transaction).
5. Morgan Stanley's Fairness Opinion Omits Material Information and Fails to Deal with the Most Significant Policyholder Risks. Union Central's Board reports that it has "determined that the Plan is fair and equitable to Union Central and its policyholders."⁹ Unfortunately, the Morgan Stanley fairness opinion which the Board obviously relied upon in making its determination states, "You have not asked for our opinion and we do not express an opinion as to the allocation of combined membership interests as between Union Central and Ameritas Acacia pursuant to

⁶ Policyholder Information Booklet, page 23.

⁷ "The Feeling's Not Mutual" cited in note 2 above, page 37.

⁸ Policyholder Information Booklet, pages 23 and 34.

⁹ Policyholder Information Booklet, pages 2 and 31.

the Reorganization or the value of the membership interests attributable to certain of the Union Central Policyholders pursuant to the Reorganization."¹⁰

Amazingly, the Morgan Stanley fairness opinion also "does NOT address any action which UNIFI, or any of its subsidiaries, may take following the Merger, including the terms of any initial public offering or any subscription or other participation rights which may be offered to the Union Central Policyholders."¹¹

This "exception" in the fairness opinion ignores the most significant disadvantages and risks to Union Central's policyholders in this transaction. For example, if the intermediate stock holding company issues stock to the public, an event which is clearly contemplated by the proxy materials:¹²

- (a) it is unlikely that Union Central policyholders will benefit from the stock offering or receive proceeds or distributions from that offering,
- (b) Union Central policyholders are not expected to receive dividends from the intermediate stock holding company,
- (c) the stock offering creates conflicts of interests between Union Central policyholders and public shareholders of the intermediate stock holding company, and substantial corporate value may be bled away to the new shareholders,
- (d) the stock offering dilutes the ownership interests and economic stake of the Union Central policyholders in UNIFI, and
- (e) management may receive substantial benefits in the form of stock or stock options.

Similarly, the Milliman actuarial fairness opinion fails to deal with these risk factors. For example, while the Milliman opinion discusses the possible future demutualization of UNIFI¹³, it ignores the risks associated with an IPO by the intermediate stock company.

Mr. Jacobs, please answer the following questions:

- (a) Since Morgan Stanley's fairness opinion does not address any actions which UNIFI, or any of its subsidiaries, may take following the Merger, including the terms of any initial public offering, is it correct to say the fairness opinion has not quantified and assessed the extent to which the policyholders would be impacted by each the following risks: (Please answer for each risk separately)
 - (1) The risk that Ameritas Holding Company, as the intermediate stock holding company will issue stock (which is essentially a partial demutualization) without guaranteeing cash or stock benefits for existing Union Central policyholders.
 - (2) The risk that if the intermediate stock holding company issues stock, it is unlikely that any of such proceeds would be paid or distributed to Union Central policyholders as members of UNIFI.¹⁴
 - (3) The risk that if the intermediate stock holding company issues stock, the "economic stake" and "voting power" of Union Central policyholders in UNIFI will be reduced.¹⁵

¹⁰ Exhibit 4 to Policyholder Information Booklet, page 4-3.

¹¹ Exhibit 4 to Policyholder Information Booklet, page 4-3

¹² These risks are discussed at pages 26 and 34 of the Policyholder Information Booklet. However, the fairness opinion doesn't consider them.

¹³ Exhibit 5 to Policyholder Information Booklet, page 5-3.

¹⁴ Policyholder Information Booklet, page 34.

¹⁵ Policyholder Information Booklet, page 27.

