UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 OR 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported) November 3, 2008

Maiden Holdings, Ltd.

(Exact name of registrant as specified in its charter)

Bermuda	001-34042	N/A
(State or other jurisdiction of incorporation)	(Commission File Number)	IRS Employer Identification No.)

48 Par-la-Ville Road, Suite 1141, Hamilton	HM 11
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code (441) 292-7090

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.133-4 (c))

Item 2.01 COMPLETION OF ACQUISITION OR DISPOSITION OF ASSETS.

On November 3, 2008 the Registrant's wholly owned subsidiary, Maiden Holdings North America, Ltd. ("Maiden NA"), entered into an agreement to acquire GMAC RE LLC, the reinsurance managing general agent writing business on behalf of Motors Insurance Corporation, and the renewal rights for the business written by GMAC RE. The transaction closed simultaneously with the signing. In connection with the closing of the transaction, GMAC RE management and employees have transitioned to Maiden NA and GMAC RE was renamed Maiden RE.

In connection with the above transaction, Maiden NA also entered into an agreement to acquire two licensed insurance companies, GMAC Direct Insurance Company and Integon Specialty Insurance Company. Consummation of the acquisition of these insurance companies is subject to regulatory approval.

As part of the transaction, the Registrant's wholly owned Bermuda reinsurance subsidiary, Maiden Insurance Company, Ltd., assumed the outstanding loss reserves associated with the GMAC RE business (approximately $750 million as of September 30, 2008) along with unearned premium of roughly $200 million. In 2007, GMAC RE produced approximately $525 million in gross written premium and $65 million in pre-tax earnings.

Item 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

(a) Financial Statements of Businesses Acquired.

All required financial statements with respect to the Companies will be filed by amendment pursuant to Item 9.01(a)(4) of Form 8-K within 71 days following the date that this report was required to be filed.

(b) Pro Forma Financial Information.

All required pro forma financial information will be filed by amendment pursuant to Item 9.01(b)(2) of Form 8-K within 71 days following the date that this report was required to be filed.

Exhibit Number	Description
2.1	Stock Purchase Agreement by and between Maiden Holdings North America, Ltd. and GMAC Insurance Management Corporation
2.2	Stock Purchase Agreement by and between Maiden Holdings North America, Ltd. and Motors Insurance Corporation
2.3	Securities Purchase Agreement by and between Maiden Holdings North America, Ltd., Maiden Holdings, Ltd., and GMACI Holdings LLC
2.4	Portfolio Transfer and Quota Share Reinsurance Agreement by and between Motors Insurance Corporation and Maiden Insurance Company, Ltd.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Maiden Holdings, Ltd.
(Registrant)

Date November 7, 2008

/s/ Ben Turin
Ben Turin
Secretary

STOCK PURCHASE AGREEMENT

THIS STOCK PURCHASE AGREEMENT (this "Agreement") is made and entered into as of October 31, 2008 by and between MAIDEN HOLDINGS NORTH AMERICA, LTD., a Delaware corporation (the "Buyer"), and GMAC INSURANCE MANAGEMENT CORPORATION, a Delaware corporation (the "Seller").

RECITALS

WHEREAS, the Seller owns Five Hundred Thousand (500,000) shares (the "Shares") of the common stock, par value Ten Dollars ($10.00) per share, of Integon Specialty Insurance Company, a North Carolina domiciled property and casualty insurance company (the "Company"), which Shares constitute all of the outstanding capital stock of the Company; and

WHEREAS, the Seller desires to sell to the Buyer, and the Buyer desires to purchase from the Seller, all of the Shares of the Company, in each case on and subject to the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the foregoing and the representations, warranties, covenants and agreements contained herein, and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

ARTICLE I

DEFINITIONS

1.1 General Provisions. For all purposes of this Agreement:

(a) The terms defined in this Article I have the meanings ascribed to them in this Article I and include the plural as well as the singular.

(b) All references herein to designated "Articles," "Sections" and other subdivisions and to "Annexes", "Exhibits" and "Disclosure Schedules" are to the designated Articles, Sections and other subdivisions of the body of this Agreement and to the exhibits and other schedules to this Agreement.

(c) Pronouns of either gender or neuter shall include, as appropriate, the other pronoun forms.

(d) The words "herein," "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or other subdivision.

(e) On or prior to the date hereof, the Seller, on the one hand, and the Buyer, on the other, have delivered to each other schedules (respectively, its "Disclosure Schedule") setting forth, among other things, items the disclosure of which is necessary or appropriate either (i) in response to an express informational requirement contained in a provision hereof or (ii) as an exception to one or more representations, warranties or covenants contained in a section of this Agreement. The inclusion of an item on a Disclosure Schedule in response to a disclosure obligation or as an exception to a representation, warranty or covenant shall not be deemed an admission by the disclosing party that such item represents a material exception or fact, event or circumstance or that such item would, or would be reasonably likely to, result in a Material Adverse Effect on the disclosing party.

1.2 Definitions. The following terms when used in this Agreement (including the Schedules, Annexes and Exhibits hereto) shall have the following meanings:

"Accounting Firm" has the meaning set forth in Section 2.4(b) hereof.

"Action" means any action, cause of action (whether at law or in equity), arbitration, claim or complaint by any Person alleging potential Liability, wrongdoing or misdeed of another Person, or any administrative or other similar proceeding, criminal prosecution or investigation by any Governmental Entity alleging potential Liability, wrongdoing or misdeed of another Person.

"Affiliate" (and, with a correlative meaning, "Affiliated") means, with respect to any Person, any other Person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such first Person. As used in this definition, "control" (including, with correlative meanings, "controlled by" and "under common control with") shall mean possession, directly or indirectly, of power to direct or cause the direction of management or policies (whether through ownership of securities or partnership or other ownership interests, by contract, as trustee or executor, or otherwise).

"Agreement" has the meaning set forth in the preface above.

"Ancillary Agreements" means the Commutation and Termination Amendment, the Partial Commutation and Termination Amendment, the FRR Agreement and the Reinsurance Agreement.

"Applicable Insurance Code" means the insurance laws to which the Company is subject, including the insurance laws of the State of North Carolina. In all cases, Applicable Insurance Code shall include the rules and regulations promulgated under any of the foregoing laws.

"Applicable Insurance Department" means the insurance regulatory agencies by which the Company is subject to supervision, including the North Carolina Department of Insurance.

"Applicable Law" means any domestic federal, state or local statute, law, ordinance, rule, administrative interpretation, regulation, order, writ, injunction, directive, pronouncement, bulletin, judgment, decree, policy, administrative or judicial doctrine, guideline or other requirement or principle of common law applicable to the Buyer, the Seller or the Company or any of their respective businesses, properties or assets, as the case may be.

"Business Day" means any day other than a Saturday, Sunday or a day on which banks in New York City are authorized by law or executive order to be closed.

"Buyer" has the meaning set forth in the preface above.

"Buyer Insurance Approvals" means all Consents required to be obtained, made or given by the Buyer pursuant to the Applicable Insurance Codes.

"CERCLA" shall mean the federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended.

"Closing" has the meaning set forth in Section 2.2 hereof.

"Closing Date" has the meaning set forth in Section 2.2 hereof.

"Closing Surplus Statement" has the meaning set forth in Section 2.4(a) hereof.

"Code" means the Internal Revenue Code of 1986, as amended.

"Commutation and Termination Amendment" means the Commutation and Termination Endorsement in the form attached hereto as Annex A by and between the Company and Motors to be executed immediately following the Closing.

"Company" has the meaning set forth in the first Recital of this Agreement.

"Company Books and Records" has the meaning set forth in Section 5.7(a) hereof.

"Company Claim" means any Action brought against the Company relating to or arising from the conduct or operations of the Company that occurred prior to the Closing Date.

"Company Insurance Policies" has the meaning set forth in Section 3.18 hereof.

"Company Materials" means (i) all previously prepared memoranda of law and all analyses and materials related to a Company Claim, (ii) all agreements, Contracts and other memoranda, including preparatory materials, drafts and all oral and written communications pertaining to a Company Claim, and (iii) any documents or other information relating to a Company Claim that would otherwise be protected by any applicable privilege or work product protection from disclosure to third parties other than the parties hereto. For the avoidance of doubt, Company Materials shall not include any information relating to a party which is or becomes publicly available other than through a breach of this Agreement by the disclosing party.

"Consents" has the meaning set forth in Section 3.4 hereof.

"Contemplated Transactions" means the transactions contemplated under this Agreement and the Ancillary Agreements.

"Contracts" means any written, oral or other contract, subcontract, agreement, undertaking, understanding, option, warranty, purchase order, license, sublicense, indenture, note, debenture, bond, loan, policy, instrument, lease, mortgage, plan, or legally binding commitment or arrangement of any nature.

"Damages" means all costs, damages, disbursements or expenses (including, but not limited to interest and reasonable legal, accounting and other professional fees and expenses incurred in the investigation, collection, prosecution and defense of claims and amounts paid in settlement) that are actually imposed or otherwise actually incurred or suffered by the indemnified Person, but shall not include incidental, consequential, exemplary, punitive or other special damages (unless such damages have been awarded to a third party and as to which an indemnifying party is determined to be liable).

"Debt" shall mean any Liability in respect of borrowed money or guarantees of the foregoing.

"Domiciliary Insurance Department" means the North Carolina Department of Insurance.

"Employee" means each current and former full-time or part-time employee of the Company or its predecessors-in-interest, including any such employee who is on disability or leave of absence.

"Environmental Law" shall mean any federal, state or local law, statute, rule, order, directive, judgment, Permit or regulation or the common law relating to the environment, occupational health and safety, or exposure of persons or property to Materials of Environmental Concern, including any statute, regulation, administrative decision or order pertaining to: (i) the presence of or the treatment, storage, disposal, generation, transportation, handling, distribution, manufacture, processing, use, import, export, labeling, recycling, registration, investigation or remediation of Materials of Environmental Concern or documentation related to the foregoing; (ii) air, water and noise pollution; (iii) groundwater and soil contamination; (iv) the release, threatened release, or accidental release into the environment, the workplace or other areas of Materials of Environmental Concern, including emissions, discharges, injections, spills, escapes or dumping of Materials of Environmental Concern; (v) transfer of interests in or control of real property which may be contaminated; (vi) community or worker right-to-know disclosures with respect to Materials of Environmental Concern; (vii) the protection of wild life, marine life and wetlands, and endangered and threatened species; (viii) storage tanks, vessels, containers, abandoned or discarded barrels and other closed receptacles; and (ix) health and safety of Employees and other persons. As used above, the term "release" shall have the meaning set forth in CERCLA.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and any rules and regulations promulgated thereunder.

"ERISA Affiliate" means any person that, together with the Company, would be treated as a single employer under Section 414 of the Code.

"Estimated Policyholders' Surplus" shall mean the Policyholders' Surplus as of the Closing Date as estimated in good faith by the Seller as set forth on the Estimated Surplus Statement based upon the Company's Policyholders' Surplus reflected in the Company's most recently filed statutory financial statement prior to the Closing Date, with appropriate adjustments for the period from the date of that financial statement until the Closing Date to reflect any change in the Company's circumstances, prepared in a manner consistent with the Company's historical accounting practices, and to give effect to any settlement of intercompany accounts as of the Closing Date pursuant to Section 5.3, in each case to the extent Policyholders' Surplus shall have been changed thereby.

"Estimated Surplus Statement" shall mean the Seller's estimate of Policyholders' Surplus as of the Closing Date delivered by the Seller to the Buyer not less than two (2) Business Days prior to the Closing Date.

"Fronting Agreement" means that certain Fronting Agreement of even date herewith by and among Buyer, the Company, Motors Insurance Corporation, MIC Property and Casualty Insurance Corporation, Integon National Insurance Company and Integon Preferred Insurance Company.

"FRR Agreement" means the Fronting and Renewal Rights Agreement in the form attached hereto as Annex B by and between the Company and Motors to be executed immediately following the Closing.

"GMAC Re SPA" means that certain Securities Purchase Agreement by and among the Buyer, Maiden Holdings, Ltd. and GMACI Holdings LLC pursuant to which the Buyer will acquire all of the outstanding membership interests of GMAC Re LLC.

"Governmental Entity" means any foreign, domestic, federal, territorial, state or local U.S. or non-U.S. governmental authority, quasi-governmental authority, instrumentality, court or government, self-regulatory organization, commission, tribunal or organization or any political or other subdivision, department, branch or representative of any of the foregoing.

"Insurance Approvals" means the Buyer Insurance Approvals and the Seller Insurance Approvals.

"Insurance License" has the meaning set forth in Section 3.14 hereof.

"Intellectual Property Right" has the meaning set forth in Section 3.15(a) hereof.

"Intercompany Agreement" shall mean any agreement between (x) the Company, on the one hand, and (y) the Seller or any of its Affiliates, on the other hand.

"Investment Broker" has the meaning set forth in Section 3.22 hereof.

"IRS" means the U.S. Internal Revenue Service.

"Liabilities" means any and all debts, losses, liabilities, offsets, claims, damages, fines, commitments, obligations, payments and accounts payable (including, without limitation, those arising out of any award, demand, assessment, settlement, judgment or compromise relating to any Action), and accruals for out-of-pocket costs and expenses (including, without limitation, reasonable attorneys' fees and expenses incurred in investigating, preparing or defending any Action) of any kind or nature whatsoever, whether absolute, accrued, contingent or other, and whether known or unknown.

"Lien" means any mortgage, deed of trust, pledge, hypothecation, assignment, security interest, lien (statutory or otherwise), preference, priority, charge or other encumbrance, adverse claim (whether pending or, to the knowledge of the Person against whom the adverse claim is being asserted, threatened) or restriction of any kind affecting title or resulting in an encumbrance against Property, real or personal, tangible or intangible, or a security interest of any kind, including, without limitation, any easement, servitude, encroachment, conditional sale or other title retention agreement, any right of first refusal on real property, and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statute) of any jurisdiction (other than a financing statement which is filed or given solely to protect the interest of a lessor).

"Material Adverse Effect" means (a) with respect to the Company, any change, effect, event or occurrence resulting in a material adverse effect on (i) the business, financial condition or results of operations of the Company, taken as a whole or (ii) the ability of the Company to enter into new reinsurance contracts, other than in the case of (i) or (ii) any change, effect, event or occurrence relating to (A) the effects of changes affecting the economy and securities markets generally; (B) the effects of changes affecting the insurance, reinsurance and financial services industries generally, including the general competitive forces in the insurance and reinsurance markets and changes to Applicable Laws, or accounting or reserving principles, practices or conventions; (C) the announcement of the Contemplated Transactions and (D) any changes resulting from actions or omissions of a party hereto taken with the prior written consent of the other parties with respect to this Agreement or the other Transaction Documents or the Contemplated Transactions; (b) with respect to the Seller, any change, effect, event or occurrence resulting in a material adverse effect on the ability of the Seller to consummate the transactions contemplated hereby on a timely basis and perform its obligations hereunder; and (c) with respect to the Buyer, any change, effect, event or occurrence resulting in a material adverse effect on (i) the business, financial condition or results of operations of the Buyer, taken as a whole or (ii) the ability of the Buyer to consummate the transactions contemplated hereby on a timely basis and perform its obligations hereunder.

"Material Contract" means any Contract required to be set forth on Schedule 3.12(a) hereof.

"Material Permit" has the meaning set forth in Section 3.11(b) hereof.

"Materials" means (i) all previously prepared memoranda of law and all analyses and materials related to a Seller Third-Party Claim; (ii) all agreements, Contracts and other memoranda, including preparatory materials, drafts and all oral and written communications pertaining to a Seller Third-Party Claim; and (iii) any documents or other information relating to a Seller Third-Party Claim that would otherwise be protected by any applicable privilege or work product protection from disclosure to third parties other than the parties hereto. For the avoidance of doubt, Materials shall not include any information relating to a party which is or becomes publicly available other than through a breach of this Agreement by the disclosing party.

