
STOCK PURCHASE AGREEMENT

by and between

LUMBERMENS MUTUAL CASUALTY COMPANY, IN LIQUIDATION

and

[Awardee]

dated as of [●], 2017

STOCK PURCHASE AGREEMENT

This STOCK PURCHASE AGREEMENT (this “Agreement”) is dated as of [●], 2017, by and between Lumbermens Mutual Casualty Company, In Liquidation an Illinois-domiciled mutual insurance company (“Seller”), acting through Jennifer Hammer, Director (the “Director”) of the Illinois Department of Insurance, acting solely in her capacity as the statutory and court-affirmed Liquidator (the “Liquidator”) of Seller, and [Awardee], a [●]-domiciled insurance company (“Purchaser”).

WITNESSETH:

WHEREAS, effective May 10, 2013, Seller was placed into liquidation pursuant to Article XIII of the Illinois Insurance Code (the “Liquidation”) by order (the “Liquidation Order”) of the Circuit Court of Cook County, Illinois (the “Supervising Court”);

WHEREAS, Seller owns all of the issued and outstanding shares of capital stock of Specialty Surplus Insurance Company (the “Company”), an Illinois-domiciled insurance company;

WHEREAS, in connection with the Liquidation, Seller desires to sell to Purchaser, and Purchaser desires to purchase from Seller, all of the Shares (as defined below), upon the terms and subject to the conditions set forth herein; and

WHEREAS, in furtherance of the transactions contemplated by this Agreement, prior to the Closing (as defined below), the Liquidator, on appropriate notice and opportunity for a hearing, will seek the entry of a written Order (as defined below) by the Supervising Court approving this Agreement and all of the transactions contemplated hereby (the “Approval Order”);

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and upon the terms and subject to the conditions set forth herein, the parties hereby agree as follows:

ARTICLE I

DEFINITIONS AND TERMS

Section 1.01 Definitions. As used in this Agreement, the following terms have the meanings set forth or as referenced below:

“Action” means any action, suit or proceeding by or before any Governmental Authority.

“Affiliate” means, with respect to any Person, at the time in question, any other Person controlling, controlled by or under direct or indirect common control with such Person. For purposes of this definition, “control” means the power to direct the management and policies of a Person through the ownership of securities, by Contract or otherwise, and the terms “controlling” and “controlled” have meanings correlative to the foregoing.

“Agreement” has the meaning set forth in the Preamble.

“Approval Order” has the meaning set forth in the Recitals.

“Benefit Plan” has the meaning set forth in Section 3.14(b).

“Books and Records” means originals or copies of the books, records and documents in the possession or control of the Company to administer, evidence or record information relating exclusively to the business or operations of the Company.

“Business Day” means any day other than a Saturday, Sunday or other date on which banks located in Chicago, Illinois or [Awardee’s principal office location] are closed for business as a result of federal, state or local holiday.

“Closing” has the meaning set forth in Section 2.02.

“Closing Date” means the date on which the Closing occurs.

“Code” means the United States Internal Revenue Code of 1986, as amended.

“Company” has the meaning set forth in the Recitals.

“Company Data” has the meaning set forth in Section 3.17(b).

“Company IT Systems” has the meaning set forth in Section 3.18(a).

“Contract” means, with respect to any Person, any written agreement, contract, lease, instrument or other legally binding obligation to which such Person is a party or is otherwise subject or bound.

“Director” has the meaning set forth in the Preamble.

“Encumbrances” means any security interest, pledge, mortgage, lien, encumbrance, deed of trust, hypothecation or charge (other than restrictions on transfer imposed by federal, state and provincial insurance Laws, securities Laws or Tax laws).

“Enforceability Exceptions” has the meaning set forth in Section 3.01.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

“Financial Condition Letters” means [●].

“Governmental Authority” means any federal, state, provincial, local or foreign government, political subdivision, court, board, commission, regulatory or administrative agency or other instrumentality thereof, including any regulatory authority that may be partly or wholly autonomous.

“Illinois SSIC Approval” means the approval by the Director of the change of control of the Company as a result of the transfer of 100% of the Shares of the Company to Purchaser pursuant to this Agreement.

“Insurance Policies” has the meaning set forth in Section 3.19.

“Intercompany Account” means any intercompany account balance outstanding as of immediately prior to the Closing between (a) the Company, on the one hand, and (b) Seller or any of its Affiliates (other than the Company), on the other hand.

“Intercompany Agreement” means any Contract between the Company, on the one hand, and Seller or any of its Affiliates (other than the Company) or any of their respective directors, officers or employees, on the other hand.

“IRS” means the Internal Revenue Service.

“Knowledge” means (a) with respect to Seller or the Company, the actual knowledge of any Person listed in Section 1.01(a) of the Seller Disclosure Schedule and (b) with respect to Purchaser, the actual knowledge of any Person listed in Section 1.01(a) of the Purchaser Disclosure Schedule.

“Law” means any federal, state, provincial, local or foreign statute, law, ordinance, code, regulation, judgment, decree, injunction or other legally binding obligation imposed by or on behalf of a Governmental Authority.

“Material Adverse Effect” means a material adverse effect on the business, financial condition or results of operations of the Company or Purchaser (in each case, taken as a whole), as applicable; provided, however, Material Adverse Effect shall not include, and in determining whether a Material Adverse Effect has occurred or would reasonably be expected to occur shall be deemed not to include, any adverse event, change, circumstance, effect, development, condition or occurrence resulting from, arising out of or relating to (a) conditions affecting the economy or financial, securities, credit, banking, currency or capital markets generally, (b) conditions affecting the property and casualty insurance, reinsurance or retrocession industry, or the insurance, reinsurance, retrocession or financial services industries generally, (c) any changes in applicable Law, SAP, or the interpretations of any of the foregoing, or changes in general legal, regulatory or political conditions, (d) any downgrade or potential downgrade of the financial strength, claims paying ability, insurance or other ratings of the Company (other than any downgrade or potential downgrade of the Company as a result of the Liquidation) or Purchaser, as applicable, (e) any changes in interest rates, (f) acts of terrorism or war, including the engagement by the United States of America, Canada or any other country in hostilities, and whether or not pursuant to a declaration of a national emergency or war, or any pandemics, earthquakes, hurricanes, tropical storms, floods, fires or other natural disasters, (g) any action taken by the Company or Purchaser, as applicable, or any of their respective Affiliates, (h) any action taken or not taken by the Company or Purchaser, as applicable, or any of their respective Affiliates at the request of the other party or that is required or contemplated by this Agreement, (i) any failure in and of itself to meet the Company’s or Purchaser’s internal or rating agencies’ forecasts or projections for the Company or Purchaser, as applicable, and (j) the negotiation, execution, announcement or performance of this Agreement or

the pendency or consummation of the transactions contemplated by this Agreement (including the impact thereof on relationships, contractual or otherwise, with any customers, reinsurers, reinsurance brokers or intermediaries, suppliers, vendors, lenders, venture partners, or employees or other Persons).

“Material Contract” has the meaning set forth in Section 3.11.

“Order” means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority.

“Outside Date” has the meaning set forth in Section 7.01(d).