- (4) The risk that the intermediate stock holding company will be managed to preserve or sustain a given level of profitability for stockholders, possibly resulting in lower policy dividends or crediting rates, or increases in premiums or expense charges for policyholders.¹⁶
- (5) The risk that UNIFI may never dissolve, liquidate, or demutualize.
- (6) The risk of insolvency or delinquency proceedings being brought against Ameritas Life or Acacia Life, negatively impacting Union Central's policyholders.¹⁷
- (7) The risk that a small number of Ameritas Acacia designees to the UNIFI and AHC Boards might block certain transactions (under the supermajority voting requirements) that might otherwise be beneficial to Union Central's policyholders.¹⁸
- (b) Do these risks have an impact on the economic value of the membership interests in UNIFI?
- (c) Why is it "fair and equitable" for a fairness opinion to ignore the potential impact of risks that are material and clearly foreseeable (such as those excluded in Morgan Stanley's opinion) on policyholders interests?
- (d) Why would the Board of Directors (or any rational policyholder) rely on a fairness opinion that ignores these risks?
- (e) Has management or the Board of Directors obtained other written studies evaluating and quantifying the extent to which these risk factors (ignored by Morgan Stanley) would pose to the economic interests of Union Central's policyholders if the policyholders accept membership interests in UNIFI?
- (f) Mr. Jacobs, you are specifically quoted in "Our Mutual Advantage"¹⁹, stating that "In publicly owned insurance companies, there can be a fundamental conflict between a stock investor's desire for short-term profitability and a policyholder's requirement for long-term security. As a mutual company, our obligation is always to uphold our primary corporate goal – To assure Union Central's financial strength and stability in the best, long-term interest of our policyholders." Mr. Jacobs, aren't you now subjecting your policyholders to the very "fundamental conflict" you were speaking of if AHC issues stock? Are you compensating your policyholders for accepting that risk?
- (g) Why should management have the opportunity to benefit from stock and stock options without compensating the policyholders?
- (h) Mr. Jacobs, since you have already accepted a \$225,000 cash bonus²⁰ (and Gary Huffman, EVP at Union Central has accepted a \$100,000 cash bonus, and David Westerbeck, EVP, General Counsel and Secretary at Union Central has accepted a \$75,000 cash bonus) in connection with this transaction, what long term assurance do Union Central policyholders have that management will not receive significant financial benefits from this new structure?
- (i) Will management agree to a long term contractual provision that they will not receive stock, stock options (or other equity based compensation packages) from any company within this new structure without distributing appropriate surplus to the members of UNIFI?

6. Morgan Stanley's Fairness Opinion is Tainted. Morgan Stanley will receive a contingent fee ranging from \$2.5 million dollars to \$4.5 million dollars, but only if this reorganization is consummated.²¹ Morgan Stanley's fairness opinion²² also fails to apply the appropriate legal

¹⁶ Policyholder Information Booklet, page 26.

¹⁷ Policyholder Information Booklet, page 27.

¹⁸ Policyholder Information Booklet, page 24.

¹⁹ See note 5 above.

²⁰ Policyholder Information Booklet, page 20.

²¹ Policyholder Information Booklet, page 31.

standard. Rather than giving an unqualified opinion that this transaction is "fair and equitable to the mutual insurance company's policyholders"²³, their opinion states only that, subject to their exclusions, they believe the reorganization is "fair from a financial point of view to the Union Central Policyholders taken as a group."²⁴ Considering the massive exclusions in the Morgan Stanley opinion (discussed above), their failure to opine on the non-financial aspects of the transaction (some of these risks such as the conflict with future shareholders are discussed above), and their failure to apply the correct legal standard (fair "and equitable"), the Ohio Department of Insurance should not rely on this opinion as meeting the fair and equitable standard.

Mr. Jacobs, did you retain Morgan Stanley to represent the interests of the policyholders, or of management? Why should the Board or policyholders view Morgan Stanley's opinion as independent and unbiased, since they have such a large economic stake in this reorganization closing?

Union Central's Management and Board of Directors must consider the "Best Interests" of Policyholders

Although the Ohio Superintendent of Insurance will, at a minimum, examine whether the reorganization is "fair and equitable" to Union Central's policyholders²⁵, and whether the policyholder vote provides informed consent, the company's management and Board of Directors is also held to a "best interests" standard. The proxy materials state, "The Board of Directors of a mutual insurance company, like Union Central before the Reorganization, has a duty to act in the best interests of its policyholders."²⁶ As your sales literature quoted earlier provides, "Union Central is owned by our policyholders and managed for their benefit."

