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Charles R. Welsh
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January 23, 2007

Via Federal Express

The Honorable Michael Kreidler
Washington State Office of Insurance Commissioner
Insurance 5000 Building
5000 Capitol Blvd
Tumwater, WA 98501

Attn: Ron Pastuch
Holding Company Manager

Re: Form A Statement of QBE Reinsurance Corporation and QBE Insurance Group Limited Regarding the Proposed Acquisition of Control of or Merger with Unigard Insurance Company, Unigard Indemnity Company, and Unigard Pacific Insurance Company (collectively, the "Insurers")

Dear Commissioner Kreidler:

On behalf of our client, QBE Reinsurance Corporation and QBE Insurance Group Limited (together, the "Applicant"), enclosed please find three (3) complete copies, including one (1) manually signed copy, of the Form A Information Statement ("Form A") to be filed in connection with the Applicant's proposed acquisition of control of the Insurers.

As more fully described in the Form A and the exhibits attached thereto, the Applicant proposes to acquire control of the Insurers pursuant to the terms and conditions of a Stock Purchase Agreement, dated January 4, 2007, by and between Winterthur Schweizerische Versicherungs-Gesellschaft, a Swiss stock corporation, and the Applicant.

In connection with the Applicant's filing of this Form A, the Applicant is submitting biographical affidavits ("Affidavits"), attached thereto as Exhibit E, to be reviewed by the Washington State Office of the Insurance Commissioner (the "Office"). The Applicant requests that the Office treat all information disclosed within such Affidavits as confidential and in such a manner that the Affidavits of any person signing such document will not be disclosed to the public without the prior written consent of the individual named in such document.

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JAN 24 2007
INSURANCE COMMISSIONER
COMPANY SUPERVISION

EDWARDS ANGELL PALMER & DODGE LLP

The Honorable Michael Kreidler
January 23, 2007
Page 2

Please also find enclosed a check in the amount of \$810.00 to account for the processing fees of the fingerprint cards for the officers and directors of QBE Reinsurance Corporation. Fingerprint cards, including a check in the appropriate amount, for officers and directors of QBE Insurance Group Limited will be forwarded under separate cover shortly.

Please note that we have also enclosed a duplicate copy of this transmittal letter. Kindly date-stamp and sign the copy of the letter as an acknowledgment of receipt and return the signed copy to us in the enclosed, self-addressed envelope.

As always, if you should have any questions, please do not hesitate to contact either me, at the above-referenced telephone number, or my colleague, John N. Emmanuel, at 860.541.7722.

Very truly yours,



Charles R. Welsh

Enclosures

cc: Duncan A. Ramsay, Esquire (without enclosures)
Mr. Peter T. Maloney (with enclosures)
Alan J. Levin, Esquire (without enclosures)
John N. Emmanuel, Esquire (without enclosures)

COPY

FORM A

STATEMENT REGARDING THE PROPOSED ACQUISITION
OF CONTROL OF OR MERGER WITH A DOMESTIC INSURER

UNIGARD INSURANCE COMPANY,
UNIGARD INDEMNITY COMPANY
AND
UNIGARD PACIFIC INSURANCE COMPANY

Domestic Insurers
subsidiaries of

WINTERTHUR U.S. HOLDINGS, INC.

by

QBE REINSURANCE CORPORATION

and

QBE INSURANCE GROUP LIMITED

Applicant

Filed with the
Insurance Department of Washington

Dated: January 22, 2007

Names, Titles, Addresses and Telephone Numbers of
Individuals to Whom Notices and Correspondence
Concerning this Statement Should be Addressed:

Peter T. Maloney
Senior Vice President, Corporate Counsel and Secretary
QBE Reinsurance Corporation
Wall Street Plaza
88 Pine Street
New York, NY 10005
Telephone: (212) 894-7599
Facsimile: (212) 412-1313

With Copies to:

Charles R. Welsh
Edwards Angell Palmer & Dodge LLP
90 State House Square
Hartford, Connecticut 06103
Telephone: (860) 541-7762
Facsimile: (888) 325-9468
E-mail: cwelsh@eapdlaw.com

Alan J. Levin
Edwards Angell Palmer & Dodge LLP
90 State House Square
Hartford, Connecticut 06103
Telephone: (860) 541-7747
Facsimile: (888) 325-9088
E-mail: alevin@eapdlaw.com

QBE Reinsurance Corporation ("QBE Re") and QBE Insurance Group Limited ("QBE Limited") (together, the "Applicant") hereby file this application (the "Application") for approval from the Washington Insurance Department (the "Department") to acquire control of Unigard Insurance Company ("Unigard Insurance"), Unigard Indemnity Company ("Unigard Indemnity"), and Unigard Pacific Insurance Company ("Unigard Pacific", and collectively, "Unigard").

ITEM 1. INSURER AND METHOD OF ACQUISITION

This Application relates to Unigard Insurance, Unigard Indemnity, and Unigard Pacific, each a property and casualty insurance company organized under the laws of Washington with a principal office address of 15805 N.E. 24th Street, Bellevue, Washington, 98008. Unigard Indemnity and Unigard Pacific are wholly-owned subsidiaries of Unigard Insurance, which is a wholly-owned subsidiary of Winterthur U.S. Holdings, Inc., a Delaware corporation ("Winterthur U.S."). Winterthur U.S. is a wholly-owned subsidiary of Winterthur Schweizerische Versicherungs-Gesellschaft, a Swiss stock corporation (the "Seller").

The Applicant will acquire control (the "Acquisition") of Unigard by QBE Re, a Pennsylvania corporation, purchasing from the Seller 100% of the issued and outstanding capital stock of Winterthur U.S., a Delaware corporation, for cash to be paid by the Applicant (as detailed in Item 4).

The terms of the Acquisition of Winterthur U.S. by the Applicant are set forth in the Stock Purchase Agreement dated as of January 4, 2007, among the Seller and QBE Re and QBE Limited (the "Stock Purchase Agreement"), a copy of which is attached hereto as "Exhibit A." Through its Acquisition of Winterthur U.S., the Applicant will also acquire control of General Casualty Company of Wisconsin (a Wisconsin domiciled company) and its subsidiaries, Blue Ridge Indemnity Company, Blue Ridge Insurance Company, MassWest Insurance Company, Inc., Regent Insurance Company, Southern Guaranty Insurance Company, Southern Pilot Insurance Company, and Southern Fire & Casualty Company (each a Wisconsin domiciled company), General Casualty Company of Illinois (an Illinois domiciled company), Hoosier Insurance Company (an Indiana domiciled company), and Southern Guaranty Insurance Company of Georgia (a Georgia domiciled company). Form A applications will also be filed in the states of Illinois, Indiana, Georgia, Wisconsin, and California, where Unigard

Insurance Company and Unigard Indemnity Company are deemed to be commercially domiciled.