"Materials of Environmental Concern" shall mean any: pollutants, contaminants or hazardous substances (as such terms are defined under CERCLA), pesticides (as such term is defined under the Federal Insecticide, Fungicide and Rodenticide Act), solid wastes and hazardous wastes (as such terms are defined under the Resource Conservation and Recovery Act), chemicals, other hazardous, radioactive or toxic materials, oil, petroleum and petroleum products or derivatives (and fractions thereof), or any other material (or article containing such material) listed or subject to regulation under any law, statute, rule, regulation, order, Permit, or directive due to its potential, directly or indirectly, to harm the environment or the health of humans or other living beings.

"Maximum Indemnification Amount" has the meaning set forth in Section 7.3(a) hereof.

"Motors" means Motors Insurance Corporation, a Michigan domiciled property and casualty insurance company.

"Notice of Objection" has the meaning set forth in Section 2.4(b) hereof.

"Ordinary Course of Business" means the manner in which the Company has conducted its business and operations prior to the Closing Date.

"Overlap Period" has the meaning set forth in Section 5.8(b) hereof.

"Partial Commutation and Termination Amendment" means the Partial Commutation and Termination Amendment in the form attached hereto as Annex C by and among the Company, Integon Indemnity Corporation, Integon General Insurance Corporation, New South Insurance Company, Integon Preferred Insurance Company, Integon National Insurance Company, Integon Casualty Insurance Company and Motors to be executed immediately following the Closing.

"Permits" means all licenses, certificates of authority, permits, orders, Consents, approvals, registrations, authorizations, qualifications and filings under any applicable federal, state, municipal, local, foreign or other laws or with any Governmental Entities.

"Permitted Liens" means all imperfections of title or Liens (a) that are reflected or reserved against or disclosed on the books of the Company, (b) that arise out of Taxes or general or special assessments not in default and payable without penalty or interest or the validity of which is being contested in good faith by appropriate proceedings, (c) of carriers, warehousemen, mechanics, materialmen and other similar Persons or otherwise imposed by law incurred in the Ordinary Course of Business for sums not yet delinquent or being contested in good faith and for which there are adequate reserves in accordance with SAP, or (d) that relate to deposits made in the Ordinary Course of Business in connection with workers' compensation, unemployment insurance and other types of social security.

"Person" means an individual, corporation, partnership, association, joint stock company, limited liability company, Governmental Entity, trust, joint venture, labor union, estate, unincorporated organization, private agency or other entity.

"Plan" means any "employee benefit plan" (as such term is defined in section 3(3) of ERISA), and any other employment, consulting, severance, change in control, retention, retirement, pension, profit-sharing, thrift, savings, target benefit, stock ownership, cash or deferred, deferred or incentive compensation, bonus, stay bonus, stock option, stock purchase, phantom stock, stock appreciation, other equity-based, change in control, medical, dental, vision, cafeteria (Section 125 plan), psychiatric counseling, employee assistance, vacation, sick pay, disability or other compensation or fringe benefit plan, program, agreement or arrangement which is or has been maintained sponsored, contributed to, or required to be contributed to by the Company or any ERISA Affiliate in which any current or former officer or Employee of the Company have participated, or as to which the Company has any present or contingent Liability.

"Policyholders' Surplus" means as of any date "surplus as regards policyholders" of the Company calculated in accordance with SAP applied on a basis consistent with the Statutory Statements of the Company.

"Pre-Closing Taxable Period" means all Taxable Periods ending on or before the Closing Date and, with respect to any Taxable Period that includes but does not end on the Closing Date, the portion of such period that ends on and includes the Closing Date.

"Property" means any real, personal or mixed property, whether tangible or intangible.

"Property Taxes" means real, personal and intangible property Taxes of the Company.

"Purchase Price" has the meaning set forth in Section 2.1 hereof.

"Regulatory Body Matters" means any proceeding, investigation or inquiry, whether formal or informal, or Action involving or undertaken by any Governmental Entity including without limitation the United States Securities and Exchange Commission, any state attorney general office or any state insurance department.

"Reinsurance Agreement" means the Quota Share Reinsurance Agreement in a form and pursuant to terms mutually acceptable to parties by and between the Company and Motors to be executed immediately following the Closing.

"Reinsurance Contracts" means all Contracts, treaties, facultative certificates, policies or other arrangements, to which the Company is a party or by which the Company is bound or subject, providing for ceding or assumption of reinsurance, excess insurance or retrocession, including, without limitation, all reinsurance policies, and retrocession agreements, in each case as such Contract, treaty, facultative certificate, policy or other arrangement may have been amended, modified or supplemented irrespective of how such arrangement is accounted for.

"Representatives" has the meaning set forth in Section 5.2(a).

"SAP" means the applicable statutory accounting practices prescribed or permitted by the Domiciliary Insurance Department.

"Seller" has the meaning set forth in the preface above.

"Seller Insurance Approvals" means all Consents required to be obtained, made or given by the Seller or the Company pursuant to the Applicable Insurance Codes.

"Seller Third-Party Claim" means any Action brought against the Seller relating to or arising from the conduct or operations of the Company that occurred prior to the Closing Date.

"Seller's Knowledge" and, with a correlative meaning, "Knowledge of Seller" means actual knowledge of John Dunn, Chris Morris and Donald Bolar, after reasonable inquiry.

"Shares" has the meaning ascribed to it in the first Recital of this Agreement.

"SRS Business" has the meaning set forth in the Fronting Agreement.

"Statutory Statements of the Company" means the annual statements of the Company, as filed with its Domiciliary Insurance Department, for the year ended December 31, 2007 and the quarterly statements of the condition and affairs of the Company, as filed with its Domiciliary Insurance Department, for the quarterly periods ended March 31, 2008 and June 30, 2008.

"Subsequent Period Financial Statement" has the meaning set forth in Section 5.11(a) hereof.

"Subsidiary" of any Person means any corporation, partnership, joint venture or other entity in which such Person (a) owns, directly or indirectly, 50% or more of the outstanding voting securities or equity interests, or (b) has the right to designate a majority of its board of directors or similar governing body or to direct the management of such corporation, limited liability company, partnership, joint venture or other entity.

"Surplus or Excess Lines Qualified" or "Surplus or Excess Lines Qualification" means (i) with respect to those United States jurisdictions which maintain a list of insurance companies which are approved, qualified or eligible to write insurance coverage on a "surplus lines" or "excess lines" basis, as those terms are commonly understood in the United States insurance industry, the inclusion of the Company on such list or written confirmation from the insurance department of such United States jurisdiction that the Company will appear in the next publication of such list; (ii) with respect to those United States jurisdictions in which a surplus lines association or excess lines association maintains a list of insurance companies approved, qualified or eligible to write insurance coverage on a surplus lines or excess lines basis, the inclusion of the Company on such list or the written confirmation from the surplus lines association or excess lines association that the Company will appear in the next publication of such list; and (iii) with respect to the United States jurisdictions in which the surplus lines brokers or excess lines brokers are responsible for determining the eligibility of insurance companies to write insurance coverage on a surplus lines or excess lines basis, the general acceptance of the Company by such brokers.

"Tax" and "Taxes" mean (a) all taxes (whether U.S. federal, state or local or foreign) based upon or measured by income and any other tax whatsoever, including, without limitation, gross receipts, profits, sales, use, occupation, value added, ad valorem, transfer, franchise, withholding, payroll, employment, excise, premium or Property Taxes, together with any interest, penalties or additions to tax imposed with respect thereto, (b) any obligations under any agreements or arrangements with respect to any Taxes described in clause (a), and (c) any transferee or secondary Liability or joint or several Liability in respect of any amounts described in clause (a) imposed by law or as a result of being a member of any affiliated, consolidated, combined, unitary or similar group.

"Tax Claim" means any claim, assessment or proceeding related to Taxes.

"Tax Return" means all returns, reports, elections, estimates, declarations, information statements and other forms and documents (including all schedules, exhibits, and other attachments thereto) relating to, and required to be filed or maintained in connection with the calculation, determination, assessment or collection of, any Taxes (including estimated Taxes).

"Taxable Period" means any taxable year or any other period that is treated as a taxable year with respect to which any Tax may be imposed under any statute, rule or regulation.

"Taxing Authority" means any federal, state, local or foreign governmental authority, quasi-governmental authority, instrumentality or political or other subdivision, department or branch of any of the foregoing, with the legal authority to impose, assess or collect Taxes.

"Threshold" has the meaning set forth in Section 7.3(a) hereof.

"WARN Act" means the Worker Adjustment and Retraining Notification Act of 1988, as amended.

ARTICLE II

PURCHASE AND SALE OF THE SHARES

2.1 Purchase and Sale of the Shares. Upon the terms and subject to the conditions set forth in this Agreement, the Buyer agrees to purchase, acquire and accept from the Seller, and the Seller agrees to sell, convey, transfer, assign, and deliver to the Buyer, the Shares, free and clear of all Liens for a purchase price equal to Three Million Two Hundred Thousand Dollars ($3,200,000) plus that amount in U.S. dollars equal to the Policyholders' Surplus as of the Closing Date (the "Purchase Price").

2.2 The Closing. Subject to the satisfaction or waiver of all of the conditions to closing set forth in Article VI, the closing (the "Closing") of the purchase and sale of the Shares hereunder shall take place at the offices of the Edwards Angell Palmer & Dodge LLP, 750 Lexington Avenue, New York, New York 10022 at 10:00 a.m., Eastern Standard Time, on the fifth Business Day following the date on which all of the conditions set forth in Article VI (other than those conditions that are contemplated to be satisfied by the respective parties at the Closing itself) have been satisfied or waived, or at such other time or place as may be mutually agreed upon by the parties hereto. The date on which the Closing occurs is referred to herein as the "Closing Date." All of the Contemplated Transactions under this Agreement and the Ancillary Agreements shall be deemed to be consummated as of 12:01 a.m. Eastern Standard Time on the Closing Date and all actions taken at Closing shall be deemed to have occurred simultaneously and shall be deemed effective as of the dates and times specified in this Agreement or the Ancillary Agreements.

2.3 Deliveries at the Closing.

(a) At the Closing, the Seller shall deliver to the Buyer

(i) A certificate representing the Shares, free and clear of all Liens (other than restrictions on transfer under federal and state securities laws), duly endorsed for transfer or accompanied by duly executed stock powers in favor of the Buyer with all necessary stock transfer tax stamps affixed thereto;

(ii) The written resignation of all officers and directors of the Company;

(iii) A certificate complying with the Code and the Treasury Regulations, in form and substance reasonably satisfactory to the Buyer and executed under penalties of perjury, certifying that the Seller is not a "foreign person" as defined in Section 1445 of the Code;

(iv) The written consent of the parties identified on Schedule 3.4;

(v) All Company Books and Records, including, without limitation, all minute books, employment records, financial and accounting records and other files of the Company;

(vi) A certificate, executed and acknowledged by the Seller, in a form and substance reasonably satisfactory to the Buyer attaching copies of resolutions duly adopted by the board of directors of the Seller authorizing the execution and performance of this Agreement and the other documents contemplated hereby and the transactions contemplated hereby;

(vii) A certificate, executed and acknowledged by the Seller, in form and substance satisfactory to the Buyer and its counsel, attesting to the truth of the matters following:

(A) All representations and warranties of the Seller contained in this Agreement shall have been true and correct when made and all such representations and warranties are also true and correct in all material respects with the same force and effect as though such representations and warranties had been made at and as of the Closing Date except as affected by actions taken after the date of this Agreement with the prior written consent of the Buyer, and except for representations and warranties made as of a specified date, which shall be true and correct in all material respects as of such specified date, it being understood that, for purposes of determining the accuracy of such representations and warranties pursuant to this Section 2.3(a)(vii)(A), all qualifications based on the words "material" or similar phrases contained in such representations and warranties shall be disregarded; and

(B) The Seller and the Company shall have performed and complied in all material respects with all of the covenants and agreements required by or pursuant to this Agreement to be performed or complied with by them on or prior to the Closing Date, it being understood that, for purposes of determining the performance of such covenants pursuant to this Section 2.3(a)(vii)(B), all qualifications based on the words "material" or similar phrases contained in such covenants shall be disregarded.

(viii) Certificates, obtained by the Seller, dated as of a date not more than twenty (20) days before the Closing Date certified by the Secretary of State of Delaware as to the corporate existence and good standing of the Seller and the Insurance Commissioner of the State of North Carolina as to the corporate existence and good standing of the Company;

(ix) Evidence that shall be reasonably acceptable to the Buyer of the appointment as sole signatories on each deposit, securities, brokerage, investment or other account of the Company of the Persons designated by the Buyer in writing to the Seller at least five (5) Business Days prior to the Closing;

(x) The Commutation and Termination Endorsement duly executed by Motors and effective in accordance with its terms;

(xi) The Partial Commutation and Termination Amendment duly executed by the Motors and the other Affiliates of the Motors that are parties thereto and effective in accordance with its terms;

(xii) The FRR Agreement duly executed by Motors and effective in accordance with its terms;

(xiii) The Reinsurance Agreement duly executed by Motors and effective in accordance with its terms;

(xiv) a schedule of all passwords, pass codes or similar secure authorizations related to the operation of the business of the Company or its websites.

(b) At the Closing, the Buyer shall deliver to the Seller:

(i) Three Million Two Hundred Thousand Dollars ($3,200,000) plus the Estimated Policyholders' Surplus by wire transfer of immediately available funds to an account or accounts designated by the Seller in a written notice delivered to the Buyer not later than five (5) Business Days prior to the Closing Date;

(ii) a certificate, executed and acknowledged by the Buyer, in a form and substance reasonably satisfactory to the Seller attaching copies of resolutions duly adopted by the board of directors of the Buyer authorizing the execution and performance of this Agreement and the other documents contemplated hereby and the transactions contemplated hereby;

(iii) A certificate, executed and acknowledged by the Buyer, in form and substance satisfactory to the Seller and its counsel, attesting to the truth of the matters following:

(A) All representations and warranties of the Buyer contained in this Agreement shall have been true and correct when made and all such representations and warranties are also true and correct in all material respects with the same force and effect as though such representations and warranties had been made at and as of the Closing Date except as affected by actions taken after the date of this Agreement with the prior written consent of the Seller, and except for representations and warranties made as of a specified date, which shall be true and correct in all material respects as of such specified date, it being understood that, for purposes of determining the accuracy of such representations and warranties pursuant to this Section 2.3(b)(iii)(A), all qualifications based on the words "material" or similar phrases contained in such representations and warranties shall be disregarded;

(B) The Buyer shall have performed and complied in all material respects with all of the covenants and agreements required by or pursuant to this Agreement to be performed or complied with by it on or prior to the Closing Date, it being understood that, for purposes of determining the performance of such covenants pursuant to this Section 2.3(b)(iii)(B), all qualifications based on the words "material" or similar phrases contained in such covenants shall be disregarded.

(iv) The Commutation and Termination Endorsement duly executed by the Company and effective in accordance with its terms;

(v) The Partial Commutation and Termination Amendment duly executed by the Company and effective in accordance with its terms

(vi) The FRR Agreement duly executed by the Company and effective in accordance with its terms;

(vii) The Reinsurance Agreement duly executed by the Company and effective in accordance with its terms;

(viii) A General Agency Agreement with GMAC Insurance Agency LLC pursuant to terms to be agreed by the Buyer and GMAC Insurance Agency LLC;

(ix) A General Agency Agreement with GMAC Risk Services, Inc. pursuant to terms to be agreed by the Buyer and GMAC Risk Services, Inc.;

(x) all other documents and instruments required hereunder to be delivered by the Buyer to the Seller at the Closing.

