

BURNHAM HOLDINGS, INC.

October 19, 2011

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Dear Burnham Stockholder,

The Board of Directors would like to inform you that Albert Morrison III has announced his retirement as CEO of Burnham Holdings, Inc., effective April 23, 2012, after a career of more than thirty-nine years with the company. Mr. Morrison will continue to serve as Chairman of the Board and a Director of Burnham Holdings, Inc.

Douglas S. Brossman, currently Vice President and General Counsel, has been elected President and Director of Burnham Holdings, Inc., effective January 1, 2012. By way of transition, Mr. Brossman will report to Mr. Morrison until April 23rd, and will be elected CEO upon Mr. Morrison's retirement.

Mr. Brossman graduated from Penn State University with a BS degree in Civil Engineering in 1980, Dickinson School of Law with a JD degree in 1985, and the Wharton School of The University of Pennsylvania, with an MBA in 2001. He joined Burnham Holdings, Inc. in 2008 as Vice President and General Counsel. Mr. Brossman was previously with Armstrong World Industries, the law firms of Niles Barton & Wilmer and Graham & James, and the engineering firm of Black and Veatch.

Mr. Morrison graduated from Bucknell University with a BS degree in Mechanical Engineering in 1968 and attended the P.M.D. program of the Harvard Business School in 1981. He joined the company in 1973 and was elected a Vice President in 1982, a Director in 1986, Executive Vice President in 1987, President and CEO in 1988, and Chairman of the Board in 2002. Mr. Morrison was previously with Atlantic Richfield Co.

The Board congratulates Doug Brossman as he assumes his new responsibilities. The Board wishes to express sincere appreciation to Al Morrison for his leadership as CEO since 1988, and his many years of dedicated service.

Very truly yours,

The Board of Directors

Burnham Holdings, Inc.