

# PRESS RELEASE

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## ARIZONA DEPARTMENT OF INSURANCE

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### **Old West Annuity and Life Insurance Company Placed into Rehabilitation**

Phoenix, Arizona – Director of Insurance, Christina Urias, assumed control of Old West Annuity and Life Insurance Company (“Old West”) today, in a move intended to protect policyholders and assist the insurer in dealing with financial problems stemming from its parent holding company, Summit Securities, Inc. (“Summit”).

Director Urias was prompted to take this action to protect policyholders’ interests due to continuing concern regarding the ability of Summit to timely and successfully restructure their operations in bankruptcy court. At present, Old West remains solvent and has sufficient liquidity to meet ongoing policyholder obligations.

Old West has operated under the Arizona Insurance Department’s Order of Supervision since late December, when Old West’s Board of Directors sought help in preserving the company’s assets and financial integrity in the face of Summit’s mounting financial problems. Summit and a related holding company, Metropolitan Mortgage and Securities Company (“Metropolitan”) filed for Chapter 11 bankruptcy protection on Feb. 4, 2004.

Concurrent with this action by Director Urias, the Insurance Commissioners of Washington and Idaho have placed two additional insurers in the Summit and Metropolitan holding company system, Western United Life Assurance Company (“Western United”) (WA) and Old Standard Life Insurance Company (“Old Standard”) (ID), into Rehabilitation as well. Western United is authorized to transact insurance business in the State of Arizona, but Old Standard is not.

Old West has \$26.4 million and Western United has \$79.0 million in liabilities for amounts due to Arizona policyholders under outstanding annuity contracts. Old West had 826 policyholders in Arizona at the end of 2003, and Western United had 2,496.

Insurance-related questions and inquiries can be directed to the Arizona Department of Insurance Consumer Affairs Division by calling us at (602) 912-8444 (Phoenix) or (800) 325-2548 (statewide).

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