ITEM 2. IDENTITY AND BACKGROUND OF THE APPLICANT

A. The Applicant

The name and address of the Applicant is:

QBE Reinsurance Corporation
Wall Street Plaza
88 Pine Street, 16th Floor
New York, NY 10005

QBE Insurance Group Limited
Level 2, 82 Pitt Street
Sydney, N.S.W. 2000

B. The Business Operations of the Applicant

QBE Re is a Pennsylvania domiciled property and casualty insurance company. QBE Re primarily engages in the business of reinsurance. QBE Re is licensed to transact the business of property and casualty insurance in twenty-three (23) jurisdictions and reinsurance only in ten (10) jurisdictions. The principal offices of the QBE Re are located at Wall Street Plaza, 88 Pine Street, 16th Floor, New York, NY 10005.

QBE Re is an indirect wholly-owned subsidiary of QBE Limited, a holding company organized under the laws of Australia. Additional information about QBE Limited, its affiliated companies and its business operations are included in its 2005 Annual Report, a copy of which is attached hereto as "Exhibit B."

C. List Indicating Certain Information Regarding the Applicant and its Affiliates.

Attached hereto as "Exhibit C" is a chart detailing identities and interrelationships among the Applicant and its affiliates and indicating the percentage of voting securities of each person that is owned or controlled by Applicant. Moreover, such chart also lists, as to each person specified in the chart, the type of organization (corporation, partnership or trust) and its state or jurisdiction of domicile.

ITEM 3. IDENTITY AND BACKGROUND OF INDIVIDUALS ASSOCIATED WITH THE APPLICANT

A list setting forth the names and business addresses of the directors, executive officers and owners of ten percent (10%) or more of the voting securities of the Applicant are attached hereto as "Exhibit D." Biographical questionnaire forms completed by the directors, executive officers and owners of ten percent (10%) or more of the voting securities of the Applicant are attached hereto as "Exhibit E." None of such persons has been convicted in a criminal proceeding (excluding minor traffic violations) during the last ten (10) years.

ITEM 4. NATURE, SOURCE AND AMOUNT OF CONSIDERATION

The Acquisition will be effected by QBE Re purchasing from the Seller one hundred (100%) percent of the issued and outstanding capital stock of Winterthur U.S., the direct record and beneficial owner of all of the shares of Unigard, Inc., the direct record and beneficial owner of all of the shares of Unigard Insurance, the direct record and beneficial owner of all of the issued and outstanding capital stock of Unigard Indemnity. Article II of the Stock Purchase Agreement provides that QBE Re will pay to the Seller an aggregate purchase price of \$1,156,000,000 (the "Purchase Price") in exchange for all of the issued and outstanding capital stock of Winterthur U.S. QBE Re will also cause Winterthur U.S. to repay approximately \$557,000,000 in intercompany loans, with the repayment of such intercompany loans to be financed by QBE Re.

The Purchase Price and the repayment of the intercompany loans will be funded from QBE Limited's internal excess capital, dividend reinvestment, short-term debt, long-term debt and capital raised through a public equity offering, the proceeds of which will be contributed to QBE Re as a capital contribution.

In arriving at the value to be paid for the shares of capital stock of Winterthur U.S., as the parent of Unigard, the Applicant reviewed and evaluated information from various sources, including the financial statements of Winterthur U.S. and Unigard and other information with respect to past and current business operations of the Winterthur U.S. and Unigard, the financial condition and future prospects of Winterthur U.S. and Unigard, and such other due diligence as QBE considered relevant.

The nature and amount of the consideration were determined through negotiations on an arm's-length basis between unrelated parties.

ITEM 5. FUTURE PLANS OF INSURER

Following the Acquisition, the Applicant has no plans nor are there any proposals to have Unigard declare any extraordinary dividend, to liquidate Unigard, to sell assets of Unigard (except in the ordinary course of business), to merge Unigard with any other person, or to make any material changes in the business operations or corporate structure of Unigard.

Following the Acquisition, management of Unigard will consist of certain current officers and directors of Unigard together with certain current officers and directors from QBE Re and its affiliated United States insurance subsidiaries. It is expected that all newly elected officers and directors will be individuals who have provided biographical affidavits under Item 3 above. Applicant will notify the Washington Insurance Department once Applicant finalizes the reconstituted management of Unigard.

The general business plan for Unigard will not change following the Acquisition. Unigard will continue to specialize in property and casualty insurance risks written through independent agents in states where the companies are licensed.

QBE Limited and its affiliates are an international general insurance and reinsurance group. QBE Limited's United States operations are comprised of five (5) insurers, QBE Re, QBE Insurance Corporation, a Pennsylvania domiciled property and casualty insurance company and wholly-owned subsidiary of QBE Re, QBE Specialty Insurance Company, a North Dakota domiciled surplus lines insurer and a wholly-owned subsidiary of QBE Insurance Corporation, National Farmers Union Property and Casualty Company, a Colorado domiciled property and casualty insurance company and wholly-owned subsidiary of QBE Re, and United Security Insurance Company, a Colorado domiciled property and casualty insurance company and wholly-owned subsidiary of National Farmers Union Property and Casualty Company.¹ QBE Limited

¹ On December 13, 2006, QBE Re announced the execution of a Stock Purchase Agreement among Hannover Finance, Inc., Hannover Ruckversicherung AG, QBE Reinsurance Corporation and QBE Insurance Group Limited. Upon the satisfaction of all conditions to closing, QBE Re would control, directly, 100% of the issued and outstanding capital stock of Praetorian Financial Group, Inc. ("PFG"), a Delaware holding company and, indirectly, 100% of the issued and outstanding capital stock of Praetorian Insurance Company ("PIC"), an Illinois insurance company and wholly-owned subsidiary of PFG, Redland Insurance Company, a New Jersey insurance company and wholly-owned subsidiary of PFG and Praetorian Specialty Insurance Company, a Delaware insurance company and

and its affiliates comprise Australia's largest insurance and reinsurance group, which, in addition to North America, has operations in South America, Europe and Asia. Unigard will complement the existing insurance activities of QBE Limited in the United States and the Acquisition is consistent with QBE Limited's focus on specialty insurance programs and small to medium regional markets in the United States. Following the Acquisition, Unigard will be supported by the financial strength, managerial resources and experience of its affiliated companies.