2.4 Policyholder's Surplus Adjustment.

(a) Within sixty (60) days after the Closing Date, the Buyer shall deliver to the Seller a statement (the "Closing Surplus Statement"), setting forth the Buyer's determination of the Policyholders' Surplus as of the Closing Date.

(b) After the receipt by the Seller of the Closing Surplus Statement and until such time as the final Policyholders' Surplus as of the Closing Date is determined in accordance with this Section 2.4, the Seller and its authorized Representatives shall have full access during reasonable business hours upon prior written notice to the working papers of the Buyer and its Representatives relating to the Closing Surplus Statement and the calculations set forth thereon. Unless the Seller, within thirty (30) days after receipt of the Closing Surplus Statement, gives the Buyer a notice objecting thereto and specifying, in detail, the basis for each such objection and the amount in dispute ("Notice of Objection"), such Closing Surplus Statement and the Policyholders' Surplus as of the Closing Date reflected therein shall be binding upon the Buyer and the Seller and the applicable payment required pursuant to subsection (c) below shall be made. Any Notice of Objection shall specify (x) in detail the nature and amount of any disagreement so asserted, and (y) only include disagreements based on the differences between the Estimated Surplus Statement and the Closing Surplus Statement and the Policyholders' Surplus as of the Closing Date. If a timely Notice of Objection is received by the Buyer, then the Closing Surplus Statement (as revised in accordance with clause (1) or (2) below) shall become final and binding upon the parties hereto on the earlier of (1) the date the Seller and the Buyer resolve in writing any differences they have with respect to any matter specified in the Notice of Objection and (2) the date any matters properly in dispute are finally resolved in writing by the Accounting Firm (as defined below). During the ninety (90) days immediately following the delivery by the Seller to the Buyer of a Notice of Objection, the Seller and the Buyer shall seek in good faith to resolve in writing any differences that they may have with respect to any matter specified in the Notice of Objection. At the end of such ninety (90) day period, the Seller and the Buyer shall submit to an accounting firm jointly selected by the Seller's accountants and the Buyer's accountants (the "Accounting Firm") for review and resolution of any and all matters (but only such matters) which remain in dispute. The Buyer and the Seller shall instruct their respective accountants to select the Accounting Firm in good faith within ten (10) days. If either the Buyer's or the Seller's accountants shall not be willing to select the Accounting Firm within such ten (10) day period, the other accountant shall select the accounting firm. If the Buyer's or the Seller's accountants cannot agree upon the Accounting Firm within such ten (10) day period, within an additional five (5) days, they shall each designate an Accounting Firm who has not performed work in the last two years for either the Seller or the Buyer and the Accounting Firm shall be selected by lot from those two accounting firms. If only one of the Seller's and the Buyer's accountants shall so designate a name of an accounting firm for selection by lot, such accounting firm so designated shall be the Accounting Firm. The Accounting Firm so selected shall be instructed to review and resolve any and all matters (but only such matters) which remain in dispute and which were properly included in the Notice of Objection. The Buyer and the Seller shall instruct the Accounting Firm to make a final determination of the Policyholders' Surplus as of the Closing Date. The Buyer and the Seller will cooperate with the Accounting Firm during the term of its engagement. The Buyer and the Seller shall instruct the Accounting Firm not to assign a value to any item in dispute greater than the greatest value for such item assigned by the Buyer, on the one hand, or the Seller, on the other hand, or less than the smallest value for such item assigned by the Buyer, on the one hand, or the Seller, on the other hand. The Buyer and the Seller shall also instruct the Accounting Firm to make its determination based solely on presentations by the Buyer and the Seller (i.e., not on the basis of an independent review). The Closing Surplus Statement and the Policyholders' Surplus as of the Closing Date reflected therein shall become final and binding on the parties hereto on the date the Accounting Firm delivers its final resolution in writing to the Buyer and the Seller (which final resolution shall be requested by the parties hereto to be delivered not more than thirty (30) days following submission of such disputed matters). All of the fees and expenses of the Accounting Firm pursuant to this Section 2.4(b) shall be borne equally by the Seller and the Buyer.

(c) If the Policyholders' Surplus as of the Closing Date (as determined pursuant to Section 2.4(b)) exceeds the Estimated Policyholders' Surplus, then the Buyer shall pay the Seller the amount of such excess, as directed by the Seller. If the Policyholders' Surplus as of the Closing Date (as determined pursuant to Section 2.4(b)) is less than the Estimated Policyholders' Surplus, then the Seller shall pay the Buyer such shortfall as directed by the Buyer. Payments made pursuant to this Section 2.4(c) shall be made by wire transfer of immediately available funds as follows: (i) if no Notice of Objection is delivered by the Seller, such amount shall be paid within three (3) Business Days of the earlier of the expiration of the thirty (30) day period for delivery of such Notice of Objection and the date of delivery by the Seller of a joint notice that the Closing Statement will be accepted without objection; or (ii) if Notice of Objection is delivered by the Seller, (x) any net undisputed amount due from the Seller to the Buyer or from the Buyer to the Seller (as the case may be) shall be paid within three (3) Business Days after delivery of such Notice of Objection, and (y) the remaining amount, if any, due from the Seller to the Buyer or the Buyer to the Seller (as the case may be) shall be paid within three (3) Business Days after the date all disputed items are finally resolved pursuant to Section 2.4(b). Any amounts not paid when required pursuant to this Section 2.4(c) shall bear interest compounded annually from the required date of payment to the date of actual payment at the prime rate of interest announced publicly by Citibank N.A. in New York, New York from time to time as its prime rate.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF THE SELLER

The Seller hereby represents and warrants to the Buyer as follows:

3.1 Organization of the Seller. The Seller is a corporation duly organized, validly existing and in good standing under the laws of State of Delaware.

3.2 Authorization, Validity and Enforceability. The Seller has all requisite corporate power and authority to execute and deliver this Agreement and the Ancillary Agreements, to perform its obligations hereunder and to consummate the Contemplated Transactions, including, without limitation, the sale of the Shares. The execution, delivery and performance by the Seller of this Agreement and the Ancillary Agreements and the consummation of the Contemplated Transactions by the Seller have been duly and validly authorized by all necessary corporate action on the part of the Seller and no other corporate proceeding on the part of the Seller is necessary to authorize the execution, delivery and performance of this Agreement or the consummation of any of the Contemplated Transactions. This Agreement and the Ancillary Agreements have been duly executed and delivered by the Seller and constitute the legal, valid and binding obligations of the Seller, enforceable against the Seller in accordance with their terms, subject to the effect of receivership, conservatorship and subject to the effect of bankruptcy, insolvency, reorganization, moratorium or similar laws now or hereafter in effect relating to or affecting the enforcement of creditors' rights generally and subject to general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity).

3.3 No Conflicts. Assuming compliance with the matters referred to in Section 3.4 below, except as set forth in Schedule 3.3, the execution, delivery and performance by the Seller of this Agreement and each Ancillary Agreement to which it is a party and the consummation of the Contemplated Transactions or any Ancillary Agreement do not and will not conflict with, result in any breach or violation of, constitute a default under (or an event that with the giving of notice or the lapse of time or both would constitute a default under), or give rise to any right of termination or acceleration of any right or obligation of the Seller or the Company under, or result in the creation or imposition of any Lien upon any assets or Properties (including, without limitation, the Shares) of the Seller or the Company by reason of the terms of (a) the certificate or articles of incorporation or bylaws of the Seller or the Company; (b) any Contract to which the Seller or the Company is a party or by or to which either of them or their assets or Properties (including, without limitation, the Shares) may be bound or subject; (c) any applicable order, writ, judgment, injunction, award, decree, law, statute, ordinance, rule or regulation of any Governmental Entity; or (d) any other Permit of the Seller or the Company.

3.4 Seller Consents and Approvals. Except as set forth in Schedule 3.4, no consent, approval, authorization, license or order of, registration or filing with, or notice to, any Governmental Entity or any other Person (collectively, "Consents") is necessary to be obtained, made or given by the Seller or the Company in connection with the execution and delivery by the Seller of this Agreement or the Ancillary Agreements, the performance by the Seller of its obligations hereunder and thereunder and the consummation of the Contemplated Transactions, other than such Consents which, if not obtained or made, could not reasonably be expected to have a Material Adverse Effect on the Company or a material adverse effect on the ability of the Seller to execute and deliver this Agreement or the Ancillary Agreements, to perform its obligations hereunder or to consummate the Contemplated Transactions

3.5 Organization and Qualification of the Company; No Subsidiaries. The Company is a corporation duly organized, validly existing and in good standing under the laws of North Carolina as a property and casualty insurance company and has all requisite corporate power and authority to own its assets or Properties and to conduct its business as currently being conducted. The Company is duly qualified and in good standing as a foreign corporation in all jurisdictions in which the nature of its business or the ownership of its Properties makes such qualification necessary, except where the lack of such qualification or good standing would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company. The Company has no Subsidiaries and no equity or other ownership interest of any kind in any other Person.

3.6 Capitalization of the Company.

(a) Schedule 3.6 sets forth the designation, par value and the number of authorized, issued and outstanding Shares of capital stock of the Company. The issued and outstanding capital stock of the Company consists solely of the Shares. Except as set forth in Schedule 3.6, no other class of equity securities, preferred stock, bonds, debentures, notes, other evidences of indebtedness for borrowed money or other securities of any kind of the Company (except for the Shares) is authorized, issued or outstanding. All of the Shares are duly authorized, validly issued, fully paid and non-assessable.

(b) There are no subscriptions, options, warrants, calls, preemptive rights or other rights to purchase or otherwise receive, nor are there any securities or instruments of any kind convertible into or exchangeable for, any capital stock of the Company. Neither the Company nor the Seller is a party to any agreement with a third party (other than the Buyer) which places any restriction upon, or which creates any voting trust, proxy, or other agreement with respect to, the voting, purchase, redemption, acquisition or transfer of the Shares.

3.7 Title to Shares. The Seller has good and valid title to each of the Shares, free and clear of any Lien.

3.8 Financial Statements.

(a) The Seller has heretofore delivered to the Buyer true and complete copies of the Statutory Statements of the Company.

(b) The Statutory Statements of the Company were prepared and the Subsequent Period Financial Statements will be prepared in accordance with SAP and the Applicable Insurance Code, consistently applied throughout the periods involved (except as may be indicated in the notes thereto regarding the adoption of new accounting policies), and present fairly, in all material respects, in accordance with SAP and the Applicable Insurance Code, the statutory financial position of the Company at the respective dates thereof and the results of operations of the Company, for the respective periods then ended, except that the Statutory Statements of the Company have not been, and any Subsequent Period Financial Statement will not have been, audited and are or will be subject to normal recurring year-end audit adjustments. The Statutory Statements of the Company complied and the Subsequent Period Financial Statements will comply in all material respects with SAP and the Applicable Insurance Code, and were or will be complete and correct in all material respects when filed, and no material deficiency has been asserted in writing with respect to any of the Statutory Statements of the Company by any Applicable Insurance Department.

3.9 Absence of Changes.

(a) Except as set forth in Schedule 3.9 or any other schedule hereto and except for the Contemplated Transactions, since December 31, 2007, there has not occurred a Material Adverse Effect on the Company.

(b) Except as set forth in Schedule 3.9, or any other Schedule hereto and except for the Contemplated Transactions, between December 31, 2007, through the date hereof, the Company has operated its businesses in the Ordinary Course of Business.

(c) Without limiting the foregoing, except as set forth in Schedule 3.9, or any other Schedule hereto and except for the Contemplated Transactions, none of the Company, the Seller or any Person acting on behalf of the Company or the Seller has taken any of the following actions since December 31, 2007:

(i) sold (or granted any warrants, options or other rights to purchase) any of the Shares, or otherwise issued any other interests in the Company;

(ii) acquired any assets or Property of the Company for a cost in excess of Fifty Thousand Dollars ($50,000), individually or in the aggregate;

(iii) created, incurred or assumed any indebtedness relating to or affecting the Company other than accounts payable incurred in the Ordinary Course of Business;

(iv) made any loans, advances or capital contributions to or investments in any Person relating to or affecting the Company;

(v) materially changed billing, payment or credit practices of the Company with any insurer, reinsurer, producer, agent, broker or intermediary or changed the timing of rendering invoices;

(vi) entered into any material Lease or contract, or terminated, modified or changed in any material respect any contract, relating to or affecting the Company other than in the Ordinary Course of Business or as contemplated pursuant to this Agreement or the Ancillary Agreements;

(vii) entered into any employment, independent contractor, severance, termination or other compensation agreement with any Employee or consultant of the Company;

(viii) increased the rate or terms of compensation of, or entered into any new, or extended the term of any existing, bonus or incentive agreement or arrangement with, any Employee or consultant of the Company;

(ix) adopted any new Plan or amendment to increase the compensation or benefits payable under any of the Plans;

(x) induced any Employee or consultant of the Company to leave his or her employment or terminate his or her engagement in order to accept employment or an engagement with the Seller or any of its Affiliates, or acted to otherwise adversely affect the relations of the Company with any employee or consultant to the detriment of the Company;

(xi) entered into any material transaction, agreement, contract or understanding with an Affiliate or altered the terms of any material transaction, agreement, contract or understanding with any Affiliate;

(xii) suffered any material breach or waived any rights of the Company arising under or in connection with any of the assets other than in the Ordinary Course of Business;

(xiii) entered into any merger, consolidation, recapitalization or other business combination or reorganization;

(xiv) changed any of the Company's methods of accounting or accounting systems, policies or practices;

(xv) without limiting the foregoing, entered into any material transaction (except as expressly contemplated by this Agreement) affecting any of the assets or the operations, prospects or financial condition of the Company other than in the Ordinary Course of Business; or

(xvi) entered into any oral or written agreement, contract, commitment, arrangement or understanding with respect to any of the foregoing.

3.10 Legal Proceedings. Except as set forth in Schedule 3.10, there is no civil, criminal, administrative or other Action pending or, to the Seller's Knowledge, threatened against the Company or any of its assets or Properties or against the Shares, by or before any court, other Governmental Entity or arbitrator, which has or could reasonably be expected to have a Material Adverse Effect. Except as set forth in Schedule 3.10, there is no outstanding order, writ, judgment, injunction, fine, award, determination or decree of any court, other Governmental Entity or arbitrator against the Company or any of its assets or Properties which has had or could reasonably be expected to have a Material Adverse Effect. Except as disclosed in Schedule 3.10, there is no Action pending or, to the Seller's Knowledge, threatened against or affecting the Seller or the Company that (i) seeks to restrain or enjoin the consummation of any of the Contemplated Transactions or (ii) has or could reasonably be expected to materially impair the ability of the Seller to consummate any of the Contemplated Transactions.

3.11 Compliance with Laws; Permits.

(a) Except as set forth in Schedule 3.11, the Company is in compliance with, is not in default under and has received no written notice from any Governmental Entity and the Seller has no Knowledge that it is not in compliance with or default under (i) all Applicable Laws; (ii) all applicable rules, ordinances, resolutions, codes, edicts, regulations, rulings, requirements, orders, Consents, approvals, writs, judgments, injunctions, awards, determinations and decrees issued, enacted, adopted, promulgated, implemented or otherwise put into effect by any court, other Governmental Entity or arbitrator; (iii) the Insurance Licenses; and (iv) its Permits (other than the Insurance Licenses), except, with respect to clauses (i) - (iv), where noncompliance or default would not reasonably be expect to have, individually or in the aggregate, a Material Adverse Effect on the Company.

(b) The Company has all Permits necessary for the ownership of its assets and Properties and to conduct its business (a "Material Permit"), and all such Material Permits are valid and in full force and effect, except where the failure by the Company to have any Permit would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company.