“Permit” means any license, permit, Order, approval, consent, registration, membership, authorization or qualification under any applicable Law or with any Governmental Authority or under any industry or non-governmental self-regulatory organization.

“Person” means any natural person, corporation, partnership, limited liability company, trust, joint venture or other entity, including a Governmental Authority.

“Purchase Price” means \$[●].

“Purchaser” has the meaning set forth in the Preamble.

“Purchaser Disclosure Schedule” means the disclosure schedule delivered by Purchaser to Seller concurrently with the execution and delivery of this Agreement.

“Purchaser Fundamental Representations” has the meaning set forth in Section 6.03.

“Liquidation” has the meaning set forth in the Recitals.

“Liquidation Order” has the meaning set forth in the Recitals.

“Liquidator” has the meaning set forth in the Preamble.

“Resignations” has the meaning set forth in Section 5.07.

“SAP” means statutory accounting practices of the National Association of Insurance Commissioners.

“Securities Act” means the Securities Act of 1933, as amended.

“Seller” has the meaning set forth in the Preamble.

“Seller Disclosure Schedule” means the disclosure schedule delivered by Seller to Purchaser concurrently with the execution and delivery of this Agreement.

“Seller Fundamental Representations” has the meaning set forth in Section 6.02.

“Shares” has the meaning set forth in Section 2.01.

“Supervising Court” has the meaning set forth in the Recitals.

“Tax” or “Taxes” means any and all federal, state, provincial, local or foreign income, gross receipts, premium, capital stock, franchise, profits, withholding, social security, unemployment, disability, real property, ad valorem/personal property, stamp, goods and services, harmonized sales, excise, occupation, sales, use, transfer, value added, alternative minimum, estimated or other tax, fee, duty, levy, custom, tariff, impost, assessment or charge of the same or of a similar nature to any of the foregoing, including any interest, penalty or addition thereto.

“Tax Returns” means any and all returns, reports, statements, certificates, schedules or claims for refund of or with respect to any Tax that is supplied to any Governmental Authority, including any and all attachments, amendments and supplements thereto.

“Tax Sharing Agreement” shall mean any Tax indemnity agreement, Tax sharing agreement, Tax allocation agreement or similar contract or arrangement, whether written or unwritten (including, without limitation, any such agreement, contract or arrangement included in any purchase or sale agreement, merger agreement, joint venture agreement or other document)

“Transfer Taxes” means any and all sales, use, value added, stamp, documentary, filing, recording, transfer, real estate, stock transfer, intangible property transfer, personal property transfer, gross receipts, registration, securities transactions, conveyance and notarial taxes, and similar fees, taxes and governmental charges (together with any interest, penalty, addition to Tax and additional amount imposed in respect thereof) arising out of or in connection with the transactions contemplated by this Agreement.

Section 1.02 Interpretation. When a reference is made in this Agreement to an Article, Section, Exhibit, or Schedule, such reference shall be to an Article or Section of, or an Exhibit or Schedule to, this Agreement unless otherwise indicated. The Article and Section headings contained in this Agreement are solely for the purpose of reference, are not part of the agreement of the Parties and shall not affect in any way the meaning or interpretation of this Agreement. Whenever the words “include,” “includes” or “including” are used in this Agreement, they shall be deemed to be followed by the words “without limitation.” The words “hereof,” “herein” and “hereunder” and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms and to the masculine as well as to the feminine and neuter genders of such terms. Any agreement, instrument or statute defined or referred to herein or in any agreement or instrument that is referred to herein means such agreement, instrument or statute as from time to time amended, modified or supplemented, including (in the case of agreements or instruments) by waiver or consent and (in the case of statutes) by succession of comparable successor statutes. References to a Person are also to its permitted successors and assigns.

ARTICLE II

PURCHASE AND SALE

Section 2.01 Purchase and Sale. Upon the terms and subject to the conditions set forth in this Agreement, at the Closing, Seller shall sell, convey, assign, transfer and deliver to Purchaser, and Purchaser shall purchase, acquire and accept from Seller, all of the issued and outstanding shares of capital stock of the Company as of the Closing Date (the “Shares”), free and clear of all Encumbrances.

Section 2.02 Closing. The purchase and sale of the Shares contemplated by this Agreement shall take place at the Closing to be held within ten (10) Business Days after the later of (a) the date on which the Approval Order is entered, and (b) the satisfaction or waiver of the conditions forth in Article VI (other than those conditions that by their nature are to be satisfied at the Closing, but subject to the satisfaction or waiver of such conditions at the Closing), or on such other date as the Parties mutually agree to in writing. The Closing shall take place remotely via the exchange of documents and signatures. This Agreement will become effective contemporaneously with the Closing on the Closing Date.

Section 2.03 Closing Deliverables.

(a) At the Closing, Seller shall deliver or cause to be delivered to Purchaser the following:

- (i) the executed certificate(s) described in Section 6.02;
- (ii) certificates representing the Shares duly endorsed in blank, or accompanied by stock powers duly executed in blank, in proper form for transfer on the stock transfer books of the Company;
- (iii) an executed cross-receipt for the Purchase Price paid at the Closing; and
- (iv) the duly tendered Resignations.

(b) At the Closing, Purchaser shall deliver or cause to be delivered to Seller the following:

- (i) the executed certificate(s) described in Section 6.03;
- (ii) the Purchase Price by wire transfer of immediately available funds to an account or accounts designated by Seller in writing; and
- (iii) an executed cross-receipt for the Shares delivered at the Closing.

Section 2.04 Withholding. Notwithstanding anything herein to the contrary, Purchaser shall be entitled to deduct and withhold from the consideration otherwise payable pursuant to this Agreement to any Person such amounts required to be deducted and withheld from such Person with respect to the making of such payment under the Code and the rules and regulations

promulgated thereunder, or any provision of state, local or foreign law relating to Taxes. To the extent that amounts are so withheld by Purchaser such withheld amounts shall be treated for all purposes of this Agreement as having been paid to such Person in respect of which such deduction and withholding was made by Purchaser.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF SELLER

Except as set forth in the Seller Disclosure Schedule, Seller represents and warrants to Purchaser as follows:

Section 3.01 Organization and Authority of Seller. Seller is an insurance company duly organized and validly existing under the laws of the State of Illinois, in Liquidation pursuant and subject to the Liquidation Order, and has all the requisite organizational power and authority to execute and deliver, and perform its obligations under, this Agreement. Pursuant to the Liquidation Order and applicable Law, the Director is serving as the statutory Liquidator of Seller. This Agreement has been duly executed and delivered by Seller, and, subject to the due execution and delivery by Purchaser, this Agreement is valid and the binding obligation of Seller, enforceable against Seller in accordance with its terms, subject to (a) bankruptcy, insolvency, reorganization, fraudulent transfer, moratorium and other similar laws now or hereafter in effect relating to or affecting the rights of creditors of insurance companies or creditor's rights generally and (b) general principles of equity (regardless of whether considered in a proceeding at law or in equity) (collectively, the "Enforceability Exceptions")

Section 3.02 Organization, Authority and Qualification of the Company. The Company is an insurance company duly organized, validly existing and, except as set forth in Section 3.02 of the Seller Disclosure Schedule, in good standing under the Laws of the State of Illinois and has all requisite power and authority to own, operate or lease the properties and assets now owned, operated or leased by it and to carry on its business as it is currently conducted. The Company is duly qualified to do business and, except as set forth in Section 3.02 of the Seller Disclosure Schedule, is in good standing in each jurisdiction in which its business as currently conducted requires such qualification, except where the failure to be so qualified or in good standing that, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect. Seller has made available to Purchaser a copy of each of the organizational documents of the Company.