Mr. Jacobs, please answer these questions:

- (a) Have you and the Board determined that this reorganization is in the best interests of policyholders?
- (b) Since the proxy material sent to policyholders contains no indication that you and the Board applied a best interests standard, what documentation, expert opinions, or other evidence do you have that indicates this transaction is in the best interests of policyholders?
- (c) Given the inherent conflicts of interest between policyholders and management in the mutual holding company structure, did you hire or consult with any consumer advocates or other truly independent experts to represent the policyholders?
- (d) How was it possible for you and the Board to act in the best interests of policyholders when you admittedly did not consider a sponsored demutualization, or other alternatives not reflected in the proxy materials, or the value to the policyholders (even on a rough estimate basis) of choosing those alternatives?
- (e) Doesn't this new structure essentially permit a partial demutualization in the future, without guaranteeing that any stock or cash will flow through to the Union Central policyholders?
- (f) Under Union Central's current structure, it cannot demutualize without compensating existing policyholder/owners. Why is it in the best interests of policyholders to agree to this reorganization

²² Exhibit 4 to the Policyholder Information Booklet.

²³ Ohio Revised Statutes, 3913.28(B)(3)

²⁴ Exhibit 4 to the Policyholder Information Booklet, page 4-4.

²⁵ Ohio Revised Statutes, 3913.28(B)(3)

²⁶ Policyholder Information Booklet, page 26.

which substantially diminishes policyholder rights and exposes them to additional risks with no corresponding economic return?

Mr. Jacobs, I encourage you and the Board to show yourselves to be persons of integrity and honesty, and to make any proposed transaction not only truly fair and equitable for your policyholders, but also in their best interests. Please choose to be an advocate for your policyholders rather than forcing regulators to protect us. While I sincerely appreciate your phone call to me on September 1st, and the fact that the Ohio and New York insurance departments are working on additional stipulations, I am concerned that those stipulations will not prohibit the intermediate stock company from issuing shares to the public without demutualizing UNIFI also.

In the final analysis, Union Central's policyholders are being exposed to significant additional risks without being compensated for accepting that risk. Although you did not provide policyholders with adequate information or opinions to quantify it, policyholders membership interests in UNIFI must be economically worth less than their current membership interests in Union Central. Any rational investor reviewing the list of risks which the fairness opinions ignored (as discussed above) would conclude that this is true.

You have personally stated that "As a mutual company, we have a proven heritage of accountability to our policyholders, which we take very seriously."²⁷ Mr. Jacobs, please honor your promise of accountability by providing written answers to these questions to me and the Ohio Department of Insurance prior to the public hearing on this matter currently scheduled on Friday, October 21st, 2005, at 10 am at the offices of the Ohio Department of Insurance, 2100 Stella Court, Columbus, Ohio 43215.

Thank you for your time and consideration. I look forward to receiving your response.

Until these questions are satisfactorily answered, I will encourage all Union Central policyholders to vote against the proposed reorganization. If they have already voted in favor of the reorganization, I will encourage them to call your Reorganization Information Line at 800-315-9781 to request a new proxy and change their vote.

Respectfully submitted,

John Snider II
Union Central Life Insurance Company Policyholder/Owner
Email: protectpolicyholders@earthlink.net

cc: Board of Directors – Union Central Life Insurance Company
Ann Womer Benjamin, Director of the Ohio Department of Insurance
L. Tim Wagner, Director of the Nebraska Department of Insurance
Howard Mills, Superintendent of the New York State Insurance Department

²⁷ President's Message with 2003 annual report.

John H. ... obs, CLU
Chairman, President and
Chief Executive Officer
(513) 595 2428
(513) 595 2206 Fax

The Union Central
Life Insurance Company
1876 Wycross Road
PO Box 40888
Cincinnati Ohio 45240

UnionCentral

Insurance and Investments

October 3, 2005

Mr. John Snider, II
1816 Paddock Drive
Kearny, Missouri 64060

RE: Your September 6 Letter
Personal & Confidential

Dear Mr. Snider:

We have had a chance to thoroughly digest your September 6 letter which is quite thorough in expressing your concerns regarding the proposed reorganization of The Union Central Life Insurance Company.

While I welcome the opportunity to respond to your letter, because of the detailed nature of your letter, for many of the points I will ask our General Counsel, David Westerbeck, to respond to you on our behalf. However, there are several points that I would like to respond to you directly.

I do not have any qualms or hesitation in telling you that I personally and professionally believe that the Plan we submitted to the policyholders is fair and equitable to the policyholders and that it does properly protect their interest. The Board was unanimous in its support of management and its belief that the proposed reorganization is in the best interest of Union Central's policyholders. Management and the Board only recommended the proposed reorganization after thorough deliberations and extensive discussions among themselves and with legal counsel, financial advisers and actuarial consultants.

