



Merrill Lynch & Co. Inc.

OCT 2 1981

IBAR, INC.

March 12, 1981

Dr. Robert E. Schultz
President
IBAR, Inc.
626 Wilshire Blvd., Suite 860
Los Angeles, California 90017

Dear Dr. Schultz:

We understand that you have been discussing with Family Life Insurance Company, our wholly owned subsidiary, a program under which Family Life contemplates issuing structured annuity contracts in connection with the settlement of personal-injury and wrongful-death claims, effected on behalf of your clients.

We understand that courts in approving such annuities sometimes impose capital and surplus requirements for issuers that may be in excess of the capital and surplus of Family Life Insurance Company. This is to advise you and any persons or agencies concerned that if additional surplus is required by Family Life Insurance Company to permit it to fulfill its obligations under any of the said annuity contracts, we will contribute any such necessary surplus, to the Company, provided that such contributions, in the aggregate, shall not exceed \$100 million.

This letter may be communicated to and relied upon by any interested party or agency.

Sincerely,

MERRILL LYNCH & CO., INC.

By

Dakin B. Ferris

Executive Vice President

EXHIBIT B