ITEM 6. VOTING SECURITIES TO BE ACQUIRED

As described under Item 1, QBE Re will indirectly acquire all of the issued and outstanding voting securities of Unigard under the terms and for the consideration as described in the Stock Purchase Agreement by way of the acquisition of 200 shares of common stock, par value \$1.00 per share, of Winterthur U.S., the direct record owner and beneficial owner of all of the issued and outstanding capital stock of Unigard Insurance. Unigard Insurance is the direct record owner and beneficial owner of all of the issued and outstanding capital stock of Unigard Indemnity and Unigard Pacific.

ITEM 7. OWNERSHIP OF VOTING SECURITIES

Other than as set forth in the Application (including all Exhibits hereto), neither the Applicant, its affiliates, nor any person listed in Item 3 of this Application has a beneficial interest or rights to acquire voting securities of Unigard.

ITEM 8. CONTRACTS, ARRANGEMENTS OR UNDERSTANDINGS WITH RESPECT TO VOTING SECURITIES OF THE INSURERS

Except for the Agreement and the Exhibits thereto, neither the Applicant, its affiliates, nor any person listed in Item 3 of this Application is a party to any contract, arrangement or understanding with respect to any voting securities of Unigard, including but not limited to transfer of any securities, joint ventures, loan or options arrangements, puts or calls, guarantees of loans, guarantees against loss or guarantees of profits, division of losses or profits, or the giving or withholding of proxies.

wholly-owned subsidiary of PFG. Form A filings are pending in Delaware, Illinois, New Jersey, and California, where Redland Insurance Company is deemed to be commercially domiciled.

ITEM 9. RECENT PURCHASES OF VOTING SECURITIES

During the twelve (12) calendar months preceding the filing of this Application, neither the Applicant, its affiliates nor any person listed in Item 3 have purchased any of the voting securities of Unigard.

ITEM 10. RECENT RECOMMENDATIONS TO PURCHASE

During the twelve (12) calendar months preceding the filing of this Application, there have been no recommendations to purchase any voting securities of Unigard by the Applicant, its affiliates or any person listed in Item 3 of this Application or by anyone based upon interviews or at the suggestion of the Applicant, its affiliates or any person listed in Item 3 of this Application.

ITEM 11. AGREEMENTS WITH BROKER-DEALERS

During the twelve (12) calendar months preceding the filing of this Application, the Applicant has made no agreements, contracts or understandings with any broker-dealer as to the solicitation of voting securities of Unigard for tender.

ITEM 12. FINANCIAL STATEMENTS AND EXHIBITS

The following is a list of all Exhibits and Financial Statements that are included in and made a part of the Application:

<u>Exhibit</u>	<u>Description of Exhibit</u>
Exhibit A	Stock Purchase Agreement among Winterthur Schweizerische Versicherungs-Gesellschaft, QBE Reinsurance Corporation and QBE Insurance Group Limited
Exhibit B	QBE Insurance Group Limited Annual Report for the Period Ending December 31, 2005
Exhibit C	Organizational Chart of QBE Reinsurance Corporation and QBE Insurance Group Limited
Exhibit D	List of the Directors and Executive Officers of QBE Reinsurance Corporation and QBE Insurance Group Limited
Exhibit E	Biographical Affidavits of QBE Reinsurance Corporation and QBE Insurance Group Limited
Exhibit F	Annual Reports of QBE Insurance Group Limited for the Period Ending 2001 through 2005 and the Half Year Reported for the Period Ending June 2006
Exhibit G	Annual Financial Statements of QBE Reinsurance Corporation for the Years Ending 2001 through 2005 and the September 30, 2006 Quarterly Financial Statement

ITEM 13. SIGNATURE AND CERTIFICATION

SIGNATURE

Pursuant to the requirements of Section 4, Chapter 462, Laws of 1993, the Applicant has caused this Application to be duly signed on its behalf in the City of Sydney and State of New South Wales on the 12 day of January, 2007.

(Seal)

QBE REINSURANCE CORPORATION, the Applicant

By: _____

Name: Frank O'Halloran

Title: Director

Attest:

Peter Smiles

Name: PETER SMILES

Title: SENIOR MANAGER, GROUP LEGAL

**SOLICITOR OF THE SUPREME
COURT OF NSW**

(Seal)

QBE INSURANCE GROUP LIMITED, the Applicant

By: _____

Name: Frank O'Halloran

Title: Director

Attest:

Peter Smiles

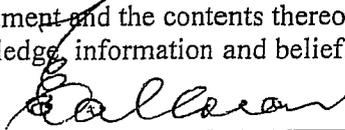
Name: PETER SMILES

Title: SENIOR MANAGER, GROUP LEGAL

**SOLICITOR OF THE SUPREME
COURT OF NSW**

CERTIFICATION

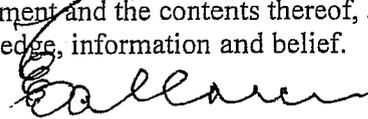
The undersigned deposes and says that he has duly executed the attached Application dated 22 January, 2007, for and on behalf of QBE Reinsurance Corporation; that he is a Director of such company and that he is authorized to execute and file such instrument. Deponent further says that he is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of his knowledge, information and belief.



Name: Frank O'Halloran

CERTIFICATION

The undersigned deposes and says that he has duly executed the attached Application dated 22 January, 2007, for and on behalf of QBE Insurance Group Limited; that he is a Director of such company and that he is authorized to execute and file such instrument. Deponent further says that he is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of his knowledge, information and belief.



Name: Frank O'Halloran

EDWARDS ANGELL PALMER & DODGE LLP

90 State House Square Hartford, CT 06103 860.525.5065 fax 860.527.4198 eapdlaw.com

Charles R. Welsh
860.541.7762
cwelsh@eapdlaw.com

March 16, 2007

Via Federal Express

Mr. Ron Pastuch
Holding Company Manager
Office of the Insurance Commissioner
5000 Capitol Boulevard
Tumwater, WA 98501

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INSURANCE COMMISSIONER
COMPANY SUPERVISION

RECEIVED

MAR 19 2007

INSURANCE COMMISSIONER
COMPANY SUPERVISION

RE: Amendment No. 1 to the Form A Statement Regarding the Proposed Acquisition of Control of or Merger with Unigard Insurance Company, Unigard Indemnity Company and Unigard Pacific Insurance Company (collectively, the "Insurers") by QBE Holdings, Inc. and QBE Insurance Group Limited

Dear Mr. Pastuch:

In connection with the pending Form A statement of QBE Reinsurance Corporation and QBE Insurance Group Limited ("Form A"), on March 14, 2007, QBE Reinsurance Corporation, QBE Holdings, Inc., Winterthur Schweizerische Versicherungs-Gesellschaft and QBE Insurance Group Limited entered into an Assignment and Assumption Agreement, whereby QBE Reinsurance Corporation assigned and transferred all of its rights, title and interest under the Stock Purchase Agreement for the acquisition of the Insurers to its immediate parent, QBE Holdings, Inc.