While I accept that we have a different view of the impact, I cannot in any way accept your assertion that we have withheld material information from policyholders or that we have in any way compromised the value of their interests. As you obviously know, there are many ways that a mutual insurance company provides value to the policyholders and distribution of cash upon a demutualization is far from the most effective way of providing long-term value to the policyholders. This transaction will continue to provide long-term value to you and all other policyholders at Union Central with what I consider to be full protection of the policyholders' interest.

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October 3, 2005

I look forward to answering any questions that the state of Ohio deems appropriate for me to answer at the public hearing, and I am committed to continuing to provide answers to your concerns, whether or not I succeed in changing your opinion. Some policyholders may not have agreed that the reorganization is in their best interest and, accordingly, voted against the proposal at the recent policyholders' meeting. The vast majority, however (over 83%), voted for the reorganization, which is what ownership in a mutual insurance company is in fact all about; the right of the policyholders in the aggregate to determine the future of the company.

You will be hearing directly from Mr. Westerbeck in a day or two with a more detailed response.

Thank you for your interest.

Very truly yours,



John H. Jacobs, CLU
Chairman, President and
Chief Executive Officer

JHJ:LSB

David F. Weste
J.D., LL.M.
Executive Vice President
General Counsel and Secretary
(513) 595 2325
(513) 595 2918 Fax
dwesterbeck@unioncentral.com

The Union Central
Life Insurance Company
1876 Waycross Road
Cincinnati, OH 45240
(800) 825 1551



FILE COPY

October 4, 2005

Mr. John Snider II
1816 Paddock Drive
Kearney, Missouri 64060

Re: September 6, 2005 Letter Regarding Union Central's Proposed Reorganization Using a Mutual Holding Company Structure

Dear Mr. Snider:

Thank you for your letter to John H. Jacobs, dated September 6, 2005, which articulates your concerns regarding the proposed reorganization of The Union Central Life Insurance Company in accordance with the Plan of Reorganization. I understand that Mr. Jacobs has directly responded to several points you raised. Please allow me to respond in more detail to some additional points.

At the outset, I would like to reiterate a point made by Mr. Jacobs, which is to assure you that the Union Central Board unanimously found the Plan to be fair and equitable to the policyholders of Union Central and to properly protect their interests. The Board recommended the Proposed Reorganization only after thorough deliberations and extensive discussions with Union Central's management, legal counsel, financial advisors, and actuarial consultants.

I welcome the opportunity to respond to the substantive points raised in your letter. I have generally refrained from addressing comments that I believe to be adequately covered in the Policyholder Information Booklet (the "PIB") or to be repetitive or to raise topics not relevant to the Proposed Reorganization. Any comment in your letter that I have not addressed herein should not be construed as any sort of admission or concession that Union Central agrees with the comment or the assumptions or conclusions underlying the comment.

Before addressing specific issues raised in your letter, let me make clear that Union Central strongly disagrees with your assertion that the materials provided to policyholders withhold material information or fail to explain why the Board believes the Proposed Reorganization to be fair and equitable. To the contrary, the materials provide all information necessary for policyholders to

Mr. John Snider II

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fully consider the Plan and Proposed Reorganization, provide full and fair disclosure of the Plan and Proposed Reorganization, and were reviewed for distribution by both the Ohio Department of Insurance ("ODI") and the New York Insurance Department ("NYID"). For example, the PIB fully explains the background and reasons for the Plan and Proposed Reorganization, the potential advantages and disadvantages of the Proposed Reorganization, and the potential advantages and disadvantages of possible alternatives to the Proposed Reorganization, such as remaining a mutual insurer, converting to a mutual insurance holding company structure without merging with Ameritas Acacia, and demutualization. This information fully informs Union Central Policyholders of the basis for the Board's recommendation that they vote "FOR" the proposal relating to the Proposed Reorganization.

