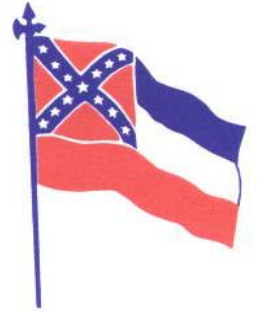




NATIONAL GUARD ASSOCIATION OF MISSISSIPPI

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1 July 2006

TO: ALL INSURED MEMBERS
National Guard Association of Mississippi

RE: NGAMS Group Term Life Insurance Program

The National Guard Association of Mississippi has been providing life insurance benefits to members of the Mississippi National Guard and their dependents since 1962 with no premium increases, except when coverage was increased. Also, some years ago, as a means of sharing the Experience Rate Refund (ERR) with the members, additional coverage was provided to the member at no additional cost to the insured. (Example: when the member purchased a \$35,000 policy, after being insured for one full year, on the anniversary date of the policy, NGAMS added and additional \$20,000 to the policy and paid the premiums on the additional coverage with the ERR.) The dependent children benefit was added in recent years at no cost to the insured, and the spousal coverage was increased to \$50,000. All these factors have brought the program to where we are today, and that is: premium collections are not sufficient to pay death claims at the pace we have experienced in the past three years.

Your NGAMS Insurance Committee and Board of Directors have looked at all the options and decided that raising premiums was not the right approach to keep our program competitive. After careful consideration and an actuarial review by the insurance carrier (ReliaStar Life Insurance Company, a member of the ING family of companies), the following changes to coverage will be effective 1 August 2006 for all policies in effect, and will apply to all new policies written.

The non-contributory, or the portion that NGAMS pays, will be reduced to one-half of the current amount:

Current Policy Amount	Current Non-Contributory Amount (Paid for by NGAMS)	Current Total Member Amount	New Non-Contributory Amount (Paid for by NGAMS)	New Total Member Amount
\$10,000	\$5,000	\$15,000	\$2,500	\$12,500
\$16,000	\$10,000	\$26,000	\$5,000	\$21,000
\$25,000	\$15,000	\$40,000	\$7,500	\$32,500
\$35,000	\$20,000	\$55,000	\$10,000	\$45,000

Currently, children are covered under the blanket Dependent Coverage, which covers both Spouse and Children. Children are covered for one half of the spousal coverage (Example, if the Dependent Coverage category is \$50,000), the spouse is insured for \$50,000 and the children are insured for one-half that amount or \$25,000.) Therefore, coverage on children is actually available at no cost to the individual.

The new amount of children coverage will be as follows:

Dependent Coverage Category	Current Children Coverage	New Children Coverage
\$50,000	\$25,000	\$15,000
\$30,000	\$15,000	\$10,000
\$15,000	\$7,500	\$5,000
\$10,000	\$5,000	\$2,500

We regret that NGAMS must make these changes to benefits and we hope that in the future, when the program has stabilized, that we can reinstate the benefits to their original amounts. Your insurance program is in a sound financial status, but this change is necessary to prevent continuing to access reserves to pay death claims.

Premiums currently being deducted from your IDT pay will remain the same for both the member and the spouse.

No changes are deemed necessary to the retired members' benefits or premiums.

Thank you for your participation in the National Guard Association of Mississippi insurance program that continues to provide the benefits to the soldier's family in the event of the loss of a member.