Enclosed are one (1) original and two (2) copies of the Amendment No. 1 to the Form A.

As always, if you should have any questions, please do not hesitate to contact either me, at the above-referenced telephone number, or my colleague, John N. Emmanuel, at 860.541.7722.

Very truly yours,


Charles R. Welsh

Enclosures

cc: Duncan A. Ramsay, Esquire (without enclosures)
Mr. Peter T. Maloney (with enclosures)
Alan J. Levin, Esquire (without enclosures)
John N. Emmanuel, Esquire (without enclosures)

AMENDMENT NO. 1 TO FORM A
STATEMENT REGARDING THE PROPOSED ACQUISITION
OF CONTROL OF OR MERGER WITH A DOMESTIC INSURER

UNIGARD INSURANCE COMPANY,
UNIGARD INDEMNITY COMPANY
AND
UNIGARD PACIFIC INSURANCE COMPANY

Domestic Insurers
subsidiaries of

WINTERTHUR U.S. HOLDINGS, INC.

by

QBE HOLDINGS, INC.-

and

QBE INSURANCE GROUP LIMITED

Applicant

Filed with the
Insurance Department of Washington

Dated: March 15, 2007

Names, Titles, Addresses and Telephone Numbers of
Individuals to Whom Notices and Correspondence
Concerning this Statement Should be Addressed:

Peter T. Maloney
Senior Vice President, Corporate Counsel and Secretary
QBE Reinsurance Corporation
Wall Street Plaza
88 Pine Street
New York, NY 10005
Telephone: (212) 894-7599
Facsimile: (212) 412-1313

With Copies to:

Charles R. Welsh
Edwards Angell Palmer & Dodge LLP
90 State House Square
Hartford, Connecticut 06103
Telephone: (860) 541-7762
Facsimile: (888) 325-9468
E-mail: cwelsh@eapdlaw.com

Alan J. Levin
Edwards Angell Palmer & Dodge LLP
90 State House Square
Hartford, Connecticut 06103
Telephone: (860) 541-7747
Facsimile: (888) 325-9088
E-mail: alevin@eapdlaw.com

Pursuant to Section 284-18-300 of the Washington Administrative Code and Section 48.31B.015 of the Washington Insurance Code, QBE Reinsurance Corporation ("QBE Re") and QBE Insurance Group Limited ("QBE Limited") filed with the Insurance Department of Washington a Statement Regarding the Acquisition of Control of Unigard Insurance Company ("Unigard Insurance"), Unigard Indemnity Company ("Unigard Indemnity"), and Unigard Pacific Insurance Company ("Unigard Pacific", and collectively, "Unigard"), dated January 22, 2007 (the "Application"). Pursuant to Section 284-18-370 of the Washington Administrative Code and Section 48.31B.015 of the Washington Insurance Code, QBE Holdings, Inc., a Delaware stock corporation and the immediate parent of QBE Re ("QBE Holdings", and together with QBE Limited, the "Applicant"), and QBE Limited hereby file the following Amendment No. 1 to the Application (the "Amended Application") requesting approval from the Washington Insurance Department (the "Department") to acquire control of Unigard. On March 14, 2007, QBE Re assigned its rights and obligations under the Stock Purchase Agreement to QBE Holdings. The Items set forth below are hereby amended as described, and all other Items of the Application remain as filed. All capitalized terms used herein and not defined herein shall have the meanings set forth in the Application.

ITEM 1. INSURER AND METHOD OF ACQUISITION

Item 1 is hereby amended and restated in its entirety as follows:

This Amended Application relates to Unigard Insurance, Unigard Indemnity, and Unigard Pacific, each a property and casualty insurance company organized under the laws of Washington with a principal office address of 15805 N.E. 24th Street, Bellevue, Washington, 98008. Unigard Indemnity and Unigard Pacific are wholly-owned subsidiaries of Unigard Insurance, which is a wholly-owned subsidiary of Winterthur U.S. Holdings, Inc., a Delaware corporation ("Winterthur U.S."). Winterthur U.S. is a wholly-owned subsidiary of Winterthur Schweizerische Versicherungs-Gesellschaft, a Swiss stock corporation (the "Seller").

The Applicant will acquire control (the "Acquisition") of Unigard by QBE Holdings, a Delaware corporation, purchasing from the Seller 100% of the issued and outstanding capital stock of Winterthur U.S., a Delaware corporation, for cash to be paid by the Applicant (as detailed in Item 4).

The terms of the Acquisition of Winterthur U.S. by the Applicant are set forth in the Stock Purchase Agreement dated as of January 4, 2007, among the Seller and QBE Re and QBE Limited (the "Stock Purchase Agreement"). A copy of the Stock Purchase Agreement is attached to the Application as "Exhibit A." On March 14, 2007, pursuant to an Assignment and Assumption Agreement, by and among QBE Holdings, QBE Re, the Seller and QBE Limited (the "Assignment Agreement"), a copy of which is attached hereto as "Exhibit A-1," QBE Re assigned all of its rights and obligations under the Stock Purchase Agreement to QBE Holdings. Through its Acquisition of Winterthur U.S., the Applicant will also acquire control of General Casualty Company of Wisconsin (a Wisconsin domiciled company) and its subsidiaries, Blue Ridge Indemnity Company, Blue Ridge Insurance Company, MassWest Insurance Company, Inc., Regent Insurance Company, Southern Guaranty Insurance Company, Southern Pilot Insurance Company, and Southern Fire & Casualty Company (each a Wisconsin domiciled company), General Casualty Company of Illinois (an Illinois domiciled company), and Hoosier Insurance Company (an Indiana domiciled company). Form A applications have been filed in the states of Illinois, Indiana, Wisconsin, and California, where Unigard Insurance Company and Unigard Indemnity Company are deemed to be commercially domiciled. Amendments to said Form A applications will be filed in the states of Illinois, Indiana, Wisconsin and California advising of the assignment and of the changes herein.