Union Central also disagrees with many of the specific issues raised in your letter, including the following:

First, one concern underlying many of the questions and comments in your letter relates to the cash or stock value of the membership interests held by Union Central Policyholders under the Proposed Reorganization as compared to alternatives to the Proposed Reorganization. We believe that concern is misplaced, especially insofar as it appears to be based on the faulty assumption that membership interests of Union Central Policyholders will be less valuable after the Proposed Reorganization than their current interests. As a mutual insurance company, Union Central is currently owned by its policyholders. This means Union Central Policyholders essentially have two interests in Union Central: (1) a policyholder interest, as a holder of an insurance policy or annuity issued by Union Central; and (2) a membership interest. Your concerns appear to relate to the membership interests. Among other things, the membership interests entitle Union Central Policyholders to vote at annual meetings (assuming they meet certain criteria) and on extraordinary transactions, to a share of any surplus in Union Central if it is liquidated or otherwise dissolved, and to the right to receive a payment in the form of stock, cash, policy credits or other consideration if Union Central were ever to convert to an investor-owned stock company. These membership interests are not lost following the Proposed Reorganization; rather, the membership interests of Union Central Policyholders are converted from membership interests in Union Central to membership interests in UNIFI Mutual Holding Company. The impact of the Proposed Reorganization on membership rights, including a comparison of membership rights before and after the Proposed Reorganization, is set forth in the PIB. Such information was available to Union Central Policyholders when they were determining whether to vote in favor of the Proposed Reorganization.

Not only do Union Central Policyholders retain both their policyholder interests in Union Central and their membership interests (as converted to membership interests in UNIFI), but the Proposed Reorganization also provides important potential benefits to Union Central and its policyholders. Through the Proposed Reorganization, Union Central seeks to strengthen the

Mr. John Snider II

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Company and position itself for future growth through the combination with Ameritas Acacia (thereby forming UNIFI). At the same time, Union Central seeks to preserve its separate existence within the UNIFI group of companies and extend its successful operating strategy, referred to as "One Company Marketing," to UNIFI, as appropriate. As described more fully in the PIB, other significant potential advantages of the Proposed Reorganization include an anticipated improvement in Union Central's financial strength ratings, the potential ability to combine and build upon complementary products and distribution channels, and the potential ability to reduce operating expenses and enhance Union Central's operating margins. If those circumstances come to pass, the value of membership interests of Union Central Policyholders in UNIFI could be significantly enhanced.

Second, your letter asserts that Union Central should perform an economic analysis of the impact on membership interests should Union Central undergo an initial public offering. As a general matter, Union Central disagrees with your assumption that an IPO is reasonably foreseeable. To the contrary, no IPO is currently planned, either by UNIFI or by Union Central if the Proposed Reorganization does not occur. Providing an estimate of the cash or stock value of membership interests in the event of a currently unplanned, hypothetical IPO at an indeterminate time in the future subject to unknowable terms and market conditions is irrelevant and inappropriate, not only because no IPO is anticipated for the UNIFI companies but also because the Union Central Board determined that a demutualization (and related IPO) is not in the best interests of Union Central or its policyholders at this time. Accordingly, performing such an economic analysis would be unproductive and, more importantly, highly speculative and uninformative. Should UNIFI undertake an IPO, with or without a demutualization, in the future, the interests of Union Central Policyholders will be fully protected by the Board, the ODI, and the NYID.

Third, several of the comments in your letter appear to take issue with the mutual holding company structure itself, as opposed to specific facts relating to the Proposed Reorganization. Indeed, many of the reasons you cite for why the Proposed Reorganization is purportedly not fair and equitable to policyholders, or not in their best interests, are merely criticisms of the structure itself. In this regard, I note once again that the potential disadvantages of the Proposed Reorganization, as well as the potential advantages and disadvantages of alternatives to the Proposed Reorganization, are fully disclosed in the PIB.

Also, the criticisms of the mutual holding company structure that you quote were made in the context of legislation considered several years ago by the New York State Assembly. As you are aware, the use of a mutual holding company structure to effect the Proposed Reorganization is permitted under Ohio law, which is Union Central's state of domicile. Two other Ohio mutual life insurers have converted to mutual holding companies already. Similar laws permitting mutual holding company structures have been passed in many other states, including your state of residence, Missouri. Certainly, the legislatures in these states would not have passed

Mr. John Snider II

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legislation permitting mutual holding company structures if they believed the concept itself was "fundamentally flawed" or resulted in the "stealing" of money from policyholders. Moreover, the Board would not have approved and adopted the Plan if it believed the Plan was fundamentally flawed or would "steal" money from Union Central Policyholders.