Section 3.03 Capitalization.

(a) The authorized capital stock of the Company consists of [•] Shares, par value \$[•] per Share, of which [•] Shares are issued and outstanding. The Shares constitute the whole of the issued capital stock of the Company. All of the Shares have been duly authorized, are validly issued, fully paid and non-assessable. Seller owns all of the Shares of record and beneficially, free and clear of all Encumbrances.

(b) Except for this Agreement, there are no preemptive or other outstanding rights, options, warrants, subscriptions, puts, calls, conversion rights or agreements or commitments of

any character relating to the authorized and issued, unissued or treasury shares of capital stock, or other equity or voting interests, of the Company. The Company does not have outstanding or authorized any stock appreciation, phantom stock, profit participation or similar rights. There are no voting trusts, stockholder agreements, proxies or other agreements or understandings in effect with respect to the voting or transfer of any of the Shares.

Section 3.04 No Subsidiaries. The Company does not control, or have any direct or indirect equity participation, joint venture or similar interest in, any Person, other than the investment assets beneficially owned by the Company.

Section 3.05 No Conflicts. Subject to the making of the filings and registrations and receipt of the consents, approvals, authorizations, waivers, permits, filings and notifications referred to in Section 3.06, the execution and delivery of this Agreement by Seller does not, and the consummation of the transactions contemplated hereby will not, (a) conflict with or violate any provision of Seller's or the Company's organizational documents or (b) result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify, or cancel any Material Contract, except, in the case of clauses (a) or (b), that, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

Section 3.06 Governmental Consents. Upon entry of the Approval Order and receipt of the Illinois SSIC Approval, no consents, approvals, authorizations, waivers or permits of, or filings with or notifications to, any Governmental Authority are required to be made or obtained at or prior to the Closing by Seller or any of its Affiliates in connection with the execution, delivery or performance of this Agreement by Seller or to consummate the transactions contemplated hereby, except for (a) consents, approvals, authorizations, waivers, permits, filings and notifications set forth in Section 3.06 of the Seller Disclosure Schedule and (b) such other consents, approvals, authorizations, waivers, permits, filings or notifications the failure of which to make with or obtain from the applicable Governmental Authority that, individually or in the aggregate, would not reasonably be expected to materially and adversely affect Seller's ability to timely perform its obligations under this Agreement.

Section 3.07 Compliance with Applicable Laws; Permits.

(a) Except as set forth in Section 3.07(a) of the Seller Disclosure Schedule, the Company (i) is in compliance with applicable Law and (ii) has not received, at any time since December 31, 2014, any written notice from any Governmental Authority regarding any actual or alleged violation of, or failure on the part of the Company to comply with, any applicable Law in each case, except for such instances of violations or non-compliance that, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

(b) Except as set forth in Section 3.07(b) of the Seller Disclosure Schedule, the Company (i) holds and maintains in full force and effect all Permits required to conduct its business in the manner and in all such jurisdictions in all material respects as currently conducted, (ii) is in compliance with all such Permits and (iii) has not received, at any time since December 31, 2014, any written notice from any Governmental Authority regarding any actual or alleged violation of, or failure on the part of the Company to comply with, any term or requirement of any such Permit

that has not been remedied, except, in the case of clauses (ii) and (iii), for such instances of violations or non-compliance that, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

Section 3.08 Litigation; Orders.

(a) As of the date hereof, there is no (i) material Action pending or, to the Knowledge of Seller, threatened in writing, against the Company or its business or any of its properties or assets or (ii) Action pending against Seller or any of its Affiliates (other than the Company) that, individually or in the aggregate, would reasonably be expected to restrain, prevent or materially delay the Closing.

(b) As of the date hereof, other than the Liquidation Order, the Company is not a party or subject to any material Order applicable to the Company or its business or any of its properties or assets other than any such Order that is generally applicable to all Persons in businesses similar to that of the Company.

Section 3.09 Financial Statements; No Undisclosed Liabilities. Seller has made available to Purchaser copies of (i) the Company's Annual Statements as of December 31 for each of the years 2016 and 2015 and (ii) the Company's Quarterly Report for the quarter ended June 30, 2017, in each case, as filed with the IL DOI, and Seller will promptly deliver to Purchaser correct and complete copies of the Company's Quarterly Reports as filed with the Illinois Department of Insurance for all quarters after the date of this Agreement and prior to the Closing Date (collectively, the "**Financial Statements**") which Financial Statements have been (or will be, as the case may be) prepared in accordance with SAP in all material respects. All such Financial Statements fairly present, in all material respects, the statutory financial position of the Company as of the respective dates thereof (subject, in the case of the Quarterly Reports, to normal year-end adjustments), and such statements of income and retained earnings and the notes thereto included in the Financial Statements fairly present, in all material respects, the results of operations for the periods therein referred to (subject, in the case of the Quarterly Reports to normal year-end adjustments). Except for those liabilities (i) that are reflected or reserved against in the Company Financial Statements, (ii) incurred in the ordinary course of business since December 31, 2016, (iii) incurred by or on behalf of the Company in connection with this Agreement or the transactions contemplated hereby or (iv) that, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect, as of the date of this Agreement, the Company has no liabilities that would be required by SAP to be reflected on a balance sheet of the Company (or disclosed in the notes thereto).

Section 3.10 Absence of Certain Changes. Except as set forth in Section 3.10 of the Seller Disclosure Schedule, and except to the extent arising out of or relating to the transactions contemplated by this Agreement, (a) since December 31, 2015 through the date of this Agreement, the business of the Company has been operated in the ordinary course of business in all material respects and (b) since December 31, 2015, no Material Adverse Effect has occurred.

Section 3.11 Material Contracts. With respect to each Contract listed in Section 3.12 of the Seller Disclosure Schedule (each, a "Material Contract"), assuming the due authorization, execution and delivery thereof by the other party or parties thereto, as of the date hereof (a) each

Material Contract is a valid and binding obligation of the Company and, to the Knowledge of Seller, each other party or parties thereto, enforceable in accordance with its terms and in full force and effect in all material respects, subject to the Enforceability Exceptions, (b) the Company is not, and, to the Knowledge of Seller, no other party thereto is in default in the performance, observance or fulfillment of any obligation, covenant or condition contained in each of the Material Contracts and (c) to the Knowledge of Seller, no event has occurred that would constitute a default under any Material Contract, except, in the case of clauses (a), (b) and (c), for such failures or defaults that, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect. Seller has made available to Purchaser a copy of each Material Contract.

Section 3.12 Investment Assets. Section 3.13 of the Seller Disclosure Schedule sets forth a list, as of the close of business on the Business Day prior to the date hereof, of the investment assets beneficially owned by the Company.

Section 3.13 Taxes.