ITEM 2. IDENTITY AND BACKGROUND OF THE APPLICANT

Items 2A and 2B are hereby amended and restated in their entirety as follows:

A. The Applicant

The name and address of the Applicant is:

QBE Holdings, Inc.
c/o Corporation Trust Center
1209 Orange Street
Wilmington, DE 19801

Wall Street Plaza
88 Pine Street, 16th Floor
New York, New York 10005

QBE Insurance Group Limited
Level 2, 82 Pitt Street
Sydney, N.S.W. 2000

B. The Business Operations of the Applicant

QBE Holdings is a Delaware domiciled holding company. The principal offices of QBE Holdings are located at Wall Street Plaza, 88 Pine Street, 16th Floor, New York, NY 10005. QBE Holdings is an indirect wholly-owned subsidiary of QBE Limited, a holding company organized under the laws of Australia. Additional information about QBE Limited, its affiliated companies and its business operations are included in its 2005 Annual Report, a copy of which is attached to the Application as "Exhibit B."

ITEM 3. IDENTITY AND BACKGROUND OF INDIVIDUALS ASSOCIATED WITH THE APPLICANT

Item 3 is hereby amended as follows:

The list setting forth the names and business addresses of the directors and executive officers is deleted and replaced with the list attached hereto as "Exhibit D." The biographical affidavits of directors and executive officers, previously submitted as "Exhibit E" to the Application, include biographical affidavits for the officers and directors of QBE Holdings.

ITEM 4. NATURE, SOURCE AND AMOUNT OF CONSIDERATION

Item 4 is hereby amended and restated in its entirety as follows:

The Acquisition will be effected by QBE Holdings purchasing from the Seller one hundred (100%) percent of the issued and outstanding capital stock of Winterthur U.S., the direct record and beneficial owner of all of the shares of Unigard, Inc., the direct record and beneficial owner of all of the shares of Unigard Insurance, the direct record and beneficial owner of all of the issued and outstanding capital stock of Unigard Indemnity. QBE Holdings will pay to the Seller an aggregate purchase price of \$1,156,000,000 (the "Purchase Price") in exchange for all of the issued and outstanding capital stock of Winterthur U.S. QBE Holdings will also cause Winterthur U.S. to repay approximately \$557,000,000 in intercompany loans, with the repayment of such intercompany loans to be financed by QBE Holdings.

The Purchase Price and the repayment of the intercompany loans will be funded from QBE Limited's internal excess capital, dividend reinvestment, short-term debt, long-term debt and capital raised through an equity offering, the proceeds of which will be contributed to QBE Holdings as a capital contribution. Obtaining such funding is not a condition to closing under the Stock Purchase Agreement.

In arriving at the value to be paid for the shares of capital stock of Winterthur U.S., as the parent of Unigard, the Applicant reviewed and evaluated information from various sources, including the financial statements of Winterthur U.S. and Unigard and other information with respect to past and current business operations of Winterthur U.S. and Unigard, the financial condition and future prospects of Winterthur U.S. and Unigard, and such other due diligence as QBE considered relevant.

The nature and amount of the consideration were determined through negotiations on an arm's-length basis between unrelated parties.

ITEM 5. FUTURE PLANS OF INSURER

Item 5 is hereby amended and restated in its entirety as follows:

Following the Acquisition, the Applicant has no plans nor are there any proposals to have Unigard declare any extraordinary dividend, to liquidate Unigard, to sell assets of Unigard (except in the ordinary course of business), to merge Unigard with any other person, or to make any material changes in the business operations or corporate structure of Unigard.

Following the Acquisition, management of Unigard will consist of certain current officers and directors of Unigard together with certain current officers and directors from QBE Holdings and its affiliated United States insurance subsidiaries. It is expected that all newly elected officers and directors will be individuals who have provided biographical affidavits under Item 3 above. Applicant will notify the Washington Insurance Department once Applicant finalizes the reconstituted management of Unigard.

The general business plan for Unigard will not change following the Acquisition. Unigard will continue to specialize in property and casualty insurance risks written through independent agents in states where the companies are licensed.

QBE Limited and its affiliates are an international general insurance and reinsurance group. QBE Limited's United States operations are comprised of five (5) insurers, QBE Re, QBE Insurance Corporation, a Pennsylvania domiciled property and casualty insurance company and wholly-owned subsidiary of QBE Re, QBE Specialty Insurance Company, a North Dakota domiciled surplus lines insurer and a wholly-owned subsidiary of QBE Insurance Corporation, National Farmers Union Property and Casualty Company, a Colorado domiciled property and casualty insurance company and wholly-owned subsidiary of QBE Re, and United Security

Insurance Company, a Colorado domiciled property and casualty insurance company and wholly-owned subsidiary of National Farmers Union Property and Casualty Company.¹ QBE Limited and its affiliates comprise Australia's largest insurance and reinsurance group, which, in addition to North America, has operations in South America, Europe and Asia. Unigard will complement the existing insurance activities of QBE Limited in the United States and the Acquisition is consistent with QBE Limited's focus on specialty insurance programs and small to medium regional markets in the United States. Following the Acquisition, Unigard will be supported by the financial strength, managerial resources and experience of its affiliated companies.

ITEM 6. VOTING SECURITIES TO BE ACQUIRED

Item 6 is hereby amended and restated in its entirety as follows:

As described under Item 1, QBE Holdings will indirectly acquire all of the issued and outstanding voting securities of Unigard under the terms and for the consideration as described in the Stock Purchase Agreement by way of the acquisition of 200 shares of common stock, par value \$1.00 per share, of Winterthur U.S., the direct record owner and beneficial owner of all of the issued and outstanding capital stock of Unigard Insurance. Unigard Insurance is the direct record owner and beneficial owner of all of the issued and outstanding capital stock of Unigard Indemnity and Unigard Pacific.

ITEM 12. FINANCIAL STATEMENTS AND EXHIBITS

The following is a list of all Exhibits and Financial Statements that are included in and made a part of the Amended Application:

<u>Exhibit</u>	<u>Description of Exhibit</u>
Exhibit A-1	Assignment and Assumption Agreement, dated as of March 14,

¹ On December 13, 2006, QBE Re announced the execution of a Stock Purchase Agreement among Hannover Finance, Inc., Hannover Ruckversicherung AG, QBE Reinsurance Corporation and QBE Insurance Group Limited (the "PFG SPA"). On March 2, 2007, pursuant to an Assignment and Assumption Agreement, by and among QBE Holdings, QBE Re, Hannover Finance, Inc., Hannover Ruckversicherung AG and QBE Limited (the "Assignment Agreement"), QBE Re assigned all of its rights and obligations under the PFG SPA to QBE Holdings. Upon the satisfaction of all conditions to closing, QBE Holdings would control, directly, 100% of the issued and outstanding capital stock of Praetorian Financial Group, Inc. ("PFG"), a Delaware holding company and, indirectly, 100% of the issued and outstanding capital stock of Praetorian Insurance Company ("PIC"), an Illinois insurance company and wholly-owned subsidiary of PFG, Redland Insurance Company, a New Jersey insurance company and wholly-owned subsidiary of PFG and Praetorian Specialty Insurance Company, a Delaware insurance company and wholly-owned subsidiary of PFG. Form A applications are pending in Delaware, Illinois, New Jersey, and California, where Redland Insurance Company is deemed to be commercially domiciled. Amendments to said Form A applications have been filed in Delaware, Illinois, New Jersey, and California advising of the Assignment Agreement.