Fourth, your letter points out that Union Central Policyholders will not receive any distribution of cash, securities, policy credits or other monetary value at the time of the Reorganization; this point once again appears to take issue with the mutual holding company structure itself, which is expressly permitted by Ohio law. As discussed above, the reason Union Central Policyholders are not receiving any distribution of cash, securities, policy credits or other monetary value is because they are not losing membership interests; rather, under the Proposed Reorganization, their membership interests in Union Central are converted into membership interests in UNIFI. Moreover, as you recognize, the PIB fully discloses the fact that Union Central Policyholders would not receive any distribution of cash, securities, policy credits or other monetary value at the time of the Reorganization. In addition, I note that Union Central Policyholders would also not receive any distribution of cash, securities, policy credits or other monetary value if Union Central remained a mutual insurer, as would be the case if we did not proceed with the Proposed Reorganization.

Fifth, Union Central strongly disagrees with the characterization of membership interests in UNIFI as "essentially worthless." Your letter bases this assertion, in part, on the statement that "if UNIFI were to liquidate, dissolve or demutualize in the future, policyholders who surrender their contracts or die prior to that event, would not receive the value of their membership interests." However, the same is true under Union Central's current structure as a mutual insurance company. Currently, if policyholders surrender their contracts or die, they do not receive monetary value for their membership interests.¹

Sixth, the issues raised by your letter with respect to Morgan Stanley and its opinion are unwarranted. As you acknowledge, the Morgan Stanley Opinion was reproduced, in its entirety, in the PIB. Accordingly, policyholders are fully aware of the assumptions, qualifications, and limitations to which the opinion is subject. The same is true of the "risks" you assert are not addressed by Morgan Stanley; also not only are these items not "risks," but they are all fully discussed and disclosed in the PIB.²

¹ Regarding your request that Union Central provide the ODI with a copy of: (1) the SEC no-action letter or letter from counsel; and (2) the letter from the Internal Revenue Service responding to requested rulings on the federal income tax consequences of the Proposed Reorganization, please be advised that the ODI already has copies of both letters.

² The same is true of the "risks" allegedly not dealt with in the Milliman Opinion.

Mr. John Snider II
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October 4, 2005

Moreover, the assumptions, qualifications, and limitations in the Morgan Stanley Opinion are reasonable. For example, the opinion does not address actions that UNIFI may take after the Proposed Reorganization, such as an IPO, because none are contemplated at this time. Addressing hypothetical actions that may occur at some indeterminate time, subject to unknown terms and unknown market conditions, would be speculative and inappropriate. Contrary to your statement, the proxy materials do *not* clearly contemplate that the intermediate stock holding company will issue stock to the public; indeed the opposite is true.

Your letter also takes issue with Morgan Stanley issuing an opinion "from a financial point of view." As you know, Morgan Stanley was retained as a financial advisor. There is no reason it was required to issue, nor would it have issued, an opinion from anything other than a financial point of view, which is industry practice. Your assertion that Morgan Stanley should have issued an unqualified opinion that the Proposed Reorganization is "fair and equitable" improperly seeks to impose the legal standard for the Superintendent's approval of the Proposed Reorganization upon Union Central's financial advisors, which is not Morgan Stanley's business.

Finally, we do not consider Morgan Stanley's opinion to have been tainted by its fee structure. Not only are the amounts and nature of the fee structure fully disclosed in the PIB, but such a fee structure is neither unusual nor unreasonable.

Seventh, let me address the quote attributed to Mr. Jacobs from "Our Mutual Advantage." The quotation states that "there *can be* a fundamental conflict between a stock investor's desire for short-term profitability and a policyholder's requirement for long-term security." (Emphasis added). Union Central is taking steps to protect against any such potential conflict and, regardless, there are no current plans to sell stock. Union Central believes that the Proposed Reorganization will strengthen the Company, which will serve policyholders' interest in long-term security. In addition, one reason for pursuing the mutual holding company structure and the merger is that the transaction in this form allows Union Central to preserve the benefits of a mutual company while at the same time combining with a strong partner.

Eighth, you raise issues relating to possible stock and stock options that might in the future be used as a form of compensation for Union Central management. Any such future stock or stock options would simply be another form of compensation (*e.g.*, instead of using only cash for compensation). It is not in the Company's best interests to limit the forms of compensation it can pay. Moreover, the issuance of any future stock options to management will be subject to approval by the ODI.