(a) All income Tax Returns and all other material Tax Returns required to be filed by the Company have been timely filed (taking into account any extensions of time within which to file), all such Tax Returns were true, correct and complete in all material respects and all Taxes shown as due on such Tax Returns and all other Taxes due and payable have been timely paid, other than Taxes being contested in good faith and for which adequate reserves have been established.

(b) The Company has timely withheld and paid over to the appropriate taxing authority all Taxes which it is required to withhold from amounts paid or owing to any employee, shareholders, creditor, holder of securities or other third party, and the Company has complied with all information reporting (including Internal Revenue Service Form 1099) and backup withholding requirements, including maintenance of required records with respect thereto.

(c) The Company does not have any material liability for (i) Taxes of any Person (other than Seller) arising from the application of Treasury Regulation Section 1.1502-6 or any analogous provision of state, local or non-U.S. Law, or (ii) Taxes of any Person as a transferee, successor or as a result of a similar liability, operation of Law, by contract (including any Tax Sharing Agreement) or otherwise.

(d) No material Encumbrances for Taxes have been filed against the Company, except for Encumbrances for Taxes, assessments and other governmental charges not yet due and payable or due and being contested in good faith.

(e) The Company will not be required to include any item of income in, or exclude any item of deduction from, taxable income for any period ending after the Closing Date as a result of any: (i) change in method of accounting for any period beginning on or prior to the Closing Date pursuant to Section 481 of the Code (or any similar provision of state, local or foreign Law); (ii) "closing agreement" as described in Section 7121 of the Code (or any similar provision of state, local or foreign Law) executed on or prior to the Closing Date; (iii) installment sale or open transaction disposition made on or prior to the Closing Date; (iv) prepaid income received or

accrued on or prior to the Closing Date; or (v) method of accounting that defers the recognition of income to any period ending after the Closing Date, or modification or forgiveness of any indebtedness made on or prior to the Closing Date.

(f) The Company has not entered into a closing agreement or other similar agreement with a Governmental Authority relating to material Taxes of the Company with respect to a taxable period for which the statute of limitations is still open.

(g) The Company has not constituted either a “distributing corporation” or a “controlled corporation” (within the meaning of Section 355(a)(1)(A) of the Code) in a distribution of stock qualifying for tax-free treatment under Section 355 of the Code in a distribution within the past two (2) years or which could constitute part of a “plan” or “series of related transactions” (within the meaning of Section 355(e) of the Code) in conjunction with the purchase and sale of the Shares contemplated by this Agreement.

(h) To the Knowledge of Seller and the Company, there are no: (i) pending or threatened, in writing, claims by any Governmental Authority with respect to Taxes relating or attributable to any of the Company; or (ii) deficiencies for any Tax, claim for additional Taxes, or other dispute or claim relating or attributable to any Tax liability of any of the Company claimed, issued or raised by any Governmental Authority that has not been properly reflected in the Company Financial Statements.

(i) The Company has not waived any statute of limitations for the period of assessment or collection of Taxes, or agreed to or requested any extension of time for the period with respect to a Tax assessment or deficiency, which period (after giving effect to such extension or waiver) has not yet expired.

(j) The Company is not a party to any joint venture, partnership, other arrangement or contract which may reasonably be expected to be treated as a partnership for U.S. federal income Tax purposes.

Section 3.14 Employee Matters.

(a) The Company does not have any employees. The Company is not party to any (i) outstanding employment contracts or contracts with officers or employees or (ii) collective bargaining agreement or other labor union contract applicable to any Persons employed by the Company.

(b) The Company does not contribute to, sponsor, maintain, participate in, or have any liability with respect to, any (i) “employee benefit plan,” as defined in Section 3(3) of ERISA or (ii) other employment, bonus, deferred compensation, incentive compensation, stock purchase, stock option or other equity-based award, retention, change in control, transaction bonus, severance or termination pay, hospitalization, medical, dental, vision, life insurance, disability, supplemental unemployment benefits, profit-sharing, pension or retirement plan, program, agreement or arrangement (each, a “Benefit Plan”).

Section 3.15 No Brokers. There is no investment banker, broker, financial adviser, finder or other intermediary who is or might be entitled to any fee or commission in connection

with the transactions contemplated by this Agreement, based on arrangements made by or on behalf of Seller or any of its Affiliates.

Section 3.16 Real Property. The Company does not own, has never owned, and does not have any right to acquire real property.

Section 3.17 Information Technology; Data Privacy and Security.

(a) All information technology and computer systems, including software, hardware, networks, interfaces, and related systems, relating to the transmission, storage, maintenance, organization, presentation, generation, processing, or analysis of data and information, whether or not in electronic format, used by the Company (collectively, the “Company IT Systems”) have been properly maintained, in all material respects, by technically competent personnel, in accordance with standards set by the manufacturers or otherwise in accordance with prudent industry standards, to ensure proper operation, monitoring, and use. The Company IT Systems are in good working condition to perform all information technology operations necessary to conduct the business as currently conducted.

(b) The Company has good and valid title to all of the data included in all intellectual property owned by the Company and other information (including personal information regarding any Person) (collectively, the “Company Data”), free and clear of any Encumbrance, except to the extent that, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

Section 3.18 Insurance. Section 3.19 of the Seller Disclosure Schedule sets forth a correct list of all policies of fire, liability, medical, workers’ compensation, title, and other forms of insurance owned or held by the Company or Seller or any Affiliate of Seller and applicable to the Company, or the Company’s properties or assets (collectively, the “Insurance Policies”). Seller has provided to Purchaser correct copies of all Insurance Policies held by the Company. All of the Insurance Policies are valid, in full force and effect, and enforceable, all premiums thereunder have been paid in full, and no notice of cancellation or termination has been received by Seller or any Affiliate of Seller with respect to any of the Insurance Policies. Since January 1, 2016, the Company is and has been in compliance with all such Insurance Policies. Taken together, the Insurance Policies (a) provide insurance coverage for the properties and assets of the Company and the operation of the business for risks typically insured against by a reasonable Person carrying on the same business or businesses as the Company and (b) are in compliance with all (i) applicable Laws and (ii) the terms of any Material Contracts to which the Company is a party or by which the Company or any of its properties or assets is bound. Section 3.19 of the Seller Disclosure Schedule also sets forth a correct list of all claims which have been made by or on behalf of the Company since January 1, 2014 under any of the Insurance Policies, including any material claims that are currently pending.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF PURCHASER

Except as set forth in the Purchaser Disclosure Schedule, Purchaser represents and warrants to Seller as follows:

Section 4.01 Organization and Authority of Purchaser. Purchaser is an insurance company duly organized and validly existing under the laws of the State of Connecticut and has all the requisite organizational power and authority to execute and deliver, and perform its obligations under, this Agreement. This Agreement has been duly executed and delivered by Purchaser, and, subject to the due execution and delivery by Seller, this Agreement is valid and the binding obligation of Purchaser, enforceable against Purchaser in accordance with its terms, subject to the Enforceability Exceptions.