Exhibit D
Exhibit G

2007, by and among QBE Reinsurance Corporation, QBE Holdings, Inc., QBE Insurance Group Limited and Winterthur Schweizerische Versicherungs-Gesellschaft
List of the Directors and Executive Officers of Applicant
Balance Sheets and Income Statements of QBE Holdings, Inc. for Years Ending 2001 through 2006 (Exhibit G attached hereto hereby replaces Exhibit G submitted in Application.)

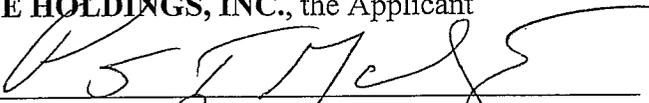
ITEM 13. SIGNATURE AND CERTIFICATION

SIGNATURE

Pursuant to the requirements of Section 4, Chapter 462, Laws of 1993, the Applicant has caused this Amended Application to be duly signed on its behalf in the City of NY and State of NY on the 15 day of March, 2007.

(Seal)

QBE HOLDINGS, INC., the Applicant

By: 

Name: Peter T. Maloney

Title: Corporate Secretary

Attest:



Name: Christopher Fish

Title: EVP & CFO

(Seal)

QBE INSURANCE GROUP LIMITED, the Applicant

By: _____

Name:

Title:

Attest:

Name:

Title:

ITEM 13. SIGNATURE AND CERTIFICATION

SIGNATURE

Pursuant to the requirements of Section 4, Chapter 462, Laws of 1993, the Applicant has caused this Amended Application to be duly signed on its behalf in the City of _____ and State of _____ on the ___ day of _____, 2007.

(Seal) **QBE HOLDINGS, INC., the Applicant**

By: _____
Name:
Title:

Attest:

Name:
Title:



QBE INSURANCE GROUP LIMITED, the Applicant

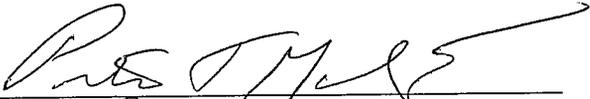
By: D. Remsey
Name: D. Remsey
Title: SECRETARY

Attest:

Peter Smiles
Name: PETER SMILES
Title: SOLICITOR OF THE SUPREME COURT OF NSW

CERTIFICATION

The undersigned deposes and says that he has duly executed the attached Amended Application dated March 15, 2007, for an on behalf of QBE Holdings, Inc.; that he is the SVP, Corp. Counsel & Corp. Secy of such company and that he is authorized to execute and file such instrument. Deponent further says that he is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of his knowledge, information and belief.


Name: Peter T Maloney
Corporate Secretary

CERTIFICATION

The undersigned deposes and says that he has duly executed the attached Amended Application dated _____, 2007, for and on behalf of QBE Insurance Group Limited; that he is the _____ of such company and that he is authorized to execute and file such instrument. Deponent further says that he is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of his knowledge, information and belief.

Name:

CERTIFICATION

The undersigned deposes and says that he has duly executed the attached Amended Application dated _____, 2007, for an on behalf of QBE Holdings, Inc.; that he is the _____ of such company and that he is authorized to execute and file such instrument. Deponent further says that he is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of his knowledge, information and belief.

Name:

CERTIFICATION

The undersigned deposes and says that he has duly executed the attached Amended Application dated _____, 2007, for and on behalf of QBE Insurance Group Limited; that he is the SECRETARY of such company and that he is authorized to execute and file such instrument. Deponent further says that he is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of his knowledge, information and belief.

D Ramsey
Name:

~~D R~~ A RAMSEY

ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (this "Agreement") is made as of the 14th day of March, 2007 by and among QBE Holdings Inc., a Delaware stock corporation ("Assignee"), QBE Reinsurance Corporation, a Pennsylvania stock corporation ("Assignor"), Winterthur Schweizerische Versicherungs-Gesellschaft, a Swiss stock corporation ("Seller"), and QBE Insurance Group Limited, an Australian stock corporation ("Assignor Parent").

WHEREAS, Assignor, Seller and Assignor Parent are parties to a Stock Purchase Agreement, dated as of January 4, 2007 (the "Purchase Agreement"), a copy of which is attached hereto as Exhibit A;

WHEREAS, Assignor desires to assign and transfer to Assignee all of Assignor's rights, title and interest under and in the Purchase Agreement, and Assignee desires to accept such assignment and assume all of the obligations and duties of Assignor under the Purchase Agreement; and

WHEREAS, Section 11.6 of the Purchase Agreement provides in pertinent part that neither the Purchase Agreement nor any of the rights, interests or obligations thereunder may be assigned by any party thereto without the prior written consent of the other parties;

NOW, THEREFORE, in consideration of the foregoing promises and the following mutual covenants, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. ASSIGNMENT AND ASSUMPTION. Effective as of the date hereof, (i) Assignor hereby assigns, sells, transfers and sets over to Assignee all of Assignor's rights, title and interest under and in the Purchase Agreement (the "Assignment"), and (ii) Assignee hereby accepts the Assignment and expressly assumes all of the obligations and duties imposed upon Assignor under the Purchase Agreement and agrees to comply with, abide by and perform all of the terms, covenants, conditions and undertakings of Assignor under the Purchase Agreement (the "Assumption"). Insofar as rights and obligations under the Purchase Agreement from and after the date of execution of this Agreement are concerned, references to Assignor therein shall be deemed replaced with references to Assignee so that the term "Buyer" as used in the Purchase Agreement shall mean QBE Holdings Inc.

2. CONSENT. Each of Seller and Assignor Parent hereby consents to the Assignment and the Assumption.

3. FURTHER ASSURANCES. Each of the parties hereto covenants and agrees, at its own expense, to execute and deliver, at the request of any other party hereto, such further instruments of assignment and assumption and to take such other action as such other party may reasonably request to more effectively consummate the Assignment and the Assumption.