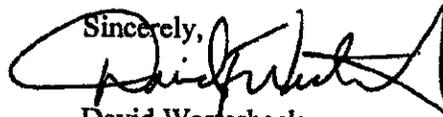
Finally, the amounts and nature of the cash bonuses authorized by the Compensation Committee of the Board to Mr. Jacobs, myself, and another senior executive were fully disclosed in the PIB. As stated therein, the Compensation Committee initiated and authorized the bonuses, and

Mr. John Snider II
Page 6
October 4, 2005

we had no prior knowledge that these bonuses would be paid. These bonuses were paid after the fact for what the Compensation Committee perceived to be extra effort and hard work in connection with the negotiation and execution of the Merger Agreement.

I hope this letter addresses your concerns. As you can see, Union Central respectfully disagrees with your belief that the Proposed Reorganization exposes our policyholders to additional risks without compensation. Quite the contrary is true. The Union Central Board believes the Proposed Transaction will strengthen Union Central, is fair and equitable and properly protects the interests of Union Central Policyholders.³ Indeed, a majority of the votes cast by Union Central Policyholders at the Special Meeting voted in favor of the Proposed Reorganization.

If you have any further questions, please feel free to contact me at the address indicated above or at dwesterbeek@unioncentral.com or (513) 595-2325. In addition, you are, of course, welcome to attend the public hearing scheduled for October 21, 2005 at 10 a.m., at the offices of the Ohio Department of Insurance, 2100 Stella Court, Columbus, Ohio 43215.

Sincerely,


David Westerbeck
Executive Vice President, General Counsel, and
Secretary

cc: Superintendent Ann Womer-Benjamin
John H. Jacobs, Chairman, President and Chief Executive Officer of Union Central

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³ Also, regarding your request that a copy of the Letter be provided to the Board of Directors of Union Central, please be advised that the Board is being generally kept apprised, on an ongoing basis, of all policyholder comments regarding the Plan and Proposed Reorganization, including both positive and negative comments.

EXHIBIT 5



Bob Taft, Governor
Ann Womer Benjamin, Director

2100 Stella Court, Columbus, OH 43215-1067
(614) 644-2658 www.ohioinsurance.gov

September 23, 2005

David F. Westerbeck
The Union Central Life Insurance Company
1876 Waycross Road
Cincinnati, Ohio 45240

*CAB -
Pec request a
reply to
my review
5/21*

(614) 644-3340
(fax) (614) 644-3742
sharon.green@ins.state.oh.us

RECEIVED
SEP 26 2005
LAW AND CORPORATE RELATIONS

Re: Ameritas Acadia Companies and Union Central Life Insurance Company Merger

Dear Mr. Westerbeck:

Enclosed is correspondence, in the form of an e-mail, received by the Ohio Department of Insurance ("Department") expressing concern regarding the above-referenced transaction. Please respond to the policyholder and copy the Department on your response.

Thank you for your anticipated cooperation in this matter.

Sincerely,

Sharon Green
Sharon Green
Hearing Administrator
Office of Legal Services

cc: John B. Schepman, Policyholder
Stephen J. Vamos, Ohio Department of Insurance



Sharon Green

From: john65158@fuse.net
Sent: Thursday, September 22, 2005 3:43 PM
To: Sharon Green
Subject: Union Central Life Insurance Co.

As a policyholder, I strongly object to the de facto demutualization of the Union Central Life Insurance Company of Cincinnati, Oh., which they propose to accomplish without adequate compensation to the current policyholders. I therefore ask that the Ohio Department of Insurance deny the reorganization of the Union Central Life Insurance Co. as currently proposed, because the policyholders would not be fairly compensated for their current financial interest in the Company.

Sincerely,

John B. Schepman
351 Jerlou Ln.
Edgewood, Ky. 41017

David F. West
J.D., LLIF
Executive Vice President
General Counsel and Secretary
(513) 595 2325
(513) 595 2918 Fax
dwesterbeck@unioncentral.com

The Union Central
Life Insurance Company
1876 Waycross Road
Cincinnati, OH 45240
(800) 825 1551

UnionCentral
Insurance and Investments

FILE COPY

October 4, 2005

John B. Schepman
351 Jerlou Lane
Edgewood, KY 41017-2614

Dear Mr. Schepman:

The Ohio Insurance Department has forwarded us your communication dated September 22, 2005, and asked that we reply directly to you. Your communication articulates your concerns regarding the proposed reorganization of The Union Central Life Insurance Company in accordance with the Plan of Reorganization.

