

Narrative

Commonwealth Insurance Company of America

Plan of Operations

August 26, 2014

I. Overview

Commonwealth Insurance Company of America ("CICA"), a Washington domiciled corporation, is licensed to write property and casualty insurance in 49 jurisdictions. Prior to 2013, CICA was wholly owned by Northbridge Indemnity Insurance Corporation ("Northbridge Indemnity"), which is wholly owned by Northbridge Financial Corporation ("Northbridge Financial"), which is wholly owned by Fairfax Financial Holdings Limited ("Fairfax"). On January 1, 2013, Northbridge Indemnity sold 100% of outstanding stock of the company to TIG Insurance Company ("TIG"), a California domiciled stock insurer and an indirect subsidiary of Fairfax. CICA's primary on-going focus is the orderly resolution of claims, settlement of its obligations and collection of reinsurance and other recoverable balances. Any remaining written premium activity primarily represents the impact of final premium adjustments and cancellations and is currently at immaterial levels. CICA has no current plans to write new business as it is in run-off. CICA is seeking to re-domesticate from Washington to Delaware in an effort to reduce the complexity of TIG's corporate structure, including reducing the number of domiciliary states for TIG's subsidiary insurance companies.

II. Company Operations

The runoff of CICA is managed by RiverStone Resources, LLC ("RiverStone"). RiverStone is a member company of the Fairfax group.

Management. The executive management of RiverStone average more than 25 years of experience in the insurance industry and have an outstanding record in the successful liquidation and runoff of insurers.

The following represents the current management of CICA who are also company officers of RiverStone (with the exception of Henry Edmiston):

PRESIDENT & CEO	Nicholas C. Bentley
CFO & SVP	John J. Bator
SVP & CHIEF OPERATING OFFICER	Nina L. Caroselli
SECRETARY & GENERAL COUNSEL	Richard J. Fabian
SVP, HUMAN RESOURCES	James Kelly
SVP, WORDWIDE COMMUTATIONS	Frank DeMaria
SVP, REGULATORY AFFAIRS	Henry Edmiston

Company Operations. CICA will continue to maintain an administrative office in Manchester, NH, as well as receive organizational direction and support from the RiverStone headquarters located in Manchester, NH. CICA has no plans to write new business as it is in run-off.

All CICA policies expired around April and May 2013 and none were renewed. There are six (6) remaining claims, all first party commercial property claims falling within first party commercial property coverage. It is unlikely that any new claims will be forthcoming.

III. Marketing and Distribution

As CICA is in run-off, it has ceased all marketing and advertising efforts.

IV. Underwriting and Claims Operations During Run-Off Period

Underwriting Operations. All policies expired around April and May 2013 and none were renewed. Likewise, no new policies were written. Underwriting, policy issuance and endorsements are all handled in accordance with the terms outlined in the Service and Cost-Allocation Agreement as of January 1, 2013 by and between CICA, Northbridge Indemnity and Northbridge Financial.

Claims Operations. There are six (6) remaining claims, all first party commercial property claims falling within first party commercial property coverage. It is unlikely that any new claims will be forthcoming. For continuity, all existing claims for current CICA policies will be handled by experienced staff within the RiverStone group and/or other Fairfax affiliates until the claims have been resolved.

Reserves. CICA will continue to apply a prudent reserving philosophy using actuaries to provide annual reserving estimates to ultimate loss on a business segment basis for management's consideration in setting the company's reserves.

VI. Financial

Investment Management. CICA will maintain its investment portfolio in accordance with Delaware law. Most of its assets are currently invested in cash and highly rated fixed income securities. The investment policy of CICA will continue to be set by its board of directors. CICA is not expected to have material exposures to equities or alternative asset classes, although it is expected that some portion of its portfolio may be invested in tax-exempt securities.

Financial Projections. Financial projections are enclosed herein in the UCAA Pro Forma Financial Statements.