(c) To the Seller's Knowledge, since January 1, 2003, the Company has not engaged in any corrupt business practices or price fixing, bid rigging or any other anticompetitive activity of any type.

(d) Since January 1, 2003 neither the Company nor its directors or officers, nor to the Seller's Knowledge any Employees or agents, has (i) directly or indirectly given or agreed to give any illegal gift, contribution, payment or similar benefit to any supplier, customer, governmental official or employee or other Person who was, is or may be in a position to help or hinder the Company (or assist in connection with any actual or proposed transaction) or made or agreed to make any illegal contribution, or reimbursed any illegal political gift or contribution made by any other Person, to any candidate for federal, state, local or foreign public office (x) which could reasonably be expected to subject the Company, the Buyer or the business to any damage or penalty in any civil, criminal or governmental litigation or proceeding or (y) the non-continuation of which has had or could reasonably be expected to have a Material Adverse Effect on the Company or (ii) established or maintained any unrecorded fund or asset or made any false entries on any books or records for any purpose.

3.12 Contracts.

(a) Schedule 3.12(a), contains a true and complete list of all of the following Contracts in effect or pursuant to which any party thereto has any obligations (excluding policies of insurance written by the Company, Plans and Company Insurance Policies which are the subject of Sections 3.16 and 3.18, respectively) to which the Company is a party:

(i) material partnership or joint venture Contracts;

(ii) Contracts containing any covenant of the Company not to compete with any Person or in any location or geographic area or any limitation or restriction on the ability of the Company to engage in any line of business or the manner in which Company conducts business;

(iii) Contracts relating to the borrowing of money, or the direct or indirect guaranty of any obligation for borrowed money by the Company, or Contracts to service the repayment of borrowed money or any other Liability in respect of indebtedness for borrowed money of any other Person;

(iv) lease, sublease, rental, licensing, use or similar Contracts with respect to Property providing for annual rental, license, or use payments or the guaranty of any such lease, sublease, rental, licensing or other Contracts;

(v) Contracts (A) for the purchase, acquisition, sale or disposition of any assets or Properties or the Shares or equity interests of the Company or any Person, other than in connection with the management of the Company's investment portfolio in the Ordinary Course of Business, or (B) for the grant to any Person (excluding the Company) of any option or preferential rights to purchase any Shares, other equity interests, assets or Properties of the Company;

(vi) any Contract that provides for the indemnification of any officer, director, Employee or agent and any employment or other similar Contracts with any current officer, director, Employee or agent;

(vii) Reinsurance Contracts to which the Company is a party;

(viii) material agency, broker, selling, marketing or similar Contracts;

(ix) asset management agreements with any other Person;

(x) Contracts under which Persons provide material information, technology products or information technology services to the Company;

(xi) Contracts providing for indemnification of any special purpose vehicle or other financing entity, including off balance sheet entities;

(xii) Any contract providing for future payments that are conditioned on, or an event of default as a result of, a change of control of the Company or any similar event;

(xiii) other material Contracts not listed above.

(b) The Seller has heretofore delivered or made available to the Buyer true and complete copies of all of the Material Contracts whether or not listed on Schedule 3.12(a). Each of such Material Contracts is a valid and binding obligation of the Company and, to the Seller's Knowledge, is a valid and binding obligation of any other Person party thereto, and is in full force and effect enforceable against the parties thereto in accordance with its terms, subject to applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other laws affecting creditors' right generally, general principles of equity and the discretion of courts in granting equitable remedies. Except as specified in Schedule 3.12(b), neither the Company nor, to the Seller's Knowledge, any other Person party thereto, is in breach or violation of, or default under, any Material Contract whether or not listed on Schedule 3.12(a), except for such breaches, violations and defaults that have not had and could not reasonably be expected to have a Material Adverse Effect and, to the Knowledge of the Seller no condition or event exists which with the giving of notice or the passage of time, or both, would constitute a violation or default of any Material Contract by the Company or any other party thereto or permit the termination, modification, cancellation or acceleration of performance of the obligations of the Company or any other party to the Material Contract.

3.13 Property and Assets.

(a) The Company does not own and has never owned any real Property and the Company has no leasehold interests in real Property.

(b) The Company has good title to, or valid and subsisting leasehold interests in, free of all Liens (other than Permitted Liens) all personal Property and other assets on its books and reflected in the Statutory Statements of the Company or in the Subsequent Period Financial Statements, as applicable, or acquired in the Ordinary Course of Business since December 31, 2007, which would have been required to be reflected in the balance sheets included therein, except for assets that have been disposed of in the Ordinary Course of Business since December 31, 2007 or otherwise in accordance with the terms of this Agreement.

(c) The Company has complied in all material respects with all applicable Environmental Laws. Other than Liabilities arising from insurance policies issued by the Company, the Company has no Liabilities or obligations arising from the release of any Materials of Environmental Concern into the environment. To the Knowledge of the Seller, there have been no releases of any Materials of Environmental Concern into the environment at or from any parcel of real Property or any facility formerly owned, operated or controlled by the Company, or, to the Knowledge of the Seller, any other owner, operator or lessee of such Property or facility.

3.14 Insurance License and Surplus and Excess Lines Qualifications. The Company is licensed to do insurance business in the State of North Carolina. The North Carolina insurance license (the "Insurance License") is in full force and effect. The Company has not received a written notice of suspension or termination with respect to such license, Seller does not have Knowledge of any threatened suspension or termination in connection therewith, nor does Seller have Knowledge of any event, inquiry, investigation or proceeding that would reasonably be expected to result in such suspension or termination. Schedule 3.14(a) contains a true and correct list of each state in which the Company is Surplus or Excess Lines Qualified as of the date of this Agreement. Other than as set forth in Schedule 3.14(a), the Company has not received written notice of suspension or termination with respect to any Surplus or Excess Line Qualification, Seller does not have Knowledge of any threatened suspension or termination in connection therewith, nor does Seller have Knowledge of any event, inquiry, investigation or proceeding that would reasonably be expected to result in such suspension or termination.

3.15 Intellectual Property.

(a) Except as set forth in Schedule 3.15, the Company owns or possesses, or has valid, enforceable rights or licenses to use, the patents, patent applications, trademarks, trademark applications, service marks, trade names, copyrights, Internet domain names (including any registrations, licenses or rights relating to any of the foregoing), computer software, trade secrets, inventions and know-how that are necessary to carry on its business as presently conducted (each, an "Intellectual Property Right") free and clear of all Liens (other than Permitted Liens and restrictions provided in an agreement, license or other arrangement listed in Schedule 3.15, except where the failure to so own or possess, or have licenses to use any Intellectual Property Right, has not had and could not reasonably be expected to have a Material Adverse Effect on the Company. The Seller has no Knowledge of any infringement by any Person of any Intellectual Property Right of the Company.

(b) All Intellectual Property Rights that have been licensed by or on behalf of the Company are being used substantially in accordance with the applicable license pursuant to which the Company has the right to use such Intellectual Property Rights, except where the failure to do so could not reasonably be expected to have a Material Adverse Effect on the Company. Schedule 3.15 lists each agreement, license or other arrangement relating to any licensed Intellectual Property Right, which if not licensed or available for use by the Company, could reasonably be expected to have a Material Adverse Effect on the Company or under which a one-time or periodic license fee of more than $50,000 was or shall be payable in the applicable licensing period.

(c) Schedule 3.15 contains a complete and accurate list of (A) registered and applied for patents, trademarks, service marks, copyrights, or domain names owned or licensed by the Company, in each case specifying the jurisdiction in which the applicable registration has been obtained or pending application has been filed, and, where applicable, the registration or application number therefore (B) material common law trademarks and service marks owned by the Company and other Intellectual Property Rights owned or licensed by the Company. Except as set forth in Schedule 3.15, as of the date hereof, there are no claims pending or, to the Knowledge of Seller, threatened, challenging the ownership, validity or enforceability of any Intellectual Property Right owned by the Company, except, in each case, for such claims that, if adversely determined, could not reasonably be expected to have a Material Adverse Effect on the Company.

(d) To the Seller's Knowledge, since January 1, 2003, the Company has not suffered a material security breach with respect to its data or systems requiring notification to Employees in connection with such Employees' confidential information or to customers, except, in each case, for such security breaches that have not had and could not reasonably be expected to have a Material Adverse Effect on the Company.

Except as set forth in Schedule 3.15, since January 1, 2003, the Company has not received any written notice of any infringement of the rights of any third party with respect to any Intellectual Property Right that, if such infringement is determined to be unlawful, could reasonably be expected to have a Material Adverse Effect on the Company. To the Knowledge of Seller, no use by the Company of any Intellectual Property Right owned by the Company (A) infringes any Intellectual Property Right of any Person, except to the extent that such infringement, if determined to be unlawful, has not had and could not reasonably be expected to have a Material Adverse Effect on the Company or (B) requires any payment for the use of such Intellectual Property Right of any Person (except for payment of licensing or maintenance fees).

3.16 Employee Benefit Plans. The Seller represents that the Company does not currently sponsor, maintain, or contribute to, and has never sponsored, maintained or contributed to, any Plan. The Company has no Liabilities or obligations under any Plan. No event has occurred and no condition exists with respect to any Plan that would reasonably be expected to subject the Company to any material tax, fine, lien, penalty or other Liability imposed by ERISA, the Code or other Applicable Laws.

3.17 Employee Relations. (i) The Company has no Employees and has not had any Employees since January 1, 2003; (ii) there is no labor strike, dispute, slowdown, stoppage or lockout pending or, threatened against the Company, and during the past twelve months there has not been any such action; (iii) the Company is not a party to or bound by any collective bargaining or similar agreement with any labor organization, or work rules or practices agreed to with any labor organization or employee association applicable to Employees; (iv) within the last twelve months there has been no "mass layoff" or "plant closing" as defined by the WARN Act or any similar state or local "plant closing" law with respect to the Employees; (v) the Company has no Liabilities, obligations, costs, or expenses of any kind or nature attributable in any manner to any Employees and (iv) the Company is in material compliance with all federal, state or other Applicable Laws, domestic or foreign, respecting employment and employment practices, terms and conditions of employment and wages and hours of employment.

3.18 Insurance Policies. The Company is covered by (a) valid and effective insurance policies issued in favor of the Seller, an Affiliate of the Seller and/or the Company or (b) self insured plans that, in the judgment of the Seller, an Affiliate of the Seller and/or the Company or (b) self insured plans that, in the judgment of the Seller, are customary for a company of similar size in the industry and locale in which the Company operates. Schedule 3.18 sets forth a complete and accurate list of all insurance policies covering the business and operations of the Company issued in favor of an Affiliate of the Seller, the Seller and/or the Company (the "Company Insurance Policies"), specifying the type of coverage, the amount of coverage, the insurer, the policyholder, each covered loss-sharing arrangement, and all self insured plans covering the business and operations of the Company. Neither the Seller, the Company nor any Affiliate of the Seller (a) is in material default with respect to any of the Company Policies, (b) has received any written notice of a cancellation with respect to any of the Company Policies or (c) has been refused any insurance coverage sought or applied for with respect to the Company or its business. All premiums due and payable on any of the Company Policies or renewals thereof have been paid or will be paid timely through the Closing Date.

3.19 Tax Matters.

(a) The Company has filed (or joined in the filing of) when due (after taking into account all properly requested extensions) all Tax Returns required by Applicable Law to be filed with respect to the Company and all Taxes owed have been paid (whether or not shown, or required to be shown on any Tax Return);

(b) there is no Action currently pending or, to threatened, regarding any Taxes relating to the Company in respect of any Tax or assessment, nor is any written claims for additional Tax or assessment being asserted by any Taxing Authority;

(c) there has been no waiver or extension of any applicable statute of limitations for the assessment or collection of any Taxes of the Company;

(d) the Company is not a party to any agreement other than with the Seller and its Affiliates, whether written or unwritten, providing for the payment of Taxes, payment for Tax losses, entitlements to refunds or similar Tax matters;

(e) none of the Tax Returns filed by the Company contain a disclosure statement under former Section 6661 of the Code or Section 6662 of the Code (or any similar provision of state, local or foreign Tax law);

(f) there are no Liens for Taxes upon any of the Company's assets, other than Liens for Taxes not yet due and payable;

(g) there are no material elections with respect to Taxes affecting the Company, as of the date hereof;

(h) the Company is not subject to, nor has applied for any private letter ruling of the IRS or comparable rulings of any Taxing Authority;

(i) neither the Company nor any Person on its behalf has granted to any Person any power of attorney that is currently in force with respect to any Tax matter;

(j) the Company will not be required to include any item of income in, or exclude any item of deduction from, taxable income for any Taxable Period (or portion thereof) ending after the Closing Date as a result of any (i) change in method of accounting for a Taxable Period ending on or prior to the Closing Date, (ii) "closing agreement" as described in Section 7121 of the Code (or any corresponding or similar provision of state, local or non-U.S. Tax law) executed on or prior to the Closing Date, (iii) intercompany transaction or excess loss account described in United States Treasury Regulations under Section 1502 of the Code (or any corresponding or similar provision of state, local, or non-U.S. Tax law), (iv) installment sale or open transaction made on or prior to the Closing Date, or (v) prepaid amount received on or prior to the Closing Date;

(k) none of the Shares of outstanding capital stock of the Company is subject to a "substantial risk of forfeiture" within the meaning of Section 83 of the Code;

(l) no portion of the Purchase Price is subject to the Tax withholding provisions of Section 3406 of the Code, or of Subchapter A of Chapter 3 of the Code or of any other provision of law;

(m) the Company is not a party to or member of any joint venture, partnership, limited liability company or other arrangement or contract which could be treated as a partnership for federal income Tax purposes;

(n) the Company has never filed a consent pursuant to Section 341(f) of the Code, relating to collapsible corporations and Section 341(f)(2) of the Code does not apply to any of the Company's assets;

(o) the Company is not, and has not been, a U.S. real property holding company (as defined in Section 897(c)(2) of the Code) during the applicable period specified in Section 897(c)(1)(A)(ii) of the Code;

(p) 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 (i) in the two (2) years prior to the date of this Agreement or (ii) in a distribution which could otherwise constitute part of a "plan" or "series of related transactions" (within the meaning of Section 355(e) of the Code) in conjunction with the transactions contemplated by this Agreement;

(q) the Company has not (i) participated or engaged in any transaction, or taken any Tax Return position, described in Treasury Regulation Section 301.6111-2(b)(2) (or any corresponding or similar provision of state, local or non-U.S. Tax law) or (ii) participated or engaged in any "reportable transaction" within the meaning of Treasury Regulation Section 1.6011-4 (or any corresponding or similar provision of state, local or non-U.S. Tax law);

(r) the Company is not and has not been a party to a transaction or agreement that is in violation of the Tax rules on transfer pricing in any relevant jurisdiction and all transactions and agreements (whether written or oral) between the Company and any of its Affiliates have been conducted in an arm's length manner; and

(s) no claim is pending or threatened by a Tax Authority in a jurisdiction where the Company does not file Tax Returns that the Company is or may be subject to Tax in that jurisdiction.

3.20 Bank Accounts. Schedule 3.20 contains a true and complete list of the names and locations of all banks, trust companies, securities brokers and other financial institutions at which the Company has an account or safe deposit box or maintains a banking, custodial, trading or other similar relationship.

3.21 Material Services Provided by Seller; Related Party Transactions.

(a) Except as set forth in Schedule 3.21, neither the Seller nor its Affiliates (other than the Company) provide any material services to the Company.

(b) Schedule 3.21 lists all Contracts, other than Reinsurance Contracts, in effect or pursuant to which any party thereto has material obligations, between the Company and any of the following Persons: (i) the Seller or any of its Affiliates and (ii) any director, officer or senior executive of the Seller, any Affiliate of the Seller or the Company.