4. REPRESENTATIONS AND WARRANTIES. Each of Assignor, Assignee and Assignor Parent (the "QBE Parties") hereby represents and warrants to Seller as follows:

(a) Assignee (i) is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware, (ii) has the requisite corporate power and authority to carry on its business as now being conducted, and (iii) is duly qualified to do business and is in good standing in each jurisdiction in which the nature of its business or the ownership or leasing of its properties makes such qualification necessary, other than in such jurisdictions where the failure to be so qualified as would not reasonably be expected to have, individually or in the aggregate, a material adverse effect on the ability of Assignee to consummate any of the transactions contemplated by this Agreement or the Purchase Agreement.

(b) The execution and delivery of this Agreement (i) do not conflict with, are not prohibited by, and do not require any approval that has not already been obtained under, any of the provisions of the certificate of incorporation or the by-laws of Assignee or the comparable organizational documents of any of its subsidiaries, (ii) subject to the matters referred to in the next sentence, do not conflict with, result in a breach of or default (with or without notice or lapse of time, or both) under, are not prohibited by, do not require approval or consent under, do not give rise to a right of termination under, and do not result in the creation of any lien on any property or asset of Assignee or any of its subsidiaries under, any agreement, permit, franchise, license or instrument to which Assignee or any of its subsidiaries is a party, and (iii) subject to the matters referred to in the next sentence, do not contravene, are not prohibited by, and do not require approval or consent under, any statute, law, rule, regulation, order, judgment, injunction or award applicable to Assignee or any of its subsidiaries, which, in the case of clauses (ii) and (iii) above, would materially impair the ability of Assignee to consummate any of the transactions contemplated hereby or by the Purchase Agreement. No consent, approval or authorization of, or declaration or filing with, or notice to, any governmental or regulatory authority is required by or with respect to Assignee or any of its subsidiaries in connection with the execution and delivery of this Agreement by Assignee or the consummation by Assignee of any of the transactions contemplated hereby, except for (x) the approvals, filings and notices required under the insurance laws of the jurisdictions set forth in Section 3.2(c) of the Disclosure Schedule to the Purchase Agreement, (y) such other consents, approvals, authorizations, declarations, filings or notices as are set forth in Section 3.2(c) of the Disclosure Schedule to the Purchase Agreement and (z) such other consents, approvals, authorizations, declarations, filings or notices that are not required to be set forth pursuant to clauses (x) and (y) above the failure to obtain or make which, in the aggregate, would not materially impair the ability of Assignee to consummate any of the transactions contemplated hereby or by the Purchase Agreement.

(c) This Agreement (i) has been duly and validly authorized by all necessary action on the part of each of the QBE Parties; (ii) has been duly executed and delivered by an authorized representative of each of the QBE Parties; and (iii) constitutes a legal, valid and binding obligation of each of the QBE Parties, enforceable against the QBE Parties in accordance with its terms.

5. TERMS OF THE PURCHASE AGREEMENT. All of the representations, warranties, covenants, agreements and indemnities contained in the Purchase Agreement shall remain in full force and effect to the full extent provided therein. In the event of any conflict or inconsistency between the terms of the Purchase Agreement and the terms hereof, the terms of the Purchase Agreement shall govern. For the avoidance of doubt, nothing contained herein shall limit the scope of, amend or otherwise modify the Guarantee (as defined in Section 4.16 of the Purchase Agreement) or Assignor Parent's obligations in connection therewith.

6. AMENDMENT; ASSIGNMENT. This Agreement may be amended, and the terms hereof may be waived, only by a written instrument signed by each of the parties or, in the case of a waiver, by the party waiving compliance. Neither this Agreement nor any of the rights, interests or obligations under this Agreement shall be assigned, in whole or in part, by operation of law or otherwise by any of the parties without the prior written consent of the other parties, and any such assignment that is not consented to shall 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 successors and assigns.

7. INDEMNITY. Assignor Parent hereby agrees to indemnify and hold harmless Seller from and against any loss, liability or damage, including reasonable attorneys' fees and other costs and expenses, incurred or sustained by Seller arising out of or relating to the Assignment or the Assumption.

8. NOTICES. All notices, requests, claims, demands and other communications required to be given under the Purchase Agreement to Assignee, as assignee of Assignor, shall be in writing and shall be deemed given if delivered personally, by facsimile (which is confirmed as provided in the Purchase Agreement) or sent by overnight courier (providing proof of delivery) to Assignee at the following address (or at such other address as shall be specified by Assignee by like notice):

QBE Holdings Inc.
Wall Street Plaza
88 Pine Street - 16th Floor
New York, NY 10005
Fax: (212) 422-1313

Attention: Peter T. Maloney

9. GOVERNING LAW. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York, regardless of the laws that might otherwise govern under applicable principles of conflicts of laws thereof.

10. EXECUTION COUNTERPARTS. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall together constitute one and the same instrument.

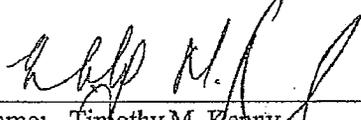
[Signature page follows]

IN WITNESS WHEREOF, the undersigned have caused this instrument to be executed by their duly authorized representatives as of the day and year first above-written.

ASSIGNOR:

QBE REINSURANCE CORPORATION

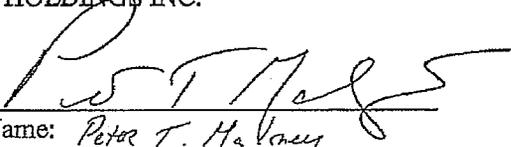
By


Name: Timothy M. Kenny
Title: Chief Executive Officer

ASSIGNEE:

QBE HOLDINGS INC.

By


Name: Peter T. HaVaney
Title: Corporate Counsel & Corporate Secretary

CONSENTING PARTIES:

QBE INSURANCE GROUP LIMITED

By

Name: Francis M. O'Halloran
Title: Chief Executive Officer

WINTERTHUR SCHWEIZERISCHE
VERSICHERUNGS-GESELLSCHAFT

By

Name:
Title:

IN WITNESS WHEREOF, the undersigned have caused this instrument to be executed by their duly authorized representatives as of the day and year first above-written.

ASSIGNOR:

QBE REINSURANCE CORPORATION

By _____
Name: Timothy M. Kenny
Title: Chief Executive Officer

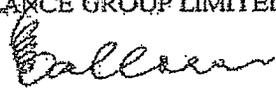
ASSIGNEE:

QBE HOLDINGS INC.

