

The Depository Trust Company

IMPORTANT

B#: 0359
DATE: July 21, 2000
TO: All Participants
CATEGORY: Reorganization
FROM: DTC Proxy Department
ATTENTION: Proxy/Reorganization Manager
SUBJECT: ARM Financial Group, Inc.

SECURITIES

ARM Financial Group, Inc. Class A
ARM Financial Group, Inc. Pfd.
ARM Financial Group, Inc. Depositary Shares

CUSIP #S

001944 107
001944 206
001944 404

The Depository Trust Company received materials, including the attached Notice indicating that ARM Financial Group, Inc. is soliciting acceptances by creditors of its Amended Plan of Reorganization, dated July 5, 2000 (the "Plan"). DTC has been advised by Counsel that holders of ARM Financial Group, Inc. securities listed above **have been deemed to reject the Plan /OR/ are unimpaired** and their votes are not being solicited on the Plan. A hearing on confirmation of the Plan is scheduled to be held on August 21, 2000. Any written objections to confirmation of the Plan must be filed no later than August 11, 2000. Participants may obtain copies of the materials for voting on the Plan by contacting:

Logan & Company at 973-509-3190

Karl Baker

Manager

Attachments

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

In re:)	Chapter 11
)	
ARM FINANCIAL GROUP, INC. and)	
INTEGRITY HOLDINGS, INC.,)	Case No. 99-4430 (PJW)
)	
Debtors.)	(Jointly Administered)

**NOTICE OF HEARING TO CONSIDER
CONFIRMATION OF DEBTOR'S AMENDED CHAPTER 11 PLAN**

NOTICE IS HEREBY GIVEN as follows:

On December 20, 1999 (the "Petition Date"), ARM Financial Group, Inc., with a mailing address of 515 West Market Street, 8th Floor, Louisville, Kentucky, 40202, one of the above-captioned debtors and debtors in possession (the "Debtor"), filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code with the United States Bankruptcy Court for the District of Delaware (the "Court"). At a hearing held on July 5, 2000, the Court entered its Order (i) approving the Debtor's amended disclosure statement dated July 5, 2000 (the "Disclosure Statement") in connection with the Debtor's proposed amended chapter 11 plan dated July 5, 2000 (the "Plan"), (ii) establishing solicitation, voting and tabulation procedures and deadlines, (iii) scheduling a hearing to consider confirmation of the plan, (iv) establishing deadlines and procedures for filing objections to confirmation of the plan, and (v) approving the form and manner of notice of the confirmation hearing.

Pursuant to the Plan, holders of the Common Stock of the Debtor will not receive any distributions and their Common Stock will be canceled on the Effective Date of the Plan.^{1/} Accordingly, pursuant to section 1126(g) of the Bankruptcy Code, holders of such Common Stock are deemed to have rejected the Plan, and such holders are not entitled to vote to accept or reject the Plan.

**Hearing On
Confirmation of the Plan**

1. A hearing to consider confirmation of the Plan and any objections thereto (the "Confirmation Hearing"), has been set by the Court for 9:30 a.m., Wilmington, Delaware time, on August 21, 2000 at the United States Bankruptcy Court for the District of Delaware, Marine Midland Plaza, 824 Market Street, Wilmington, Delaware 19801 before the Honorable Peter J. Walsh, Chief United States Bankruptcy Judge, at which time any party

^{1/} Capitalized terms used herein but not otherwise defined herein shall have the meaning assigned thereto in the Plan.

in interest who has not waived its right to object may appear and state its objections, if any, to confirmation of the Plan. No further notice shall be provided to creditors or interest holders of any adjournment of the Confirmation Hearing announced in open court at the Confirmation Hearing or at any subsequent Confirmation Hearing.

2. Any objection to confirmation of the Plan must (i) be in writing, (ii) comply with the Federal Rules of Bankruptcy Procedure and General Orders of the Court, (iii) set forth the name of the objector, and the nature and amount of any claim or interest asserted by the objector against the estate or properties of the Debtor, (iv) state with particularity the legal and factual basis for such objection, and (v) be filed with the Clerk of the United States Bankruptcy Court for the District of Delaware, together with proof of service thereof, and served upon (x) Young Conaway Stargatt and Taylor, LLP, 11th Floor, Rodney Square North, P.O. Box 391, Wilmington, Delaware 19899-0391, Attn: Pauline K. Morgan, Esq., and Paul, Weiss, Rifkind, Wharton & Garrison, 1285 Avenue of the Americas, New York, New York 10019-6064, Attn: Alan W. Kornberg, Esq., co-counsel for the Debtor; and (y) the Office of the United States Trustee, 601 Walnut Street, Room 950W, Philadelphia, Pennsylvania 19106, Attn: Daniel K. Astin, Esq., in each case so as to be actually filed and received no later than August 11, 2000 at 4:00 p.m., Wilmington Delaware time.

**UNLESS AN OBJECTION IS TIMELY SERVED AND FILED
IN ACCORDANCE WITH THIS NOTICE IT WILL
NOT BE CONSIDERED BY THE COURT**

Dated: Wilmington, Delaware

July 12, 2000

YOUNG CONAWAY STARGATT & TAYLOR, LLP

/s/ Pauline K. Morgan
James L. Patton, Jr. (No. 2202)
Pauline K. Morgan (No. 3650)
Eleventh Floor Rodney Square North
P.O. Box 391
Wilmington, Delaware 19899-0391
(302) 571-6600

- and-

PAUL, WEISS, RIFKIND, WHARTON & GARRISON
Alan W. Kornberg
Andrew N. Rosenberg
Jennifer L. Dumas
1285 Avenue of the Americas
New York, New York 10019-6064

Attorneys for ARM Financial Group, Inc. and Integrity Holdings, Inc., Debtors and Debtors in Possession