3.22 No Brokers. Except as set forth in Schedule 3.22, no broker, finder or investment banker (an "Investment Broker") acting on behalf of the Seller or the Company is or will be entitled to any brokerage, finder's or other fee, compensation or commission from the Seller. No Person is or will be entitled to any brokerage, finder's or other fee, compensation or commission from the Company in connection with the Contemplated Transactions.

3.23 Absence of Undisclosed Liabilities. To the Seller's Knowledge, the Company has no Liabilities or obligations of any nature, whether known, unknown, absolute, accrued, contingent or otherwise and whether due or to become due, except (i) as disclosed or reserved against in the Statutory Statements of the Company, including the notes thereto, and (ii) for Liabilities or obligations that were incurred in the Ordinary Course of Business since December 31, 2007.

3.24 Insurance and Reinsurance Matters.

(a) The Seller has made available for inspection by the Buyer copies of: (i) each annual statement filed with or submitted to any insurance regulatory authority by the Company since December 31, 2002; (ii) any reports of examination (including, without limitation, financial, market conduct and similar examinations) of the Company issued by any insurance regulatory authority since December 31, 2002; and (iii) all other material holding company filings or submissions made by the Company with any insurance regulatory authority since January 1, 2003. The Company has filed all material reports, registrations, filings and submissions required to be filed with any insurance regulatory authority since January 1, 2003. All such reports, registrations, filings and submissions were in compliance in all material respects with Applicable Law when filed or as amended or supplemented.

(b) To the Knowledge of the Seller, other than as contemplated in the Commutation and Termination Amendment or the Partial Commutation and Termination Amendment, all Reinsurance Contracts of the Company reflected in the Statutory Statements of the Company are valid, binding and enforceable against any other party thereto, in accordance with their terms, subject to applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other laws affecting creditors' right generally, general principles of equity and the discretion of courts in granting equitable remedies, are in full force and effect and transfer such risk as would be required for such treaties and agreements to be properly accounted for as reinsurance. Except as contemplated hereby, no such Reinsurance Contract contains any provision providing that the other party thereto may terminate or amend such Reinsurance Contract by reason of the Contemplated Transactions. The Company is entitled to take full credit in its financial statements pursuant to Applicable Laws for all reinsurance ceded pursuant to any Reinsurance Contract to which the Company is a party. The Company has complied in all material respects with all of its obligations under such Reinsurance Contracts and has provided the reinsurers thereunder on a timely basis with all required loss notices.

3.25 Investment Company, Etc. The Company is not required to be registered, licensed or qualified as, an investment adviser or a broker-dealer or as a commodity trading advisor, a commodity pool operator or a futures commission merchant or any or all of the foregoing. Neither the Company nor the Seller is an investment company within the meaning of the Investment Company Act of 1940, as amended.

3.26 Disclosure. To the Seller's Knowledge, none of the representations and warranties contained in this Article III, or the Seller's Disclosure Schedule contains any untrue statement of a material fact or omits a material fact necessary to make the statements contained herein or therein, taken as a whole, in light of the circumstances in which they were made, not misleading.

3.27 Exclusion of Implied Representations and Warranties. EXCEPT AS EXPRESSLY SET FORTH IN THIS ARTICLE III, THE SELLER EXCLUDES AND DISCLAIMS ANY AND ALL IMPLIED REPRESENTATIONS AND WARRANTIES.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF THE BUYER

The Buyer hereby represents and warrants to the Seller as follows:

4.1 Organization of the Buyer. The Buyer is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware.

4.2 Authorization, Validity and Enforceability. The Buyer has all requisite corporate power and authority to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the Contemplated Transactions. The execution, delivery and performance by the Buyer of this Agreement and the consummation of the Contemplated Transactions by the Buyer have been duly and validly authorized by all necessary corporate action on the part of the Buyer and no other corporate proceedings on the part of the Buyer is necessary to authorize the execution, delivery and performance of this Agreement or the consummation of any of the Contemplated Transactions. This Agreement has been duly executed and delivered by the Buyer and constitutes the legal, valid and binding obligation of the Buyer, enforceable against the Buyer in accordance with its terms.

4.3 No Conflicts. Assuming compliance with the matters referred to in Section 4.4 below, the execution, delivery and performance by the Buyer of this Agreement and the consummation of the Contemplated Transactions do not and will not conflict with, result in any breach or violation of, or constitute a default under (or an event which with the giving of notice or the lapse of time or both would constitute a default under), or give rise to any right of termination or acceleration of any right or obligation of the Buyer, or result in the creation or imposition of any Lien upon any assets or Properties of the Buyer by reason of the terms of (a) the certificate of incorporation, bylaws or other charter or organization documents of the Buyer; (b) any material Contract to which the Buyer is a party or by or to which it or its assets or Properties may be bound or subject; (c) assuming compliance with the matters set forth on Schedule 4.4, any applicable order, writ, judgment, injunction, award, decree, law, statute, ordinance, rule or regulation of any Governmental Entity; or (d) any other Permit of the Buyer other than, in the case of (b), (c) or (d), any such conflict, breach, violation, default, right, obligation or Lien, that could not be reasonably be expected to have a Material Adverse Effect on the ability of the Buyer to execute and deliver this Agreement, to perform its obligations hereunder or to consummate the Contemplated Transactions.

4.4 Buyer Consents and Approvals. Except as set forth in Schedule 4.4, no Consent of any Governmental Entity or other Person is necessary to be obtained, made or given by the Buyer in connection with the execution and delivery by the Buyer of this Agreement, the performance by the Buyer of its obligations hereunder and the consummation of the Contemplated Transactions, except for Consents which, if not obtained or made, could not be reasonably be expected to have a Material Adverse Effect on the ability of the Buyer to execute and deliver this Agreement, to perform its obligations hereunder or to consummate the Contemplated Transactions.

4.5 No Brokers. No Investment Broker acting on behalf of the Buyer is entitled to any brokerage, finder's or other fee, compensation or commission from the Buyer in connection with the Contemplated Transactions.

4.6 Disclosure. None of the representations and warranties contained in this Article IV or the Buyer's Disclosure Schedule contains any untrue statement of a material fact or omits a material fact necessary to make the statements contained herein or therein, taken as a whole, in light of the circumstances in which they were made, not misleading.

4.7 Exclusion of Implied Representations and Warranties. EXCEPT AS EXPRESSLY SET FORTH IN THIS ARTICLE IV, THE BUYER EXCLUDES AND DISCLAIMS ANY AND ALL IMPLIED REPRESENTATIONS AND WARRANTIES.

ARTICLE V

COVENANTS

5.1 Conduct of Business.

(a) Except as set forth on Schedule 5.1 or any of the other Schedules hereto, or as otherwise contemplated by this Agreement or the Ancillary Agreements, or as consented to in writing by the Buyer, from the date hereof to and including the Closing Date, the Seller will cause the Company to conduct its operations in the Ordinary Course of Business and in compliance in all material respects with all Applicable Law and the requirements of all Permits and Material Contracts (whether or not listed on Schedule 3.12(a)) and Reinsurance Contracts.

(b) Except as set forth in Schedule 5.1 or any of the other Schedules hereto, or as otherwise contemplated by this Agreement or the Ancillary Agreements from the date hereof to and including the Closing Date, the Seller will not, without the prior written consent of the Buyer (such consent not to be unreasonably withheld, delayed or conditioned), permit the Company to directly or indirectly:

(i) amend or modify its certificate or articles of incorporation, bylaws or other charter or organization documents;

(ii) merge or consolidate or enter into a business combination with or acquire the business of any other Person or acquire, lease or license any right or other any Property or assets of any other Person;

(iii) other than in connection with the management of the Company's investment portfolio in the Ordinary Course of Business, sell, pledge, lease, license or dispose of a material portion of any of its assets;

(iv) enter into or become bound by, or permit any of the assets owned or used by it to become bound by, any Material Contract (whether or not listed on Schedule 3.12(a)), or amend or terminate, or, other than in the Ordinary Course of Business, waive or exercise any material right or remedy under, any such Material Contract;

(v) enter into, amend, terminate or otherwise restructure any Intercompany Agreements in a manner that would have a material adverse impact on the Company; provided, however, that the Buyer acknowledges and agrees that all services provided by the Seller and its Affiliates (other than the Company) shall cease as of the Closing except as provided in the FRR Agreement and the Reinsurance Agreement;

(vi) split, combine, recapitalize, reverse stock split or reclassify any Shares of its capital stock or other securities, or declare, pay or set aside any sum for any dividend or other distribution (whether in cash, stock or Property, any combination thereof or otherwise) in respect of its capital stock, or redeem, purchase or otherwise acquire (or agree to redeem, purchase or otherwise acquire) any of its capital stock or any of its other securities or any rights, warrants or options to acquire any such capital stock or securities, unless after giving effect to such dividend, distribution, redemption, purchase or other acquisition, Policyholders' Surplus shall be at least Seven Million Dollars ($7,000,000);

(vii) authorize, issue, sell, grant, dispose of, transfer, pledge or otherwise encumber any Shares of its capital stock, any of its equity interests, any other of its voting securities or any securities convertible into or exchangeable for, or any rights, warrants, call or options to acquire, any such Shares, equity interests, voting securities or convertible or exchangeable securities;

(viii) adopt a plan of complete or partial liquidation, dissolution, rehabilitation, merger, consolidation, restructuring, recapitalization, redomestication or other reorganization;

(ix) adopt a new Plan, amend any Plan or permit any Plan to enter into any material Contract, insurance arrangement or funding obligation to increase present or future benefits to Employees or the present or future cost of providing benefits to Employees;

(x) enter into or agree to any regulatory restrictions or arrangements;

(xi) adopt any Plan or enter into any employment agreement or employment contract or otherwise hire any Employee;

(xii) lend money to any Person or incur or guarantee any Debt;

(xiii) make, authorize or commit to any capital expenditures;

(xiv) settle or compromise any Action, other than (A) any claims or litigation under insurance policies issued by the Company in the Ordinary Course of Business within policy limits, (B) any claims or litigation for which the sole remedy is monetary damages in an amount less than $25,000, (C) as required by a final or non-appealable judgment of an arbitration panel or court, or (D) Regulatory Body Matters; provided, however, that if the settlement or compromise of any Regulatory Body Matter would require the Buyer or the Company to admit any Liability or pay Damages or other amounts in settlement, the Seller may not effect such settlement without the Buyer's prior written consent (which consent shall not be unreasonably withheld, delayed or conditioned);

(xv) make or change any material Tax election, enter into, amend, terminate or otherwise restructure any Intercompany Agreements relating to Taxes, change an annual accounting period, adopt or change any material accounting method, enter into any closing agreement, settle any Tax Claim, consent to any extension or waiver of the limitation period applicable to any material Tax Claim or assessment relating to the Company, if such election, adoption, change, consent or other action would have the effect of increasing the Tax Liability of the Company for any period ending after the Closing Date or decreasing any Tax attribute of the Company existing on the Closing Date;

(xvi) enter into any new Contract or amend in any material respect, or terminate or non-renew any Material Contract except as provided under Section 5.3 hereof;

(xvii) make any change in its financial or statutory accounting methods, principles or practices used by it materially affecting its assets or Liabilities (including reserve methods, practices and policies in effect, except insofar as may be required by a change in law or applicable accounting principles);

(xviii) forfeit, abandon, amend, modify, waive or terminate any Insurance License or Surplus or Excess Lines Qualification;

(xix) enter into any material transaction or take any other material action outside the Ordinary Course of Business or as otherwise contemplated by this Agreement or the Ancillary Agreements; or

(xx) agree in writing to do any of the foregoing.

5.2 Access; Confidentiality.

(a) From the date hereof until the Closing, the Seller will, and will cause the Company and its representatives to (i) allow the Buyer and its officers, employees, counsel, accountants, actuaries, consultants and other authorized representatives ("Representatives") to have reasonable access to the books, records, Tax Returns, financial statements, Contracts, work papers and other information and documents relating to the Company, assets, Properties, facilities, management and personnel of the Company at all reasonable times, upon reasonable notice and in a manner so as not to interfere with the normal operation of the business of the Company and (ii) cause the respective Representatives of the Seller and the Company to cooperate in good faith with the Buyer and its Representatives in connection with all such access.

(b) Each party hereto will hold, and will use reasonable best efforts to cause its Affiliates, and their respective Representatives to hold, in strict confidence from any Person (other than any such Affiliates or Representatives), except with the prior written consent of the other party or unless (i) compelled to disclose by judicial or administrative process (including in connection with obtaining the necessary approvals of this Agreement, the other Ancillary Agreements, or any of the Contemplated Transactions by Governmental Entities) or by other requirements of Applicable Law or stock exchange regulation, or (ii) disclosed in an Action or proceeding brought by a party hereto in pursuit of its rights or in the exercise of its remedies hereunder, all documents and information concerning the other party or any of its Affiliates furnished to it by the other party or such other party's Representatives in connection with this Agreement, the Ancillary Agreements, or any of the Contemplated Transactions, except to the extent that such documents or information can be shown to have been (a) previously known or available to (on a non-confidential basis) the party receiving such documents or information, (b) in the public domain (either prior to or after the furnishing of such documents or information hereunder) through no violation of this provision by the receiving party or (c) later acquired by the receiving party from another source if the receiving party is not aware that such source is under an obligation or duty to the party seeking to keep such documents and information confidential.

5.3 Intercompany Accounts; Intercompany Agreements. Except with respect to (i) that certain Excess of Loss Treaty Reinsurance Agreement, effective as of October 1, 2007, between the Company and Motors, and (ii) that certain Amended and Restated Treaty Reinsurance Agreement, effective as of January 1, 1998 and amended as of October 1, 2005, among the Company Integon Indemnity Corporation, Integon General Insurance Corporation, New South Insurance Company, Integon Preferred Insurance Company, Integon National Insurance Company, Integon Casualty Insurance Company, which agreements shall be terminated in accordance with the Commutation and Termination Amendment and the Partial Commutation and Termination Amendment, the Seller shall cause all agreements between the Company and any of its Affiliates, to be terminated without any further obligation or Liability of the Company and all intercompany accounts receivable or payable (whether or not currently due or payable) between (x) the Company, on the one hand, and (y) the Seller or any of its Affiliates, or any of the officers or directors of any of the Seller and any of its Affiliates, on the other hand, to be settled in full (without any premium or penalty), at or prior to the Closing.

5.4 Cooperation and Commercially Reasonable Efforts. Subject to the terms and conditions hereof, (a) each of the parties hereto shall cooperate with each other, and the Seller shall cause the Company to cooperate with the Buyer, in connection with consummating the Contemplated Transactions, and (b) each of the parties hereto agrees to, and the Seller shall cause the Company to, use commercially reasonable efforts to take, or cause to be taken, all actions, and to do, or cause to be done, all things necessary, proper or advisable under Applicable Law and regulations to consummate and make effective the Contemplated Transactions.

5.5 Consents and Approvals and Licensing.

(a) As soon as practicable after the date hereof, but in no event more than twenty (20) days following the date hereof, each of the parties hereto shall use commercially reasonable efforts to obtain any necessary Consents of, and make any filing with or give any notice to, any Governmental Entities and other Persons (including, without limitation, Insurance Approvals) as are required to be obtained, made or given by such party to consummate the Contemplated Transactions. Each party shall pay all amounts required to be paid by it in connection with obtaining any Consents that it is required to obtain, including those set forth in Schedule 5.5(a). The Seller and the Buyer shall provide each other with a reasonable opportunity to review and comment upon submissions made to the Applicable Insurance Departments in connection with the Seller Insurance Approvals and the Buyer Insurance Approvals, respectively, and shall keep one another reasonably informed of developments relating to their efforts to obtain such Insurance Approvals. Prior to the Closing, the Seller will not enter into or agree to any regulatory restrictions or arrangements which, as a result would materially alter the Company's licensing, Surplus or Excess Lines Qualification or regulatory status in any state without first obtaining the Buyer's consent thereto, which consent may be granted or withheld by the Buyer in its sole discretion.