Section 4.02 No Conflicts. Subject to the making of the filings and registrations and receipt of the consents, approvals, authorizations, waivers, permits, filings and notifications referred to in Section 4.03, the execution and delivery of this Agreement by Purchaser does not, and the consummation of the transactions contemplated hereby will not, (a) conflict with or violate any provision of Purchaser's organizational documents or (b) result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify, or cancel any Contract to which Purchaser is a party, except, in the case of clauses (a) or (b) that, individually or in the aggregate, would not materially and adversely affect its ability to timely perform its obligations under this Agreement.

Section 4.03 Governmental Consents. No consents, approvals, authorizations, waivers or permits of, or filings with or notifications to, any Governmental Authority are required to be made or obtained at or prior to the Closing by Purchaser or any of its Affiliates in connection with the execution, delivery or performance of this Agreement by Purchaser or to consummate the transactions contemplated hereby, except for (a) consents, approvals, authorizations, waivers, permits, filings and notifications set forth in Section 4.03 of the Purchaser Disclosure Schedule, and (b) such other consents, approvals, authorizations, waivers, permits, filings or notifications the failure of which to make with or obtain from the applicable Governmental Authority that, individually or in the aggregate, would not reasonably be expected to materially and adversely affect its ability to timely perform its obligations under this Agreement.

Section 4.04 Compliance with Laws; Permits.

(a) Purchaser (i) is in compliance with applicable Law and (ii) has not received, at any time since December 31, 2014, any written notice from any Governmental Authority regarding any actual or alleged violation of, or failure on the part of Purchaser to comply with, any applicable Law in each case, except for such instances of violations or non-compliance that, individually or in the aggregate, would not reasonably be expected to materially and adversely affect its ability to timely perform its obligations under this Agreement.

(b) Purchaser (i) holds and maintains in full force and effect all Permits required to conduct its business in the manner and in all such jurisdictions in all material respects as currently

conducted, (ii) is in compliance with all such Permits and (iii) has not received, at any time since December 31, 2014, any written notice from any Governmental Authority regarding any actual or alleged violation of, or failure on the part of Purchaser to comply with, any term or requirement of any such Permit that has not been remedied, except, in the case of clauses (ii) and (iii), for such instances of violations or non-compliance that, individually or in the aggregate, would not reasonably be expected to materially and adversely affect its ability to timely perform its obligations under this Agreement.

Section 4.05 Purchaser Impediments.

(a) As of the date hereof, there is no Action pending or, to the Knowledge of Purchaser, threatened in writing, against Purchaser or any of its Affiliates that, individually or in the aggregate, would reasonably be expected to restrain, prevent or materially delay the Closing. There are no facts or circumstances related to Purchaser's and its Affiliates' identity (including equity holders, financing, operations or regulatory status) or business operations that would reasonably be expected to impair or delay its ability to promptly obtain the consents, approvals, authorizations, waivers, permits, filings and notifications set forth in Section 4.03 of the Purchaser Disclosure Schedule.

(b) Since December 31, 2015, no event, change, circumstance, effect, development, condition or occurrence has occurred that, individually or in the aggregate, would reasonably be expected to restrain, prevent or delay the Closing.

Section 4.06 Financial Capability. Purchaser has, and will have at all times through and at the Closing, sufficient available and unencumbered funds to pay the Purchase Price upon the terms and, subject to the conditions set forth in this Agreement, all related fees and expenses required to be paid by it.

Section 4.07 Purchase for Own Account.

(a) Purchaser is an "accredited investor" as that term is defined in Rule 501(a) of Regulation D under the Securities Act.

(b) Purchaser is acquiring the Shares for investment and not with a view toward, or for sale in connection with, any distribution thereof, nor with any present intention of distributing or selling the Shares. Purchaser agrees that the Shares may not be sold, transferred, offered for sale, pledged, hypothecated or otherwise disposed of without registration under the Securities Act and any applicable state securities laws, except pursuant to an exemption from such registration under such Laws.

(c) Purchaser is able to bear the economic risk of holding the Shares for an indefinite period, including a complete loss of its investment in the Shares, and has knowledge and experience in financial and business matters such that it is capable of evaluating the risks of an investment in the Shares.

Section 4.08 No Brokers. There is no investment banker, broker, financial adviser, finder or other intermediary who is or might be entitled to any fee or commission in connection with the

transactions contemplated by this Agreement, based on arrangements made by or on behalf of Purchaser or any of its Affiliates.

ARTICLE V

COVENANTS

Section 5.01 Conduct of Business. During the period from the date of this Agreement until the Closing or earlier termination of this Agreement, except as otherwise contemplated or permitted by, or necessary to effectuate the transactions contemplated by, this Agreement, as required by applicable Law, Order (including the Liquidation Order), fiduciary obligations or existing Contracts or with the prior written consent of Purchaser or one of its Affiliates, Seller shall cause the Company to conduct its business in the ordinary course of business in all material respects and cause the Company to not:

(a) declare, set aside or pay any dividend or distribution (in cash, stock or otherwise) on any shares of capital stock or other equitable interest or purchase, redeem or repurchase any shares of its capital stock or other equitable interest;

(b) issue, sell, pledge, transfer, dispose of or encumber any shares of its capital stock or other equity interest or securities exercisable or convertible into, or exchangeable or redeemable for, any such shares or other equity interest, or any rights, warrants, options, calls or commitments to acquire any such shares or other equity interest;

(c) split, combine, subdivide or reclassify any of its capital stock or other equity interest;

(d) amend its organizational documents;

(e) voluntarily adopt a plan of complete or partial liquidation or Liquidation or authorize or undertake a dissolution, Liquidation, consolidation, restructuring, recapitalization or other reorganization, other than the Liquidation;

(f) acquire or dispose (by merger, consolidation or acquisition or disposition of stock or other equity interest or of assets) of any Person or business or division thereof other than investments made in the ordinary course of business in accordance with its investment policies;

(g) make any material change in its financial, underwriting, pricing, claims, risk retention, retrocession, investment, accounting, reserving or actuarial practices or policies, except as required by SAP or changes in the interpretation or enforcement thereof;

(h) modify or amend in any material respect or terminate or commute any Material Contracts or release or assign any material rights or claims thereunder, in each case, other than in the ordinary course of business;

(i) make, revoke or change any Tax election of the Company, adopt or change any method of accounting or reverse any accruals (except as required by a change in Law), settle or compromise any Tax liability of the Company, file any amended Tax Return, fail to file any Tax

Return of the Company when due or surrender any right to claim a Tax refund, sign or enter into any closing agreement or settlement agreement with respect to any, or compromise any, claim or assessment of Tax liability, consent to any extension or waiver of the limitations period applicable to any claim or assessment, offset or other reduction in Tax liability of the Company, in each case, other than in the ordinary course of business or as would not affect Purchaser;

(j) (i) incur any indebtedness for borrowed money or guarantee or otherwise become responsible for any such indebtedness of another Person or (ii) make any material loans, advances or capital contributions to, or investments in, any other Person;

(k) hire any employees, enter into any employment agreements or adopt any Benefit Plans; or

(l) authorize or enter into an agreement or arrangement of any kind to do any of the foregoing.

Nothing contained in this Agreement shall give Purchaser or any Affiliate, directly or indirectly, the right to control or direct the operations of the Company prior to the Closing. Prior to Closing, each of Seller and Purchaser shall exercise, consistent with the terms and conditions of this Agreement, complete control and supervision over its and its subsidiaries' respective operations.

