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**SOUTHLAND NATIONAL ANNOUNCES FORMATION OF NEW PRE-NEED MARKETING AND SALES GROUP  
BY FORMER EMPLOYEES**

June 1, 2011 –Tuscaloosa, Alabama–Southland National Insurance Corporation today announced that its Senior Sales & Marketing team is leaving to establish an independent company, Capstone PreNeed Funding Solutions (“Capstone”). Capstone, located in Northport, Alabama, now will market and service pre-need funeral insurance policies and related products underwritten by Wisconsin-based National Guardian Life Insurance Company (“NGL”).

This move comes from a recent decision by the Southland companies to focus on the employee benefits line of business, and to discontinue writing new business in the pre-need insurance market as of August 31, 2011. Southland Chairman Will Ratliff announced the move adding, “We are all pleased about this opportunity for both organizations. While Southland has decided to concentrate on the employee benefits business, we are committed to serving our existing pre-need policyholders and providing a positive transition for our funeral home customers. This solution allows everyone to gain from it, and we are pleased about that.”

According to Ratliff, Southland will continue to service existing policies with its existing claims and customer service staff. “Southland will continue to support these policies with our financial strength and existing home office team,” added Ratliff.

Capstone will be led by a partnership of the former Southland Sales & Marketing team. At the helm will be Jeff Wright, who steps down as President and CEO of Southland to assume the position as President of Capstone. He will be joined by Celice Horsak Franklin as Executive Vice President and Ginger (Hardy) Balchunas, Executive Vice President. Capstone will also be joined by the Southland regional sales force. “We are excited about this opportunity and most appreciative of Southland for their support as we make this move. With the relationships we have built while at Southland, comparable products from a strong insurance company, NGL, and an impressive list of new services, we’ll be in a position to bring even greater focus to supporting our customers with their sales & marketing efforts.”

Wright continued, “We hope to build on the solid foundation we have with our funeral home partners across 18 states. Our Regional Managers have been an important part of achieving that. I think our customers will find they are comfortable with the new products, and we will have even more to offer them through NGL.”

As of June 1, 2011, Capstone will begin marketing and servicing policies underwritten by NGL. Founded in 1909, NGL is presently licensed to do business in 49 states and the District of Columbia. The company's current marketing focus includes the areas of pre-need and senior life (final expense). NGL has received an A- ("Excellent") rating from AM Best.

"We spent a lot of time looking for the right fit for our customers, and we are proud to be able to offer our customer policies through NGL. With the new features NGL can provide, we feel we greatly advance what we can offer not only our funeral home agents, but also the policyholders," Wright commented.

Wright will be replaced by James Leitner, formerly Chief Operating Officer, as President of Southland. Both Ratliff and Leitner emphasized that Southland will work closely with Capstone to ensure an orderly transition. Leitner said "We wish Jeff and his team the best. They have been successful at Southland, and we know they will continue to be at Capstone. Jeff, Celice, Ginger, Lori and the rest of the new Capstone team are outstanding professionals. We just found that the lines of business aren't inherently overlapping, so we all concluded that separating the lines would allow better support for both."

Referencing the change in leadership Ratliff commented, "It's a natural transition. James has been increasingly focused on the employee benefits business, and is looking forward to continuing to grow this aspect of our business, while continuing to serve our funeral home customers and life insurance policyholders."

Leitner stated that, aside from the departure of the pre-need sales & marketing, Home Office functions will remain unchanged. "We believe our policyholders will find that this transition is seamless. They'll have the same customer service and claims service they've had in the past. We will also do all we can to assist our good friends at Capstone as they continue to serve the outstanding customer base of funeral homes."

Southland National Insurance Corporation has been a growing presence in the insurance industry since 1969. Beginning in 1983, Southland became a third party benefits administrator for the Retirement Systems of Alabama. Today, Southland Benefit Solutions provides coverage or benefits administration for over 150 groups representing over 250,000 covered lives. In 1988, it added the pre-need insurance market.

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