(b) The Seller will cause the Company to use commercially reasonable efforts prepare, file and prosecute applications to state insurance departments for certificates of authority so that the Company will be authorized to transact business in the lines of business and states indicated on Schedule 5.5(b).

5.6 Press Releases. Prior to the Closing, each party hereto shall consult with the other party hereto prior to issuing, and shall provide the other party with a reasonable, opportunity to review and comment upon, any press release pertaining to this Agreement or the Contemplated Transactions and, except as may be required by Applicable Law or any listing agreement with any national securities exchange, will not issue any such press release prior to such consultation.

5.7 Records Retention, Accounting and Tax Support.

(a) From and after the Closing Date, upon reasonable notice, the Buyer and the Seller agree to furnish or cause to be furnished to each other and their Representatives, employees, counsel and accountants access, during normal business hours, to such information in a readily readable and accessible form (including Company Materials and Materials or other records pertinent to the Company); assistance and cooperation relating to the Company as is reasonably necessary for financial reporting, loss reporting and accounting matters, the preparation and filing of any Tax Returns, or the defense of any Tax Claim, Seller Third-Party Claim or assessment and to meet reporting requirements to any retrocessionaires or any Governmental Entities; provided, however, that such access and cooperation does not unreasonably disrupt the normal operations of the Buyer, the Seller or the Company. Such cooperation shall include, without limitation, making Employees (and, to the extent reasonably feasible, former Employees) reasonably available on a mutually convenient basis to provide information and explanations of such records and Materials. From and after the Closing Date, the Buyer hereby acknowledges that the Seller shall on behalf of the Company maintain and keep original copies of, all Company Materials, Materials and such other books and records of the Company, including such books and records necessary and pertinent to the Company for financial reporting and accounting purposes, the preparation and filing of any Tax Returns for a Pre-Closing Taxable Period, or the defense of any Tax Claim related to a Pre-Closing Taxable Period, Seller Third-Party Claim or assessment, to the extent such Company Materials, Materials, books and records relate to any date or period prior to the Closing Date (the "Company Books and Records"). The Seller acknowledges that, notwithstanding its maintenance and possession of the Company Books and Records, all such Company Books and Records remain the sole property of the Company. The Buyer shall, upon reasonable notice and for any reasonable business purpose, have access during normal business hours to examine, inspect and copy and to remove from the Seller's possession the original copies of such Company Books and Records; provided that, if any of such Company Books and Records are reasonably necessary for Motors or any of its Affiliates to perform its obligations under any of the Ancillary Agreements, Seller or Motors, as the case may be, may retain copies of such Company Books and Records. Before the Seller may dispose of any of the Company Books and Records, the Seller shall give the Buyer at least ninety (90) days' prior written notice of its intention to dispose of such Company Books and Records and the Buyer or its designee shall be given an opportunity, at its cost and expense, to remove and retain all or any part of such Company Books and Records as the Buyer may elect. From and after the Closing Date, the Buyer shall cause the Company to preserve, maintain and keep, or cause to be preserved, maintained and kept, in a readily readable and accessible form, all Company Books and Records and Materials and all original books and records of the Company that do not constitute Company Books and Records, including all books and records necessary and pertinent to the Company for financial reporting and accounting purposes, the preparation and filing of any Tax Returns, or the defense of any Tax Claim, Seller Third-Party Claim or assessment (the "Buyer's Books and Records") for the longer of any statute of limitations applicable to any such matters and a period of seven (7) years from the Closing Date. During such seven-year or longer period, the Seller and its Representatives shall, upon reasonable notice and for any reasonable business purpose, have access during normal business hours to examine, inspect and copy such Buyer Books and Records. After such seven-year or longer period, the Company may dispose of any of such Buyer Books and Records.

(b) The Seller agrees (i) to keep confidential all of the Company Books and Records, (ii) not to use any information contained in the Company Books and Records, except in connection with the transactions contemplated by and services to be provided by the Seller for tax, accounting, regulatory, contract compliance or legal-related purposes and (iii) not reveal or disclose the Company Information to any Person other than its Representatives who need to know the Company Information for tax, accounting, regulatory, contract-compliance or other legal-related purposes; it being understood that all such Persons will be informed of the confidential nature of the Company Information and the terms of this Section 5.7. As used herein, "Company Information" shall mean all non-public, confidential information contained in the Company Books and Records or relating to the Company or the Buyer's Affiliates, their business, financial condition or insureds, whether oral or written, whether in possession of the Seller or any Representative as of the Closing Date or obtained, developed or disclosed by insureds or their Representatives at any time. The term "Company Information" does not include any information which at the time of disclosure to the Seller or thereafter is generally available to and known by the public (other than as a result of a disclosure directly or indirectly by the Seller or any of its Representatives). The Seller may disclose Company Information if required to by Applicable Law.

5.8 Tax Matters.

(a) The Seller shall cause the Company to be included in the consolidated federal income Tax Returns of the Seller or an Affiliate of the Seller for all periods for which it is eligible to be so included, including, without limitation, the period from January 1, 2008 to the Closing Date, and in any other required state, local and foreign consolidated, affiliated, combined, unitary or other similar group Tax Returns that include the Seller or any such Affiliate of the Seller for all Taxable Periods ending on or prior to the Closing Date for which any of them are required to be so included. The Seller shall (A) timely prepare and file all such Tax Returns and timely pay when due all Taxes relating to such Tax Returns and (B) timely prepare and file, or cause to be prepared and filed, all other Tax Returns of the Company for all Taxable periods ending on or prior to the Closing Date and timely pay, or cause to be paid, when due all Taxes relating to such Tax Returns. Prior to the filing of any Tax Return described in the preceding sentence that was not filed before the Closing Date, the Seller shall provide the Buyer with a substantially final draft of such Tax Return (or, with respect to Tax Returns described in clause (A) above, the portion of such draft Tax Return that relates to the Company) at least fifteen (15) Business Days prior to the due date for filing such Tax Return, and the Buyer shall have the right to review such Tax Return prior to the filing of such Tax Return. The Buyer shall notify the Seller of any reasonable objections the Buyer may have to any items set forth in such draft Tax Returns within fifteen (15) Business Days, and the Buyer and the Seller agree to consult and resolve in good faith any such objection and to mutually consent to the filing of such Tax Return. Such Tax Returns shall be prepared or completed in a manner consistent with prior practice of the Seller, the Company with respect to Tax Returns concerning the income, assets, Properties or operations of the Company (including elections and accounting methods and conventions), except as otherwise required by law or regulation or otherwise agreed to by the Buyer prior to the filing thereof.

(b) Any Taxes with respect to the Company that relate to a Taxable Period beginning before the Closing Date and ending after the Closing Date (an "Overlap Period") shall be apportioned between the Seller and the Buyer, (i) in the case of Property Taxes (and any other Taxes not measured or measurable, in whole or in part, by net or gross income or receipts), on a per diem basis and, (ii) in the case of other Taxes, as determined from the books and records of the Company during the portion of such period ending on the Closing Date (i.e., Seller's portion) and the portion of such period beginning on the day following the Closing Date (i.e., Buyer's portion) consistent with the past practices of the Seller and the Company. The Buyer shall cause the Company to file any Tax Returns for any Overlap Period, and the Buyer shall pay, or cause to be paid, all state, local or foreign Taxes shown as due on any such Tax Returns. The Seller shall pay the Buyer its share of any such Taxes (to the extent the Seller is liable therefor in accordance with this Section 5.8(b) due pursuant to the filing of any such Tax Returns under the provisions of this Section 5.8(b) within five (5) Business Days of receipt of notice of such filing by the Buyer, which notice shall set forth in reasonable detail the calculations regarding the Seller's share of such Taxes.

(c) (i) If the Company or any consolidated, affiliated, combined, unitary or other similar Tax group of which the Company is now or was formerly a member has any reduction in Tax Liability by reason of an adjustment with respect to a Pre-Closing Taxable Period and such adjustment has the effect of decreasing deductions or credits, or increasing income, for any Taxable Period (or portion thereof) (including an Overlap Period) ending after the Closing Date, then the Seller shall pay to the Buyer an amount equal to the detrimental Tax effect attributable to such decreased deductions or credits, or increased income, as and when the Company or any consolidated, affiliated, combined, unitary or other similar Tax group of which the Company or may be a member actually suffers such detriment. Conversely, if the Company or any consolidated, affiliated, combined, unitary or other similar Tax group of which the Company is now or was formerly a member has any increase in Tax Liability by reason of an adjustment with respect to a Pre-Closing Taxable Period and such adjustment has the effect of increasing deductions or credits, or decreasing income, for any Taxable Period (or portion thereof) (including an Overlap Period) ending after the Closing Date, then the Buyer shall pay to the Seller an amount equal to the beneficial Tax effect attributable to such increased deductions or credits, or decreased income, as and when the Company or any consolidated, affiliated, combined, unitary or other similar Tax group of which the Company or may be a member actually incurs such benefit.

(ii) Any credit, deduction loss or other Tax attribute of the Buyer, the Company or their Affiliates arising in any Taxable Period (or position thereof) beginning after the Closing Date is required to be carried back and included in any Tax Return of the Seller, or any Affiliate of the Seller (including the Company), for any Pre-Closing Taxable Period, then the Seller shall pay to the Buyer an amount equal to the actual Tax savings produced by such credit, deduction or loss; provided, however, that the Seller or such Affiliate shall not be required to file any claim for refund of any Tax for the benefit of the Buyer, the Company or their Affiliates unless the Buyer so requests in writing and agrees to pay the reasonable expenses related to the claim for refund. Conversely, if any income, gain or other Tax attribute of the Buyer, the Company or their Affiliates arising in any Taxable Period (or position thereof) beginning after the Closing Date is required to be carried back and included in any Tax Return of the Seller, or any Affiliate of the Seller (including the Company), for any Pre-Closing Taxable Period, then the Buyer shall pay to the Seller an amount equal to the actual Tax Liability produced by such income or gain; additionally, with respect to any obligation to file said amended Tax Return, the Seller or such Affiliate shall (i) provide the Buyer with a reasonable opportunity to review and comment upon the amended Tax Return prior to filing; and (ii) pay the reasonable expenses related to the filing of said amended Tax Return.

(d) Neither the Seller nor any Affiliate of the Seller shall, without the prior written consent of the Buyer, file, or cause to be filed, any amended Tax Return or claim for Tax refund, with respect to the Company for any Pre-Closing Taxable Period, to the extent that any such filing may affect the Tax Liability of the Buyer, any of its Affiliates or the Company for any Taxable Period (or position thereof) beginning after the Closing Date (including, but not limited to, the imposition of Tax deficiencies, the reduction of asset basis or cost adjustments, the lengthening of any amortization or depreciation periods, the denial of amortization or depreciation deductions, or the reduction of loss or credit carryforwards).

(e) Any and all existing Tax sharing, allocation, compensation or like agreements or arrangements, whether or not written, that include the Company, including, without limitation, any arrangement by which the Company makes compensating payments to each other or any other member of any affiliated, consolidated, combined, unitary or other similar Tax group for the use of certain Tax attributes, shall be terminated on or prior to the Closing Date (pursuant to a writing executed on or before the Closing Date by all parties concerned) and shall have no further force or effect. All Liabilities of the Company to the Seller or any Affiliate of the Seller (for Taxes or otherwise pursuant to such agreements or arrangements) shall be canceled on or prior to the Closing Date. Any and all powers of attorney relating to Tax matters concerning the Company shall be terminated as to the Company on or prior to the Closing Date and shall have no further force or effect.

(f) After the Closing Date, the Buyer and the Seller shall provide each other, and the Buyer shall cause the Company to provide the Seller, with such cooperation and information relating to the Company as either party reasonably may request in (A) filing any Tax Return, amended Tax Return or claim for refund, (B) determining any Tax Liability or a right to refund of Taxes, (C) conducting or defending any audit or other proceeding in respect of Taxes or (D) effectuating the terms of this Agreement. The parties shall retain, and the Buyer shall cause the Company to retain, all returns, schedules and work papers, and all material records and other documents relating thereto, until the expiration of the statute of limitation (and, to the extent notified by any party, any extensions thereof) of the Taxable Periods to which such Tax Returns and other documents relate and, unless such Tax Returns and other documents are offered and delivered to the Seller or the Buyer, as applicable, until the final determination of any Tax in respect of such Taxable Periods. Any information obtained under this Section 5.8 shall be kept confidential, except as may be otherwise necessary in connection with filing any Tax Return, amended Tax Return, or claim for refund, determining any Tax Liability or right to refund of Taxes, or in conducting or defending any audit or other proceeding in respect of Taxes. Notwithstanding the foregoing, neither the Seller nor the Buyer, nor any of their Affiliates, shall be required unreasonably to prepare any document, or determine any information not then in its possession, in response to a request under this Section 5.8(f).

(g) The Seller shall be entitled to all Tax refunds of the Company for any Pre-Closing Taxable Period except for Tax refunds attributable to carrybacks from Taxable Periods (or portions thereof) beginning after the Closing Date. If the Buyer or the Company receives any Tax refund to which the Seller is entitled pursuant to this Section 5.8(g), the Buyer will promptly pay (or cause the Company to pay) the amount of such Tax refund to the Seller net of the reasonable costs to the Buyer, the Company and their Affiliates with respect to such Tax including any increase in Taxes owed by the Buyer, the Company or their Affiliates as a result of the receipt of such Tax refund. In the event that any such Tax refund is subsequently disallowed in whole or part by any Tax Authority, the Seller shall promptly return any such amounts to the Buyer or the Company.

5.9 Transfer Taxes. All transfer, documentary, sales, use, stamp, registration and other such Taxes, and all conveyance fees, recording charges and other fees and charges (including any penalties and interest) incurred in connection with the consummation of the transactions contemplated by this Agreement shall be shared equally by the Buyer and the Seller when due. The Buyer and the Seller will, to the extent require by Applicable Law, file all necessary Tax Returns and other documentation with respect to all such Taxes, fees and charges.

5.10 Tax Indemnification.

(a) Except for Taxes specifically reserved for on the Closing Surplus Statement (it being understood that the aggregate amount of such reserves for Taxes on the Closing Surplus Statement shall reduce, to the extent of such reserves, the indemnification obligations of the Seller hereunder) and that are taken into account in determining the final Purchase Price, the Seller, shall indemnify the Buyer for the amount of all Damages attributable to (A) Liabilities of the Company: (v) for Taxes attributable to Taxable Periods (or portions thereof) ending on or before the Closing Date; (w) for Taxes allocable to Taxable Periods (or portions thereof) beginning after the Closing Date that arise out of a Tax Contest for a Taxable Period beginning prior to the Closing Date and are attributable to a decrease in income or a gain, or an increase in deduction, loss or credit for a Taxable Period ending on or prior to the Closing Date; and (x) arising from breach of representations or warranties set forth in Section 3.19 and covenants in Section 5.8 hereof, and (B) the Seller's obligation to pay Transfer Taxes as determined pursuant to Section 5.9. The Seller's indemnification obligations under this Section 5.10 are referred to herein as the "Tax Indemnity".

(b) For purposes of this Section 5.10 and the calculation of any indemnity payable or amount recoverable under this Agreement, any interest, penalties or additions to Tax accruing before or after the Closing Date with respect to a Liability for Taxes for which the Buyer is entitled to recover from the Seller shall be deemed to be attributable to a Tax period with respect to which the Sellers is required to indemnify the Buyer.