Section 5.02 Access to Information; Confidentiality. Prior to the Closing, to the extent not prohibited by applicable Law, Seller shall permit Purchaser and its representatives to have reasonable access during regular business hours and upon reasonable advance notice to Seller to the Books and Records for any reasonable business purpose relating to this Agreement; provided, that any Books and Records or other information that is subject to an attorney-client or other legal privilege or obligation of confidentiality or non-disclosure shall not be made so accessible. Access to the Books and Records shall be at Purchaser's sole cost and expense and shall not unreasonably interfere with the conduct of Seller's or any of its Affiliates' businesses. The provision of any information pursuant to this Section 5.02 shall not expand the remedies available to Purchaser under this Agreement.

Section 5.03 Reasonable Best Efforts; Regulatory Matters.

(a) Upon the terms and subject to the conditions set forth in this Agreement, between the date of this Agreement and the Closing Date, Seller and Purchaser shall each use commercially reasonable efforts to promptly (i) take, or to cause to be taken, all commercially reasonable actions, and to do, or to cause to be done, and to provide reasonable assistance and cooperation to the other party in doing all things reasonably necessary, proper or advisable under applicable Law or otherwise to consummate and make effective the transactions contemplated by this Agreement (including satisfying all Closing conditions), in each case, as applicable to such party; and (ii) obtain from any Governmental Authority any actions, non-actions, clearances, waivers, consents, approvals, Permits or Orders required to be obtained by such party or any of their respective Affiliates in connection with the authorization, execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby, including the Illinois SSIC Approval and such other approvals set forth on Section 3.06 of the Seller Disclosure Schedule and Section 4.03 of the Purchaser Disclosure Schedule. In connection therewith, Seller

and Purchaser shall (w) make, and cause their respective Affiliates to make, all legally required filings set forth on Section 3.06 of the Seller Disclosure Schedule and Section 4.03 of the Purchaser Disclosure Schedule as promptly as practicable and, in any case, no later than ten (10) Business Days after the date hereof, in order to facilitate the prompt consummation of the transactions contemplated by this Agreement, (x) provide, and cause their respective Affiliates to provide, such information and communications to Governmental Authorities as such Governmental Authorities may request, (y) take, and cause their respective Affiliates to take, all steps that are necessary, proper or advisable to avoid any action by any Governmental Authority with respect to the transactions contemplated by this Agreement, and (z) consent to, and comply with, any condition imposed by any Governmental Authority on this grant of any such actions, non-actions, clearances, waivers, consents, approvals, Permits or Orders.

(b) Between the date of this Agreement and the Closing Date, Seller and Purchaser shall provide each other with a reasonable opportunity to review and comment upon submissions made to any Governmental Authority in connection with the consents and approvals set forth on Section 3.06 of the Seller Disclosure Schedule and Section 4.03 of the Purchaser Disclosure Schedule, respectively, and shall keep one another reasonably informed of developments relating to their efforts to obtain such consents and approvals.

(c) Notwithstanding anything herein to the contrary, between the date of this Agreement and the Closing Date, neither Seller nor Purchaser shall be obligated to take or refrain from taking, or to agree to it, or its Affiliates taking or refraining from, any action, or to suffer to exist any condition, limitation, restriction or requirement, which would, individually or together with all other such actions, conditions, limitations, restrictions or requirements, reasonably be expected to materially and adversely affect the benefits, taken as a whole, which such party could otherwise reasonably expect to derive from the consummation of the transactions contemplated by this Agreement had such party not been obligated to take or refrain from, or to agree to the taking of or refraining from, such action, or suffer to exist such condition, limitation, restriction or requirement, excluding the effects of any such condition, limitation, restriction or requirement, that (i) is customary for applicable Governmental Authorities to impose in transactions of the type contemplated by this Agreement, or (ii) is otherwise agreed to by the parties in terms of an amendment or change to the Agreement.

Section 5.04 Tax Matters.

(a) Transfer Taxes. All Transfer Taxes, if any, arising out of, or in connection with, the transactions contemplated by this Agreement shall be born equally by Seller and Purchaser. Seller and Purchaser shall timely pay their respective portion of Transfer Taxes, if any, arising out of, or in connection with, the transactions contemplated by this Agreement. Purchaser shall prepare and timely file all necessary documentation and Tax Returns required to be filed with respect to such Transfer Taxes and shall promptly provide Seller any such documentation and Tax Returns.

(b) Assistance and Cooperation. After the Closing, Seller shall (and shall cause its Affiliates to) assist Purchaser in preparing any Tax Returns and reasonably cooperate in preparing for any audits of, or disputes with any Governmental Authority regarding, any Tax Returns filed by the Company.

Section 5.05 Intellectual Property Matters. Purchaser hereby acknowledges and agrees that (a) Purchaser is not acquiring any rights in and to any intellectual property of Seller or its Affiliates and (b) following the Closing, neither Purchaser nor any of its Affiliates (including the Company) shall have any right, title or interest in or to, or right to use, and Purchaser covenants that it and its Affiliates will not hereafter adopt, use, apply to register or register, or authorize others to adopt, use, apply to register or register, any intellectual property of Seller or its Affiliates.

Section 5.06 Intercompany Agreements and Accounts.

(a) Except as set forth on Section 5.06 of the Seller Disclosure Schedule, all Intercompany Agreements shall be terminated and discharged without any further liability or obligation thereunder and deemed to be void and of no further force and effect, effective immediately prior to the Closing.

(b) Seller shall, and shall cause its Affiliates to, take such action and make such payments as may be necessary so that as of immediately prior to the Closing, the Company, on the one hand, and Seller and its Affiliates (other than the Company), on the other hand, settle, discharge, offset, pay, repay, terminate or extinguish in full all Intercompany Accounts.

Section 5.07 Resignations. Seller shall cause the directors and officers of the Company, to the extent specified in writing by Purchaser at least three (3) Business Days prior to the Closing Date, to resign such position or positions, effective as of the Closing (the “Resignations”).

Section 5.08 Further Assurances. For a period of ninety (90) calendar days from and after the Closing, Seller and Purchaser shall, and Purchaser shall cause the Company (or their successors) to, promptly execute, acknowledge and deliver any additional documents, instruments or conveyances reasonably requested by Seller or Purchaser, as the case may be, and necessary for Seller or Purchaser, as the case may be, to satisfy their respective obligations hereunder.

ARTICLE VI

CONDITIONS TO CLOSING

Section 6.01 Conditions to the Obligations of Purchaser and Seller. The obligations of the parties to effect the Closing are subject to the satisfaction, on or prior to the Closing Date, of each of the following conditions (any or all of which may be waived by the parties, in whole or in part, to the extent permitted by applicable Law):

(a) No Injunction or Prohibition. No Governmental Authority of competent jurisdiction shall have enacted, enforced or entered any Law or Final Order that is in effect on the Closing Date and prohibits the Closing.

(b) Required Regulatory Approvals. The Approval Order, the Illinois SSIC Approval, and all other consents, approvals, authorizations, waivers, permits, filings and notifications set forth on Section 3.06 of the Seller Disclosure Schedule and Section 4.03 of the Purchaser Disclosure Schedule shall have been made or obtained and shall be in full force and effect.

