

**IN THE MATTER OF THE CONSERVATION OF THE TRUST FUNDS OF
RELIANCE INSURANCE COMPANY AS SUCCESSOR IN INTEREST OF
RELIANCE INSURANCE COMPANY OF ILLINOIS
Supreme Court of the State of New York County of New York
Index No.: 403409/02**

NOTICE

Pursuant to an order of the Supreme Court of the State of New York, County of New York (“Court”), entered November 18, 2002, the then-Superintendent of Insurance of the State of New York and his successors in office were appointed as conservator (“Conservator”) of a certain trust fund (“Trust Fund”) of Reliance Insurance Company of Illinois (“RICI”) and, as such, has been directed to conserve funds in the Trust Fund pursuant to Article 74 of the New York Insurance Law (“Insurance Law”). The Superintendent of Financial Services of the State of New York has now succeeded the Superintendent of Insurance as Conservator of RICI. The Conservator has, pursuant to Insurance Law Article 74, appointed Jonathan L. Bing, Special Deputy Superintendent (“Special Deputy”), as his agent to carry out the responsibilities of the Conservator, through the New York Liquidation Bureau (“Bureau”), 110 William Street, New York, New York 10038. The Conservator, by the Special Deputy, has submitted to the Court a verified petition (“Verified Petition”) seeking an order: (a) approving the conservation agreement (“Conservation Agreement”) executed on October 14, 2011, a copy of which is annexed to the Verified Petition as Exhibit 1, by and between Michael F. Consedine, Insurance Commissioner of the Commonwealth of Pennsylvania as liquidator (“Liquidator”) of the Reliance Insurance Company entities, including RICI, and the Conservator; (b) authorizing the Conservator to distribute the Trust Fund to the Liquidator in accordance with the terms of the Conservation Agreement; (c) releasing and discharging, upon distribution of the assets in accordance with the terms of the Conservation Agreement and the filing of a final report, the Conservator, his predecessors and successors in office, their agents, attorneys and employees, from any and all liability arising from their acts or omissions in connection with this proceeding; (d) authorizing the Conservator to take further actions which he, in his discretion, deems advisable for the protection of creditors and of the assets in his possession and for the termination of this proceeding; and (e) providing for such other and further relief as this Court.

The matter is scheduled for submission on the 9th day of April, 2012 (“Return Day”), at 9:30 a.m., before the Court, at the Motion Submission Part, Room 130, at the courthouse located at 60 Centre Street, New York, New York 10007. If you wish to object to the Verified Petition, you must serve a written statement setting forth your objections and all supporting documentation upon the Conservator and Clerk of the Court, at least fifteen business days prior to the Return Day. Service on the Conservator shall be made by first class mail at the following address:

Superintendent of Financial Services of the State of New York as
Conservator of Reliance Insurance Company of Illinois
110 William Street
New York, New York 10038
Attention: John Pearson Kelly
General Counsel

By filing the Verified Petition, the Conservator is seeking the approval of the Conservation Agreement from the Court. The Verified Petition and supporting papers are available for inspection at the above address. In the event of any discrepancy between this notice and the documents submitted to Court, the documents control.

Requests for further information should be directed to the Bureau's Legal Division at (212) 341-6755.

Dated: January 24, 2012

Benjamin M. Lawsky
Superintendent of Financial Services
of the State of New York as Conservator of
Reliance Insurance Company of Illinois