



Dear Colleagues,

As you know, over the past few months we have implemented a number of changes in order to improve our financial position. Many of these actions have had a direct impact on our agent partners, particularly in states where we have decided to limit our marketing efforts. As a result, there has been some confusion about where we are continuing to actively market our portfolio of products. This letter is intended to clarify our position and update you on our strategy going forward.

The number one priority for us right now and for 2010 is to improve our premium-to-surplus ratio. One approach to improving this ratio is to lower revenue by reducing the scale of our business. Going forward, we will focus our efforts on the segments of our business that can improve our financial position as quickly as possible. These include the following lines of business and states:

Core States for American Community	
Small Group Products	Individual Products
▪ Indiana	▪ Illinois
▪ Michigan	▪ Indiana
▪ Ohio	▪ Michigan
	▪ Nebraska
	▪ Ohio
	▪ Texas
	▪ Wisconsin

In addition to optimizing our market and product mix to generate more margin, we continue to look for ways to streamline our operations and reduce administrative expenses.

We realize that we have made a number of changes in a short time; however, there are some things that *haven't* changed. You can still count on American Community's superior customer service, delivered by employees who care. You can rely on our innovative products to solve your clients' health insurance needs. You can depend on our field marketing team to support you in your sales efforts. You can trust that we will continue to deliver competitive and on-time agent compensation. And you can count on us to keep you informed about our progress.

Thank you for your ongoing support. Wishing you all the best this holiday season as we look forward to a continuing partnership in the New Year.

Sincerely,

Michael Tobin
President and Chief Executive Officer

For more information about American Community, contact
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