5.11 Interim Financial Statements; 2008 Annual Statement.

(a) After the date hereof until the date that is five (5) Business Days prior to the anticipated Closing Date, the Seller shall within five (5) Business Days after the filing of such items with the Domiciliary Insurance Department, deliver to the Buyer the SAP financial statements of the Company as of the end of such quarter and for the period then ended (which shall be unaudited) (such financial statements, the "Subsequent Period Financial Statement"). The Subsequent Period Financial Statements shall be prepared in all material respects in accordance with SAP and in a manner consistent with the Company's historical accounting practices and shall present fairly in all material respects the financial position of the Company, as of the date thereof, and the results of its operations for the applicable period then ended (subject, for any Subsequent Period Financial Statement as of any date other than December 31, 2008, to normal recurring year-end adjustments).

(b) Following the Closing Date, unless filed prior thereto, the Seller will prepare and deliver to the Buyer in the format required for the applicable filing and on a timely basis in accordance with SAP, consistently applied, and the Applicable Insurance Code, (i) all annual and quarterly SAP financial statements of the Company as of the end of all quarters and for periods ending on or prior to the Closing Date, and (ii) if the Closing shall not have occurred on or prior to December 31, 2008, the audited financial statements of the Company for the year ended December 31, 2008, which SAP financial statements and audited financial statement shall present fairly in all material respects in accordance with SAP of the Domiciliary Insurance Department, and the Applicable Insurance Code and the statutory financial position and results of operations of the Company, for the year or quarter then ended. Prior to completing such annual statement or audited financial statements the Seller shall provide the Buyer with a draft thereof and provide the Buyer with a reasonable opportunity to consult with the Seller and its accounting personnel and, in the case of the audited financial statements, its auditor as to same. The Buyer agrees to cause the Company and its officers, upon reasonable advance written request by the Seller, to cooperate with the auditors preparing such audited financial statements.

(c) Following the Closing Date, the Seller shall provide to the Buyer, or cause its Affiliates to provide, such cooperation and information relating to the operations and financial condition of the Company prior to Closing as the Buyer may reasonably request to prepare SAP financial statements and audited financial statements required under the Applicable Insurance Code for periods ending after the Closing Date through the period ended December 31, 2009. Such cooperation shall include making employees of the Seller or its Affiliates with knowledge of such matters available to the Buyer upon reasonable notice and allowing the Buyer to inspect and copy documents in the possession of the Seller or its Affiliates relating to the operations and financial condition of the Company prior to Closing necessary for the Buyer to prepare the SAP financial statements or audited financial statements for periods ending after the Closing Date through the period ended December 31, 2009.

5.12 Reduction in Purchase Price. A portion of the Purchase Price of the Shares will be reimbursed to the Buyer by the Seller on the 120th day following the Closing Date if the Insurance License or any Surplus or Excess Lines Qualification is revoked, cancelled, suspended, terminated or restricted on or after the date hereof but prior to the 120th day following the Closing Date for reasons principally attributable to the operations or activities of the Company prior to the Closing. The amount of any Purchase Price adjustment pursuant to this Section 5.12 will be Fifty Thousand Dollars ($50,000) per state in which any Insurance License or Surplus or Excess Lines Qualification is revoked, cancelled, suspended, terminated or restricted.

5.13 Updating of Schedules. From the date hereof until the Closing Date, the Seller shall have the continuing obligation to supplement or amend the Schedules with respect to any matter hereafter arising or discovered of which they become aware and which, if existing or known at the date of this Agreement, would have been required to be set forth in the Disclosure Schedules; provided, however, that no such supplement or amendment shall affect any of the Buyer's rights to indemnification or with respect to the failure of any condition to Closing resulting from the matters disclosed in any such amendment or supplement; provided further, however, that in the event the Closing shall occur notwithstanding such supplement or amendment, the Buyer shall not be entitled to seek indemnification with respect to the failure of any condition to Closing resulting directly from the matters expressly disclosed in any such amendment or supplement.

5.14 Change of Name. Within two (2) Business Days following the Closing, the Buyer shall cause the Company to file with the North Carolina Department of Insurance all documents necessary to change the Company's name to a name that does not include the word "Integon" or any variation thereof. Within ten (10) days of receiving the approval of the North Carolina Department of Insurance of the change of name of the Company, the Buyer shall cause the Company to file with the insurance department in each other jurisdiction in which the Company is licensed all documents necessary to reflect such change of name. After the Closing, and for so long as the Buyer or one of its Affiliates shall control the Company, the Buyer will cause the Company not to use any letterhead, catalogues, brochures, advertising, promotional or other materials which bear any trademark, service mark, trade name or service name of the Seller or its Affiliates or the name "Integon" or any variation thereof, or which in any way incorrectly identify, or suggest, that the Company is an Affiliate of the Seller or any of its Affiliates; provided that the Buyer, for a reasonable period of time following the Closing, may use the prior name of Company in order to inform Governmental Entities, and other third parties that the Company has been acquired by the Buyer and that its name has changed or is in the process of being changed.

5.15 NAIC Group Code. Promptly following the Closing, the Buyer shall cause the Company to apply for and receive a new NAIC Group Code number, along with any similar identification numbers required by state insurance departments or other state or federal governmental authorities, including the employer identification number for federal tax purposes.

5.16 Ancillary Agreements. Following the Closing Date, the Buyer shall use commercially reasonable efforts to cause its Affiliates and the Company to comply with the Ancillary Agreements.

ARTICLE VI

CONDITIONS TO CLOSING

6.1 Conditions to the Obligation of the Buyer to Close. The obligation of the Buyer to purchase the Shares at the Closing shall be subject to the satisfaction of the following conditions at or prior to the Closing (unless waived by the Buyer):

(a) Representations, Warranties and Covenants. The representations and warranties of the Seller contained in this Agreement shall be true and correct in all material respects at and as of the date hereof and at and as of the Closing Date, as if made at and as of such time (except to the extent in either case that any such representations or warranties speak as of another date, in which case such representations and warranties shall be true and correct in all material respects at and as of the date specified therein); provided, however, that any representation or warranty that is qualified as to materiality or a Material Adverse Effect shall be true and correct in all respects. The Seller shall have performed and complied in all material respects with all covenants and agreements required to be performed or complied with by the Seller on or prior to the Closing Date.

(b) Ancillary Agreements. The Ancillary Agreements shall have been executed and delivered by the Seller or the Affiliate of the Seller party thereto and each of the Ancillary Agreements shall be in full force and effect.

(c) Insurance Licenses. The Company's Insurance License and Surplus or Excess Lines Qualifications shall remain in effect as of the Closing Date, with no adverse change in the status thereof as compared to the date hereof and the Company shall be authorized to transact business in the lines and states indicated on Schedule 5.5(b).

(d) Approvals. All Permits, orders, approvals and Consents of, and notices to, registrations and filings with the Applicable Insurance Departments, or any other applicable insurance regulatory authority, which are set forth on Schedule 3.4 and required in connection with the consummation of this Agreement or any Ancillary Agreement shall have been obtained.

(e) No Proceedings. No injunction, order, decree or judgment shall have been issued by any Governmental Entity of competent jurisdiction and be in effect, and no statute, rule or regulation shall have been enacted or promulgated by any Governmental Entity and be in effect, which in each case restrains or prohibits the consummation of the purchase and sale of the Shares or the consummation of the Contemplated Transactions or by the Ancillary Agreements. There shall not be pending or threatened any Action involving or relating to the Company seeking to restrain or prohibit the consummation of the purchase and sale of the Shares or the consummation of the Contemplated Transactions or by the Ancillary Agreements

(f) Material Adverse Effect. Since the date of this Agreement, there shall not have occurred any Material Adverse Effect and no event shall have occurred or circumstance shall exist that, in combination with any other events or circumstances, could reasonably be expected to have a Material Adverse Effect.

(g) Closing Deliveries. The Seller shall have delivered to the Buyer the items required pursuant to Section 2.3(a).

6.2 Conditions to the Obligation of the Seller to Close. The obligations of the Seller to sell the Shares at the Closing shall be subject to the satisfaction of the following conditions at or prior to the Closing (unless waived by the Seller):

(a) Representations, Warranties and Covenants. The representations and warranties of the Buyer contained in this Agreement shall be true and correct in all material respects at and as of the date hereof and at and as of the Closing Date, as if made at and as of such time (except to the extent in either case that any such representations or warranties speak as of another date, in which case such representations and warranties shall be true and correct in all material respects at and as of the date specified therein); provided, however, that any representation or warranty that is qualified as to materiality or a Material Adverse Effect on the Buyer shall be true and correct in all respects. The Buyer shall have performed and complied in all material respects with all covenants and agreements required to be performed or complied with by the Buyer on or prior to the Closing Date.

(b) Ancillary Agreements. The Ancillary Agreements shall have been executed and delivered by the Company and such Ancillary Agreements shall be in full force and effect.

(c) Approvals. All permits, orders, approvals and Consents of, and notices to, registrations and filings with the Applicable Insurance Departments, or any other applicable insurance regulatory authority, which are set forth on Schedule 4.4 and required in connection with the consummation of this Agreement or any Ancillary Agreement.

(d) No Proceedings. No injunction, order, decree or judgment shall have been issued by any Governmental Entity of competent jurisdiction and be in effect, and no statute, rule or regulation shall have been enacted or promulgated by any Governmental Entity and be in effect, which in each case restrains or prohibits the consummation of the purchase and sale of the Shares. No Action before any court or regulatory authority, domestic or foreign, shall have been instituted or threatened by any Governmental Entity which seeks to prevent or delay the consummation of the purchase and sale of the Shares.

(e) Closing Deliveries. The Buyer shall have delivered to the Seller the items required pursuant to Section 2.3(b).

6.3 Waiver of Closing Conditions.

(a) No failure on the part of any party to exercise any power, right, privilege or remedy under this Agreement, and no delay on the part of any party in exercising any power, right, privilege or remedy under this Agreement, shall operate as a waiver of such power, right, privilege or remedy; and no single or partial exercise of any such power, right, privilege or remedy shall preclude any other or further exercise thereof or of any other power, right, privilege or remedy.

(b) No party shall be deemed to have waived any claim arising out of this Agreement, or any power, right, privilege or remedy under this Agreement, unless the waiver of such claim, power, right, privilege or remedy is expressly set forth in a written instrument duly executed and delivered on behalf of such party; any such waiver shall not be applicable or have any effect except in the specific instance in which it is given.

6.4 Frustration of Closing Conditions. Neither the Buyer nor the Seller may rely on the failure of any condition set forth in Section 6.1 or 6.2, respectively, to be satisfied if such failure was caused by such party's failure to act in good faith or to use commercially reasonable efforts to cause the Closing to occur.

ARTICLE VII

SURVIVAL, INDEMNIFICATION

7.1 Survival of Representations and Warranties, Covenants and Agreements.

(a) The representations and warranties of the Seller contained in this Agreement shall survive the Closing hereunder for a period of eighteen (18) months, except that (i) Section 3.1 (Organization of the Seller), Section 3.2 (Authorization, Validity and Enforceability), Section 3.3 (No Conflicts), Section 3.5 (Organization and Qualification of the Company; No Subsidiaries), Section 3.6 (Capitalization of the Company), Section 3.7 (Title to Shares), Section 3.13(c) (Environmental Matters), and Section 3.22 (No Brokers), which shall survive indefinitely, and Section 3.19 (Tax Matters), which shall survive until sixty (60) days after the expiration of the applicable statute of limitations.

(b) Any covenants or agreements of the Seller to be performed after the Closing, shall survive for one (1) year after the date on which such post-Closing covenant or agreement was required to have been performed.

(c) The representations and warranties of the Buyer contained in this Agreement shall survive the Closing hereunder for a period of eighteen (18) months, except that the representations and warranties set forth in Section 4.1 (Organization of the Buyer), Section 4.2 (Authorization, Validity and Enforceability), Section 4.3 (No Conflicts) and Section 4.5 (No Brokers), shall survive indefinitely.

(d) Any covenants or agreements to be performed by the Buyer after the Closing Date, shall survive for one (1) year after the date on which such post-Closing covenant or agreement was required to have been performed.

7.2 Indemnification.

(a) Subject to the provisions of this Agreement, the Seller agrees to indemnify and hold the Buyer and its Affiliates (including the Company following the Closing Date), predecessors, successors and assigns (and their respective officers, directors, employees and agents) harmless from and against and in respect of all Damages resulting from or relating to:

(i) A breach by the Seller or any of its Affiliates of any surviving representation or warranty made by the Seller or any such Affiliate in this Agreement;

(ii) A breach by the Seller or any of its Affiliates of any covenant or agreement of the Seller or any such Affiliate in this Agreement and to be performed post-Closing; and

(iii) Liabilities of the Company arising from the operation or conduct of the Seller, the Company or its Affiliates prior to Closing not disclosed or reserved against in the Statutory Statements of the Company other than Liabilities arising under contracts of insurance constituting SRS Business, including the production of the SRS Business and the settlement and adjustment of claims.

(b) Subject to the provisions of this Agreement, the Buyer agrees to indemnify and hold the Seller and its Affiliates, predecessors, successors and assigns (and their respective officers, directors, Employees and agents) harmless from and against and in respect of all Damages, resulting from or relating to:

(i) A breach by the Buyer or any of its Affiliates of any surviving representation or warranty made by the Buyer or any such Affiliate in this Agreement or any Ancillary Agreement; and

(ii) A breach by the Buyer or any of its Affiliates of any covenant or agreement of the Buyer or any such Affiliate in this Agreement and to be performed post-Closing; or

(iii) The conduct of the Buyer or any of any of its Affiliates of the business of the Company from and after the Closing Date.

(c) For purposes of calculating the amount of Damages incurred arising out of or relating to any breach of a representation or warranty by the Seller, the references to knowledge (but not for purposes of determining if a breach shall have occurred), Material Adverse Effect or other materiality qualifications shall be disregarded.

7.3 Limitations.

(a) Anything contained in this Agreement to the contrary notwithstanding, (i) the Buyer (on behalf of itself and any of its Affiliates including the Company post-Closing) shall not make any claim for indemnification pursuant to Section 7.2(a)(i) until the aggregate amount of all such claims exceeds One Hundred Thousand Dollars ($100,000) (the "Threshold") and if the Threshold is exceeded, the Seller shall be required to pay only those amounts in excess of the Threshold up to the Maximum Indemnification Amount, and (ii) the Seller shall not be required to make indemnification payments for any claim for indemnification pursuant to Section 7.2(a)(i) to the extent indemnification payments would exceed in the aggregate twenty percent (20%) of the Purchase Price less the amount of the Policyholders' Surplus (as adjusted pursuant to Section 2.4 and Section 5.12) (the "Maximum Indemnification Amount"); provided, however, the Seller's obligation and Liability for any and all breaches of the representations and warranties set forth in Section 3.2 (Authorization, Validity and Enforceability), Section 3.3 (No Conflicts), Section 3.5 (Organization and Qualification of the Company; No Subsidiaries), Section 3.6 (Capitalization of the Company), Section 3.7 (Title to Shares), Section 3.19 (Tax Matters), and Section 3.22 (No Brokers) shall not be subject to the Threshold and shall not count toward determining whether the Threshold or the Maximum Indemnification Amount has been reached. In determining the amount to which the Buyer is entitled to assert a claim for indemnification pursuant to this Article VII, only actual Damages net of all Tax benefits actually realized by the Buyer in the year of receipt of any indemnity payment shall be included. The Seller and the Buyer acknowledge and agree that any event, transaction, circumstance, or Liability, whether contingent or accrued, for which adequate reserves by the Company have been established on as of the Closing Date, shall not be used at any time as the basis of any claim for indemnification under this Article VII, or considered in any way in determining whether the Threshold or the Maximum Indemnification Amount has been reached. In addition, in connection with an alleged breach of the Seller's representations, warranties and covenants under this Agreement, the Buyer's Damages shall be net of all reserves established by the Company as of the Closing Date in connection with the particular item or contingency in dispute.

