

The Depository Trust Company
IMPORTANT

B#: 2914
DATE: January 10, 2002
TO: All Participants
CATEGORY: Dividends
FROM: Nilesh Desai, Supervisor, Dividend Department
ATTENTION: Dividend Managers, Cashiers and Reorganization Managers
SUBJECT: Optional Dividend: Superior Financial Corporation
Cusip: 868161100 R/D: 12/31/01 P/D: 1/23/02
Rate: \$0.10 in stock or cash
DTC Cut-off 01/16/2002

***** WARNING TIME CRITICAL *****

Participants, who have positions in the above captioned security, can elect to receive the dividend distribution of \$ 0.10 in stock or cash.

Option #1 Stock: You may elect to receive additional common shares of Superior Financial Corporation at \$0.10 per share. The number of shares you are entitled to receive for this option will be based on a stock price of \$15.65.

Option #2 Cash: You may elect to receive \$ 0.10 in cash per common share held.

PARTICIPANTS NOT RESPONDING ON OR BEFORE THE CUT-OFF DATE OF 01/16/2002 WILL RECEIVE THE MANDATORY OPTION IN ACCORDANCE WITH OPTION #1 (COMMON STOCK WITH CASH IN LIEU OF FRACTIONAL SHARES).

PARTICIPANTS ARE TO SUBMIT THEIR INSTRUCTIONS OVER THE PARTICIPANT TERMINAL SYSTEM (PTS) THROUGH THE ELECTIVE DIVIDEND SYSTEM (EDS) FUNCTION.

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To confirm your Record Date positions, DTC participants should access the Dividend and Allocation History (DPAL) Option, via the PTS Dividend Announcements Inquiry (DIVA) function.

If there are any questions regarding this Important Notice or the processing of related instructions via EDS, DTC participants should contact Mr. John McCarthy or Ms. Janet Tuccillo of DTC's Stock Dividend Department at (212) 855-4521/4533.