Section 6.02 Conditions to the Obligations of Purchaser. The obligation of Purchaser to effect the Closing is subject to the satisfaction, on or prior to the Closing Date, of each of the following conditions (any or all of which may be waived by Purchaser, in whole or in part, to the extent permitted by applicable Law): (a) the representations and warranties of Seller contained in Section 3.01 (Organization and Authority of Seller), Section 3.02 (Organization, Authority and Qualification of the Company), Section 3.03 (Capitalization), Section 3.04 (No Subsidiaries), Section 3.05 (No Conflicts) and Section 3.16 (No Brokers) (collectively, the “Seller Fundamental Representations”) shall be true and correct as of the Closing Date with the same force and effect as though made on and as of the Closing Date (except to the extent that any such representations and warranties are given as of a particular date and relate solely to that particular date or period, which shall be true and correct as of such date or period), (b) all representations and warranties of Seller set forth in Article III other than the Seller Fundamental Representations shall be true and correct as of the Closing Date with the same force and effect as though made on and as of the Closing Date (except to the extent that any such representations and warranties are given as of a particular date and relate solely to that particular date or period, which shall be true and correct as of such date or period), except to the extent that any failure of any such representation or warranty to be true and correct as of the Closing Date would not be reasonably expected to have a Material Adverse Effect (c) all covenants and agreements of Seller required by this Agreement to be performed or complied with by it on or prior to the Closing Date shall have been performed and complied with in all material respects and (d) Seller shall have delivered to Purchaser a certificate dated as of the Closing Date, and signed by a duly authorized executive officer of Seller, certifying to the fulfillment of the conditions set forth in clauses (a), (b) and (c) of this Section 6.02.

Section 6.03 Conditions to the Obligations of Seller. The obligations of Seller to effect the Closing are subject to the satisfaction, on or prior to the Closing Date, of each of the following conditions (any or all of which may be waived by Seller, in whole or in part, to the extent permitted by applicable Law): (a) the representations and warranties of Purchaser contained in Section 4.01 (Organization and Authority of Purchaser), Section 4.02 (No Conflicts) and Section 4.08 (No Brokers) (collectively, the “Purchaser Fundamental Representations”) shall be true and correct as of the Closing Date with the same force and effect as though made on and as of the Closing Date (except to the extent that any such representations and warranties are given as of a particular date and relate solely to that particular date or period, which shall be true and correct as of such date or period), (b) all representations and warranties of Purchaser set forth in Article IV other than the Purchaser Fundamental Representations shall be true and correct as of the Closing Date with the same force and effect as though made on and as of the Closing Date (except to the extent that any such representations and warranties are given as of a particular date and relate solely to that particular date or period, which shall be true and correct as of such date or period), except to the extent that any failure of any such representation or warranty to be true and correct as of the Closing Date would not be reasonably expected to have a Material Adverse Effect (c) all covenants and agreements of Purchaser required by this Agreement to be performed or complied with by it on or prior to the Closing Date shall have been performed and complied with in all material respects and (d) Purchaser shall have delivered to Seller a certificate dated as of the Closing Date, and signed by a duly authorized executive officer of Purchaser, certifying to the fulfillment of the conditions set forth in clauses (a), (b) and (c) of this Section 6.03.

ARTICLE VII

TERMINATION

Section 7.01 Termination. This Agreement may be terminated, and the transactions contemplated hereby abandoned, at any time prior to the Closing as follows:

- (a) by mutual written consent of Purchaser and Seller;
- (b) by Purchaser if (i) Purchaser is not in material breach of any of its covenants or agreements hereunder and (ii) Seller is in material breach of any of its representations, warranties, covenants or agreements hereunder that renders or would render the conditions set forth in Section 6.02 incapable of being satisfied on the Outside Date, and such breach is either (A) not capable of being cured prior to the Outside Date or (B) if curable, is not cured within the earlier of (1) twenty (20) Business Days after the giving of written notice by Purchaser to Seller and (2) two (2) Business Days prior to the Outside Date;
- (c) by Seller if (i) Seller is not in material breach of any of its covenants or agreements hereunder and (ii) Purchaser is in material breach of any of its representations, warranties, covenants or agreements hereunder that renders or would render the conditions set forth in Section 6.03 incapable of being satisfied on the Outside Date, and such breach is either (A) not capable of being cured prior to the Outside Date or (B) if curable, is not cured within the earlier of (1) twenty (20) Business Days after the giving of written notice by Seller to Purchaser and (2) two (2) Business Days prior to the Outside Date;
- (d) by Seller or Purchaser, if the Closing has not occurred on or before nine (9) months following the date of this Agreement (the “Outside Date”) unless the absence of such occurrence was primarily due to the failure of the party seeking to terminate this Agreement (or any of its Affiliates) to perform its obligations under this Agreement; or
- (e) by Seller or Purchaser if there shall be in effect a final, non-appealable Order of a Governmental Authority having competent jurisdiction over the business of the Company prohibiting the Closing, it being agreed that Seller and Purchaser shall use their reasonable best efforts to promptly appeal any adverse determination that is appealable and diligently pursue such appeal subject to the terms and conditions herein; provided, that the right to terminate this Agreement pursuant to this Section 7.01(e) shall not be available to any party seeking to terminate whose failure to fulfill any obligation under this Agreement has been the cause of, or resulted in or contributed to, the failure of the Closing to occur on or prior to the date of such termination.

Section 7.02 Procedure Upon Termination. In the event of termination and abandonment by Seller or Purchaser, or both, pursuant to Section 7.01, written notice thereof shall forthwith be given to the other party, and this Agreement shall terminate, without further action by Seller or Purchaser.

Section 7.03 Effect of Termination. If this Agreement is terminated in accordance with Section 7.01, this Agreement shall thereafter become void and have no effect, and neither party shall have any liability to the other party or such other party’s Affiliates, directors, officers, employees, agents, partners, members, equity holders or representatives in connection with this

Agreement, except that (a) the obligations of the parties contained in this Section 7.03 and Article VIII shall survive and (b) termination will not relieve either party from liability for any intentional and material breach of this Agreement prior to such termination.

ARTICLE VIII

MISCELLANEOUS

Section 8.01 Notices. All notices and other communications under this Agreement shall be in writing and shall be deemed given (a) when delivered personally by hand (with written confirmation of receipt by other than automatic means, whether electronic or otherwise), (b) when sent by facsimile or email (with written confirmation of transmission) or (c) one (1) Business Day following the day sent by an internationally recognized overnight courier (with written confirmation of receipt), in each case, at the following addresses, facsimile numbers and email addresses (or to such other address, facsimile number or email address as a party may have specified by notice given to the other party pursuant to this provision):

to Seller:

Office of the Special Deputy Receiver
General Counsel & Director of Receivership Operations
222 Merchandise Mart Plaza, Suite 960
Chicago, Illinois 60654
Attn: J. Kevin Baldwin
Email: kbaldwin@osdchi.com

to Purchaser:

Section 8.02 Amendment, Modification and Waiver. Any provision of this Agreement may be amended, modified or waived if, and only if, such amendment, modification or waiver is in writing and signed, in the case of an amendment, by the parties, or in the case of a waiver, by the party against whom the waiver is to be effective. No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

Section 8.03 Assignment. Neither this Agreement nor any of the rights, interests or obligations under it may be directly or indirectly assigned, delegated, sublicensed or transferred by either of the parties, in whole or in part, to any other Person (including any bankruptcy trustee) by operation of law or otherwise, whether voluntarily or involuntarily, without the prior written consent of the other party, and any attempted or purported assignment in violation of this Section 8.03 will be null and void. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of, and be enforceable by the parties and their respective heirs, executors, administrators, successors, legal representatives and permitted assigns.