By _____
Name:
Title:

CONSENTING PARTIES:

QBE INSURANCE GROUP LIMITED

By  _____
Name: Francis M. O'Halloran
Title: Chief Executive Officer

WINTERTHUR SCHWEIZERISCHE
VERSICHERUNGS-GESELLSCHAFT

By _____
Name:
Title:

IN WITNESS WHEREOF, the undersigned have caused this instrument to be executed by their duly authorized representatives as of the day and year first above-written.

ASSIGNOR:

QBE REINSURANCE CORPORATION

By _____
Name: Timothy M. Kenny
Title: Chief Executive Officer

ASSIGNEE:

QBE HOLDINGS INC.

By _____
Name:
Title:

CONSENTING PARTIES:

QBE INSURANCE GROUP LIMITED

By _____
Name: Francis M. O'Halloran
Title: Chief Executive Officer

WINTERTHUR SCHWEIZERISCHE
VERSICHERUNGS-GESELLSCHAFT

By C. Stalker
Name: Catherine Stalker

By J. Giraudi
Name: Jürg Giraudi

Exhibit A

Stock Purchase Agreement

MIKE KREIDLER
STATE INSURANCE COMMISSIONER

STATE OF WASHINGTON



Phone: (360) 725-7000
www.insurance.wa.gov

Please reply to:

PO Box 40259
Olympia, WA 98504-0259
FAX: (360) 586-2022

FAXED and US MAIL

OFFICE OF
INSURANCE COMMISSIONER

April 20, 2007

PETER T. MALONEY
SENIOR VICE PRESIDENT, CORPORATE COUNSEL AND SECRETARY
QBE REINSURANCE CORPORATION
WALL STREET PLAZA
88 PINE STREET
NEW YORK, NY 10005

Re: Acquisition of Control of Unigard Insurance Company, Unigard Indemnity Company and Unigard Pacific Insurance Company by QBE Holdings, Inc and QBE Insurance Group Limited

Dear Mr. Maloney:

Responses to the following items are requested in connection with the OIC's review of the proposed acquisition of control of the above Washington domiciled insurers.

1. Please discuss QBE's current presence in Washington State.
2. Unigard Insurance Companies currently play a significant role in the property and casualty marketplace in Washington State for both personal and commercial lines. Please explain QBE's views about Unigard's current presence and future expectations as a significant writer in this state.
3. Does QBE have any plans to merge, redomesticate, or change the name of any of the Unigard Insurance Companies? If so, please elaborate.
4. Please discuss any future plans for the Unigard Insurance Companies' organizational changes, plant operations, and systems integration with QBE.

We understand QBE's desire to close this transaction soon. Please respond by April 27, 2007. If you have any questions, please call me at 360-725-7211.

Sincerely,

A handwritten signature in cursive script that reads "Ronald J. Pastuch".

RONALD J. PASTUCH, CPA
Holding Company Manager
Company Supervision Division
Fax: 360-586-2022

cc: Charles R. Welsh (via e-mail)
John Emmanuel (via e-mail)

Alan J. Levin (via e-mail)
Mailing Address: P. O. Box 40255 • Olympia, WA 98504-0255
Street Address: 5000 Capitol Blvd. • Tumwater, WA 98501



EDWARDS ANGELL PALMER & DODGE LLP

90 State House Square Hartford, CT 06103 860.525.5065 fax 860.527.4198 eapdlaw.com

Charles R. Welsh
860.541.7762
cwelsh@eapdlaw.com

VIA EXPRESS MAIL

April 25, 2007

Mr. Ronald Pastuch, CPA
Holding Company Manager
Washington State Office of Insurance Commissioner
Company Supervision Division
P.O. Box 40259
Olympia, WA 98504-0259

Re: Acquisition of Control of Unigard Insurance Company, Unigard Indemnity Company and Unigard Pacific Insurance Company (collectively, the "Unigard Companies") by QBE Holdings, Inc. and QBE Insurance Group Limited (together, "QBE")

Dear Mr. Pastuch:

This letter is in response to your April 20, 2007 letter regarding the pending Form A Application for the acquisition of the Unigard Companies by QBE. The items below correspond to the items listed in your April 20, 2007 letter.

1. *Please discuss QBE's current presence in Washington State.*

QBE Reinsurance Corporation, QBE Insurance Corporation ("QBE Insurance"), and their affiliate, National Farmers Union Property and Casualty Company ("National Farmers"), are each licensed as foreign insurers in the State of Washington. QBE Reinsurance Corporation did not write any direct premiums in 2006 in Washington. QBE Insurance wrote \$19,479,985 in direct premiums and National Farmers wrote \$807,010 in direct premiums in Washington in 2006. QBE Specialty Insurance Company is an eligible surplus lines insurer in Wisconsin and wrote \$201,866 in premiums in Washington in 2006. Major classes of business in the State of Washington in 2006 were condominium associations, non-standard personal automobile business, and stop loss coverage on employer health insurance programs.

EDWARDS ANGELL PALMER & DODGE LLP

Mr. Ronald Pastuch
April 25, 2007
Page 2

2. *Unigard Insurance Companies currently play a significant role in the property and casualty marketplace in Washington State for both personal and commercial lines. Please explain QBE's views about Unigard's current presence and future expectations as a significant writer in this state.*

QBE recognizes the key role the Unigard Companies play in the Washington marketplace, which it views as a stable and attractive insurance jurisdiction, and in which QBE intends to remain as a significant writer. The general business plan for the Unigard Companies will not change following the transaction. The Unigard Companies will continue to specialize in property and casualty insurance risks written through independent agents in states where the insurers are licensed, including Washington.

3. *Does QBE have any plans to merge, redomesticate, or change the name of any of the Unigard Insurance Companies? If so, please elaborate.*

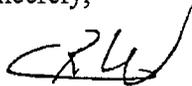
QBE has no intentions of merging, redomesticating, or changing the name of any of the Unigard companies.

4. *Please discuss any future plans for the Unigard Insurance Companies' organizational changes, plant operations, and systems integration with QBE.*

QBE expects that by year-end, the Unigard Companies will undergo integration into QBE's operations involving such actions as appointment of one or more QBE directors to the Boards of Directors of the Unigard Companies, e-mail and data integrations, establishment of reporting structures, integration of investment management with QBE's investment management division, roll out of QBE's OPENUPQBE program and code of conduct, and establishment of other corporate governance and enterprise risk management controls. Otherwise, it is expected that the Unigard Companies will continue to function as they did prior to their acquisition.

If you should have any additional questions, please do not hesitate to contact me.

Sincerely,



Charles R. Welsh

cc: Peter T. Maloney, Esquire
Duncan A. Ramsay, Esquire
Alan J. Levin, Esquire
John N. Emmanuel, Esquire