Union Central is not demutualizing. It is in fact reorganizing pursuant to the provisions of Section 3913.25 through 3913.28 of the Ohio Revised Code. The reorganization has two main components: the conversion of The Union Central Life Insurance Company and the merger. The conversion will result in Union Central being converted into an Ohio stock insurance company wholly owned by a newly formed Ohio mutual insurance holding company. The newly formed Ohio mutual insurance holding company will, immediately after the transaction, merge with Ameritas Acacia Mutual Holding Company, a Nebraska mutual insurance holding company. After the merger, Ameritas Acacia Mutual Holding Company will change its name to UNIFI Mutual Holding Company and Union Central will be an indirect subsidiary of UNIFI.

As a mutual insurance company, Union Central is currently owned by its policyholders. This means Union Central policyholders essentially have two interests in Union Central: (1) a policyholder interest, as a holder of an insurance policy or annuity issued by Union Central; and (2) membership interests. Your concerns appear to relate to the membership interests. Among other things, the membership interests entitle Union Central policyholders to vote at annual meetings (assuming they meet certain criteria) and on extraordinary transactions, to a share of any surplus in Union Central if it is liquidated or otherwise dissolved, and to the right to receive a payment in the form of stock, cash, policy credits or other consideration if Union Central were ever to convert to an investor-owned stock company. These membership interests are not lost following the proposed reorganization; rather, these membership interests of Union Central policyholders are converted from membership interests in Union Central to membership interests in UNIFI Mutual Holding Company. The impact of the

John B. Schepman
Page 2
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proposed reorganization on membership rights, including a comparison of membership rights before and after the proposed reorganization, is set forth in the Policyholder Information Booklet (PIB). Such information was available to Union Central policyholders when they were determining whether to vote in favor of the proposed reorganization.

Not only do Union Central policyholders retain both their policyholder interests in Union Central and their membership interests (as converted to membership interests in UNIFI), but the proposed reorganization also provides important potential benefits to Union Central and its policyholders. Through the proposed reorganization, Union Central seeks to strengthen the Company and position itself for future growth through the combination with Ameritas Acacia (thereby forming UNIFI). At the same time, Union Central seeks to preserve its separate existence within the UNIFI group of companies and extend its successful operating strategy, referred to as "One Company Marketing," to UNIFI, as appropriate. As described more fully in the PIB, other significant potential advantages of the proposed reorganization include an anticipated improvement in Union Central's financial strength ratings, the potential ability to combine and build upon complementary products and distribution channels, and the potential ability to reduce operating expenses and enhance Union Central's operating margins. If those circumstances come to pass, the value of membership interests of Union Central policyholders in UNIFI could be significantly enhanced.

Union Central policyholders will not receive any distribution of cash, securities, policy credits or other monetary value at the time of the reorganization. The reason Union Central policyholders are not receiving any distribution of cash, securities, policy credits or other monetary value is because they are not losing membership interests; rather, under the proposed reorganization, their membership interests in Union Central are converted into membership interests in UNIFI. Moreover, as you recognize, the PIB fully discloses the fact that Union Central policyholders would not receive any distribution of cash, securities, policy credits or other monetary value at the time of the Reorganization. In addition, I note that Union Central policyholders would also not receive any distribution of cash, securities, policy credits or other monetary value if Union Central remained a mutual insurer, as would be the case if we did not proceed with the proposed reorganization.

Sincerely,



David F. Westerbeck

cc: Stephen J. Vamos, III, Ohio Department of Insurance
Sharon Green, Ohio Department of Insurance
John H. Jacobs, The Union Central Life Insurance Company
JADFWSHAREUNIFISchepman_10_03_05_tr.doc

John B. Schepman
Page 3
October 4, 2005

bcc: Cynthia Shoss, LeBoeuf Lamb
Ted LaPier, LeBoeuf Lamb
Robert-John H. Sands, Ameritas Acacia