Section 8.04 Entire Agreement. This Agreement, together with all recitals and all schedules attached hereto, constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral or written, with respect to such matters.

Section 8.05 No Third Party Beneficiaries. Nothing expressed or implied in this Agreement is intended to confer any rights, benefits, remedies, obligations or liabilities upon any Person other than the parties and their respective heirs, executors, administrators, successors, legal representatives and permitted assigns.

Section 8.06 Public Disclosure. The parties shall agree on the form and content of any press release to be issued on the Closing Date and, except with the prior written consent of the other party (which consent shall not be unreasonably withheld, delayed or conditioned), shall not issue any other press release or other public statement or communication with respect to this Agreement or the transactions contemplated hereby; provided, that each party may, following the Closing, without the prior written consent of the other party (a) issue such public statement or such other communication as may be required by applicable Law, to the extent practicable, following reasonable prior consultation with the other party regarding the substance of such statement, (b) issue internal communications to its employees that are not inconsistent with the parties' prior public disclosures regarding the transaction, or (c) communicate with the investment community, its agents and/or its rating agencies, in each case, in a manner not inconsistent with the parties' prior public disclosures regarding the transaction.

Section 8.07 Expenses. Except as otherwise expressly provided in this Agreement, whether or not the transactions contemplated by this Agreement are consummated, all direct and indirect costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be borne by the Person incurring such expenses.

Section 8.08 Governing Law; Submission to Jurisdiction.

(a) This Agreement, and all claims or causes of action (whether in contract, tort or otherwise) that may be based upon, arise out of or relating to this Agreement or the negotiation, execution or performance of this Agreement (including any claim or cause of action based upon, arising out of or related to any representation or warranty made in or in connection with this Agreement) shall be governed by and construed in accordance with the Laws of the State of Illinois, without respect to its applicable principles of conflicts of laws that might require the application of the laws of another jurisdiction.

(b) Any and all disputes between the parties arising from, or related to, this Agreement shall be subject to the sole jurisdiction of the Supervising Court, without right of removal or claim of forum non conveniens, and solely for purposes of such disputes, the parties consent to the personal jurisdiction of the Circuit Court of Cook County, Illinois.

Section 8.09 WAIVER OF JURY TRIAL. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY THAT MAY BE BASED UPON, ARISE OUT OF OR RELATED TO THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND, THEREFORE, EACH SUCH PARTY HEREBY IRREVOCABLY

AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY FOR ANY DISPUTE BASED UPON, ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE BREACH, TERMINATION OR VALIDITY THEREOF OR ANY TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NEITHER THE OTHER PARTY NOR ITS REPRESENTATIVES, AGENTS OR ATTORNEYS HAVE REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) EACH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) EACH PARTY MAKES THIS WAIVER VOLUNTARILY AND (D) EACH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS OF THIS SECTION 8.09. ANY PARTY MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS AGREEMENT WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

Section 8.10 Counterparts. This Agreement may be executed in one (1) or more counterparts, each of which will be deemed to constitute an original, but all of which shall constitute one and the same agreement, and may be delivered by facsimile or other electronic means intended to preserve the original graphic or pictorial appearance of a document.

Section 8.11 Severability. The provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof. If any provision of this Agreement, or the application thereof to any Person or any circumstance, is found by a court or other Governmental Authority of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement and the application of such provision to other Persons or circumstances shall not be affected by such invalidity or unenforceability, nor shall such invalidity or unenforceability affect the validity or enforceability of such provision, or the application thereof, in any other jurisdiction. If any provision of this Agreement is so broad as to be unenforceable, the provision shall be interpreted to be only so broad as would be enforceable.

Section 8.12 Specific Performance. The parties agree that irreparable damage would occur and that the parties would not have any adequate remedy at law in the event that any provision of this Agreement were not performed in accordance with its specific terms or were otherwise breached and that money damages or other legal remedies would not be an adequate remedy for any such failure to perform or breach. It is accordingly agreed that without posting bond or other undertaking, the parties shall be entitled to injunctive or other equitable relief to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in any court of competent jurisdiction, this being in addition to any other remedy to which they are entitled at law or in equity. In the event that any such Action is brought in equity to enforce the provisions of this Agreement, no party will allege, and each party hereby waives the defense or counterclaim, that there is an adequate remedy at law. The parties further agree that (a) by seeking any remedy provided for in this Section 8.12, a party shall not in any respect waive its right to seek any other form of relief that may be available to such party under this Agreement and (b) nothing contained in this Section 8.12 shall require any party to institute any

action for (or limit such party's right to institute any action for) specific performance under this Section 8.12 before exercising any other right under this Agreement.

Section 8.13 Recitals Incorporated. The recitals and prefatory phrases and paragraphs set forth above are hereby incorporated in full, and made a part of, this Agreement.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

**LUMBERMENS MUTUAL CASUALTY
COMPANY, IN LIQUIDATION**

By: _____
Jennifer Hammer, Director of the Illinois
Department of Insurance, as statutory and
court-affirmed Liquidator of Lumbermens
Mutual Casualty Company, by her attorney-
in-fact and Special Deputy Receiver, Jim
Stephens

AWARDEE

By: _____
Name: _____
Its: _____

Seller Disclosure Schedule

Section 1.01(a) – Knowledge

Section 3.02 – Organization, Authority and Qualification of the Company

Section 3.06 – Governmental Consents

Section 3.07 – Compliance with Applicable Laws; Permits

Section 3.10 – Absence of Certain Changes

Section 3.12 – Material Contracts

Section 3.13 – Investment Assets

Section 3.19 – Insurance

Section 5.06 – Intercompany Agreements and Accounts

Section 1.01(a) – Knowledge

[To be provided]

Section 3.02 – Organization, Authority and Qualification of the Company

1. The Liquidation

Section 3.06 – Governmental Consents

[To be provided]

Section 3.07 – Compliance with Laws; Permits

(a)

1. The Liquidation Order

(b)

[•]

Section 3.10 – Absence of Certain Changes

1. the Company stopped writing new business during the [•] quarter of 200[•].

Section 3.12 – Material Contracts

[To be provided]

Section 3.13 – Investment Assets

[To be provided]

Section 3.19 – Insurance

[To be provided]

Section 5.06 – Intercompany Agreements and Accounts

1. [●]

Purchaser Disclosure Schedule

Section 1.01(a) – Knowledge

Section 4.03 – Governmental Consents

Section 1.01(a) – Knowledge

[To be provided]

Section 4.03 – Governmental Consents

[To be provided]