(b) The obligation of the Seller to indemnify the Buyer under Section 7.2(a) above shall expire, with respect to any representation, warranty, covenant or agreement of the Seller, on the date on which the survival of such representation, warranty, covenant or agreement shall expire in accordance with Section 7.1 above, except with respect to any written claims for indemnification which the Buyer has delivered to the Seller prior to such date.

(c) The obligation of the Buyer to indemnify the Seller under Section 7.2(b) above shall expire, with respect to any representation, warranty, covenant or agreement of the Buyer, on the date on which the survival of such representation, warranty, covenant or agreement shall expire in accordance with Section 7.1 above, except with respect to written claims for indemnification which the Seller has delivered to the Buyer prior to such date.

(d) Promptly after receipt by an indemnified party under this Article VII hereof of notice of any claim or the commencement of any Action, the indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under this Article VII hereof, notify the indemnifying party in writing of the claim or the commencement of that Action stating in reasonable detail the nature and basis of such claim and a good faith estimate of the amount thereof, provided that the failure to notify the indemnifying party shall not relieve it from any Liability which it may have to the indemnified party unless and only to the extent such failure materially and adversely prejudices the ability of the indemnifying party to defend against or mitigate Damages arising out of such claim. If any claim shall be brought against an indemnified party, it shall notify the indemnifying party thereof and the indemnifying party shall be entitled to participate therein, and to assume the defense thereof with counsel reasonably satisfactory to the indemnified party, and to settle and compromise any such claim or Action; provided, however, that the indemnifying party shall not agree or consent to the application of any equitable relief upon the indemnified party without its written consent. After notice from the indemnifying party to the indemnified party of its election to assume the defense of such claim or Action, the indemnifying party shall not be liable for other expenses subsequently incurred by the indemnified party in connection with the defense thereof; provided, however, that if the indemnifying party elects not to assume such defense, the indemnified party may retain counsel satisfactory to it and to defend, compromise or settle such claim on behalf of and for the account and risk of the indemnifying party, and the indemnifying party shall pay all reasonable fees and expenses of such counsel for the indemnified party promptly as statements therefore are received; and, provided, further, that the indemnified party shall not consent to entry of any judgment or enter into any settlement or compromise without the written consent of the indemnifying party which consent shall not be unreasonably withheld. The Buyer and the Seller each agree to render to each other such assistance as may reasonably be requested in order to insure the proper and adequate defense of any such claim or proceeding. The indemnified party shall also have the right to select its own counsel, at its own expense, to represent the indemnified party and to participate in the defense of such claim, as applicable.

7.4 Remedies Exclusive. Except as otherwise specifically provided in this Agreement or the Ancillary Agreements, the remedies provided in this Article VII shall be the exclusive remedies of the parties hereto from and after the Closing in connection with any breach of a representation or warranty, or non-performance, partial or total, of any covenant or agreement contained herein. The provisions of this Article VII shall apply to claims for indemnification asserted as between the parties hereto as well as to third-party claims.

7.5 Mitigation. The parties shall cooperate with each other with respect to resolving any indemnifiable claim, including by making commercially reasonable efforts to mitigate or resolve any such claim or Liability. Each party shall use commercially reasonable efforts to address any claims or Liabilities that may provide a basis for an indemnifiable claim such that each party shall respond to any claims or Liabilities in the same manner it would respond to such claims or Liabilities in the absence of the indemnification provisions of this Agreement.

7.6 Treatment of Payments. All payments made pursuant to this Article VII shall be treated as an adjustment to the Purchase Price.

ARTICLE VIII

TERMINATION

8.1 Termination of Agreement. This Agreement may be terminated prior to the Closing:

(a) by either the Buyer, on the one hand, or by the Seller, on the other hand, upon written notice to the other if, without fault of the terminating party, the Closing shall not have occurred on or before March 31, 2009; provided, however, that if all conditions to the obligations of the Buyer, on the one hand, and the Seller, on the other hand, to consummate the Closing (as set forth in Article VI hereof), other than obtaining the Insurance Approvals, have then been satisfied, and the Buyer and/or the Seller are diligently seeking to obtain such outstanding Insurance Approvals, then the right to terminate this Agreement pursuant to this clause (a) shall not be available to any party hereto, and the obligations hereunder of the parties hereto shall be extended, until September 30, 2009;

(b) at any time by mutual agreement in writing of the parties hereto;

(c) by the Buyer if the Seller has breached any representation, warranty, covenant or agreement contained in this Agreement such that the conditions set forth in Section 6.1(a) hereof would not be satisfied as of any date following the date of this Agreement; provided, however, that the Buyer may not terminate this Agreement pursuant to this Section 8.1(c) unless any such breach has not been cured within sixty (60) days after written notice thereof by the Buyer to the Seller informing the Seller of such breach;

(d) by the Seller if the Buyer has breached any representation, warranty, covenant or agreement contained in this Agreement such that the conditions set forth in Section 6.2(a) hereof would not be satisfied as of any date following the date of this Agreement; provided, however, that the Seller may not terminate this Agreement pursuant to this Section 8.1(d) unless any such breach has not been cured within sixty (60) days after written notice thereof by the Seller to the Buyer informing the Buyer of such breach; or

(e) by the Seller or the Buyer if: (i) there shall be a final, non-appealable order of a federal, state or foreign court in effect preventing consummation of the Contemplated Transactions; or (ii) there shall be any final action taken, or any final statute, rule, regulation or order enacted, promulgated or issued or deemed applicable to the Contemplated Transactions by any Governmental Entity that would make consummation of the Contemplated Transactions illegal; provided, however, that the right to terminate this Agreement under Section 8.1(a), (b), (c), (d) or (e) shall not be available to any party if it is then in breach in any material respect of any provision or any obligation under this Agreement.

8.2 Effect of Termination. Except as provided in the following sentence, in the event of the termination of this Agreement pursuant to Section 8.1, this Agreement shall thereafter become void and have no effect, and no party hereto shall have any Liability or obligation to any other party hereto in respect of this Agreement, except that the provisions of Section 5.2 (Access; Confidentiality), Section 5.6 (Press Releases), Article IX (Miscellaneous) and this Section 8.2 shall survive any such termination. Nothing herein shall relieve any party from Liability for any breach of any of its covenants or agreements or willful breach of its representations or warranties contained in this Agreement prior to termination of this Agreement.

ARTICLE IX

MISCELLANEOUS

9.1 No Third-Party Beneficiaries. This Agreement shall not confer any rights or remedies upon any Person other than the parties and their respective successors and permitted assigns.

9.2 Entire Agreement. This Agreement and the Ancillary Agreements (including the documents referred to herein and therein) and the Disclosure Schedules and Exhibits hereto constitute the entire agreement among the parties with respect to the subject matter hereof and there are no other understandings, agreements, or representations by or among the parties, written or oral, related in any way to the subject matter hereof.

9.3 Succession and Assignment. This Agreement shall be binding upon and inure to the benefit of the parties named herein and their respective successors and permitted assigns. No party may assign either this Agreement or any of its rights, interests or obligations hereunder without the prior written approval of the other parties hereto.

9.4 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together will constitute one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other party.

9.5 Headings. The section headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

9.6 Notices. All notices hereunder shall be sufficiently given for all purposes hereunder if in writing and delivered personally, sent by documented overnight delivery service or, to the extent receipt is confirmed, telecopy, telefax or other electronic transmission service to the appropriate address or number as set forth below. Notices to the Buyer shall be addressed to:

c/o Maiden Holdings, Ltd.
48 Par-la-Ville Road, Suite 1141
Hamilton HM 11
Bermuda
Attn: Ben Turin
Facsimile No.: 441-292-0471
E-mail: bturin@maiden.bm

with copies to:

Edwards Angell Palmer & Dodge LLP
750 Lexington Avenue
New York, NY 10022
Attention: Geoffrey Etherington
Facsimile No.: 212-308-4844
Email: getherington@eapdlaw.com

or at such other address and to the attention of such other Person as the Seller may designate by written notice to the Buyer. Notices to the Seller shall be addressed to:

GMAC Insurance Management Corporation
300 Galleria Officentre, Suite 201
Southfield, MI 48034-4700
Attn: John J. Dunn, Jr.
Facsimile No.: (248-263-7393)
Email: john.j.dunn@gmacfs.com

with copies to:

General Counsel
GMACI Holdings, LLC
300 Galleria Officentre, Suite 201
M/C: 480-300-221
Southfield, MI 48034-4700
Attn: Joseph L. Falik
Facsimile No.: (248-263-4051)
Email: joseph.l.falik@gm.com

or at such other address and to the attention of such other Person as the Buyer may designate by written notice to the Seller.

9.7 Governing Law, Jurisdiction and Waiver of Jury Trial.

(a) This Agreement shall be governed by and construed in accordance with the domestic laws of the State of New York without giving effect to any choice or conflict of law provision or rule (whether of the State of New York or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of New York.

(b) Subject to Section 9.8, each of the parties hereto irrevocably and unconditionally submits to the exclusive jurisdiction of the U.S. District Court for the Southern District of New York, sitting in New York, New York, or, if such court does not have jurisdiction, the Supreme Court of the State of New York, County of New York for purposes of enforcing this Agreement. In any such action, suit or other proceeding, each of the parties hereto irrevocably and unconditionally waives and agrees not to assert by way of motion, as a defense or otherwise any claims that it is not subject to the jurisdiction of the above court, that such action or suit is brought in an inconvenient forum or that the venue of such action, suit or other proceeding is improper. Each of the parties hereto also agrees that any final and unappealable judgment against a party hereto in connection with any action, suit or other proceeding shall be conclusive and binding on such party and that such award or judgment may be enforced in any court of competent jurisdiction, either within or outside of the United States. A certified or exemplified copy of such award or judgment shall be conclusive evidence of the fact and amount of such award or judgment. Without limiting the foregoing, each party agrees that service of process on such party by written notice as provided in Section 9.6 shall be deemed effective service of process on such party.

(c) Subject to Section 9.8, each of the Parties hereto hereby irrevocably waives any and all right to trial by jury in any legal proceeding arising out of or related to this Agreement or the Ancillary Agreements or the transactions contemplated hereby or thereby. The waivers in Section 9.7(b) and in this Section 9.7(c) have been made with the advice of counsel and with a full understanding of the legal consequences thereof and shall survive the termination of this Agreement.

9.8 Dispute Resolution. Any dispute, controversy or claim arising out of or relating to this Agreement or any other Ancillary Agreement, or the breach thereof, shall be resolved in the manner provided in Section 10.8 of the GMAC Re SPA.

9.9 Amendments and Waivers. This Agreement may not be modified or amended except by an instrument or instruments in writing signed by the party against whom enforcement of any such modification or amendment is sought. Either party hereto may, only by an instrument in writing, waive compliance by the other party hereto with any term or provision of this Agreement on the part of such other party hereto to be performed or complied with. The waiver by any party hereto of a breach of any term or provision of this Agreement shall not be construed as a waiver of any subsequent breach.

9.10 Severability. Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction.

9.11 Expenses. Except as otherwise provided herein, whether or not the Contemplated Transactions are consummated, each of the parties hereto will bear its own costs and expenses (including legal fees and expenses) incurred in connection with this Agreement and the Contemplated Transactions.

9.12 Construction. The parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement. Any reference to any federal, state, local, or foreign statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise.

9.13 Incorporation of Exhibits and Disclosure Schedules and Confidentiality Agreement. The Exhibits, and Disclosure Schedules and Confidentiality Agreement identified in this Agreement are incorporated herein by reference and made a part hereof.

[Signature page follows]

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

MAIDEN HOLDINGS NORTH AMERICA, LTD.

By: _____

Name:
Title:

GMAC INSURANCE MANAGEMENT CORPORATION

By: _____

Name:
Title:

SELLER'S DISCLOSURE SCHEDULES

Schedule 3.3	Conflicts
Schedule 3.4	Consents and Approvals
Schedule 3.6	Capitalization
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BUYER'S DISCLOSURE SCHEDULES

Schedule 4.4	Consents and Approvals

ANNEXES

Annex A – Commutation and Termination Amendment

Annex B – Fronting and Renewal Rights Agreement

Annex C – Partial Commutation and Termination Amendment

STOCK PURCHASE AGREEMENT

by and between

MAIDEN HOLDINGS NORTH AMERICA, LTD.

and

GMAC INSURANCE MANAGEMENT CORPORATION

dated as of October 31, 2008

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STOCK PURCHASE AGREEMENT

THIS STOCK PURCHASE AGREEMENT (this "Agreement") is made and entered into as of October 31, 2008 by and between MAIDEN HOLDINGS NORTH AMERICA, LTD., a Delaware corporation (the "Buyer"), and MOTORS INSURANCE CORPORATION, a Michigan domiciled property and casualty insurance company (the "Seller").

RECITALS

WHEREAS, the Seller owns Twenty Thousand (20,000) shares (the "Shares") of the common stock, par value Two Hundred Dollars ($200.00) per share, of GMAC Direct Insurance Company, a Missouri domiciled property and casualty insurance company (the "Company"), which Shares constitute all of the outstanding capital stock of the Company; and

WHEREAS, the Seller desires to sell to the Buyer, and the Buyer desires to purchase from the Seller, all of the Shares of the Company, in each case on and subject to the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the foregoing and the representations, warranties, covenants and agreements contained herein, and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

ARTICLE I

DEFINITIONS

1.1 General Provisions. For all purposes of this Agreement:

(a) The terms defined in this Article I have the meanings ascribed to them in this Article I and include the plural as well as the singular.

(b) All references herein to designated "Articles," "Sections" and other subdivisions and to "Annexes", "Exhibits" and "Disclosure Schedules" are to the designated Articles, Sections and other subdivisions of the body of this Agreement and to the exhibits and other schedules to this Agreement.

(c) Pronouns of either gender or neuter shall include, as appropriate, the other pronoun forms.

(d) The words "herein," "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or other subdivision.

(e) On or prior to the date hereof, the Seller, on the one hand, and the Buyer, on the other, have delivered to each other schedules (respectively, its "Disclosure Schedule") setting forth, among other things, items the disclosure of which is necessary or appropriate either (i) in response to an express informational requirement contained in a provision hereof or (ii) as an exception to one or more representations, warranties or covenants contained in a section of this Agreement. The inclusion of an item on a Disclosure Schedule in response to a disclosure obligation or as an exception to a representation, warranty or covenant shall not be deemed an admission by the disclosing party that such item represents a material exception or fact, event or circumstance or that such item would, or would be reasonably likely to, result in a Material Adverse Effect on the disclosing party.

1.2 Definitions. The following terms when used in this Agreement (including the Schedules, Annexes and Exhibits hereto) shall have the following meanings:

"Accounting Firm" has the meaning set forth in Section 2.4(b) hereof.

"Action" means any action, cause of action (whether at law or in equity), arbitration, claim or complaint by any Person alleging potential Liability, wrongdoing or misdeed of another Person, or any administrative or other similar proceeding, criminal prosecution or investigation by any Governmental Entity alleging potential Liability, wrongdoing or misdeed of another Person.

"Affiliate" (and, with a correlative meaning, "Affiliated") means, with respect to any Person, any other Person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such first Person. As used in this definition, "control" (including, with correlative meanings, "controlled by" and "under common control with") shall mean possession, directly or indirectly, of power to direct or cause the direction of management or policies (whether through ownership of securities or partnership or other ownership interests, by contract, as trustee or executor, or otherwise).

"Agreement" has the meaning set forth in the preface above.

"Ancillary Agreement" means the Termination Endorsement.

"Applicable Insurance Code" means the insurance laws to which the Company is subject, including the insurance laws of the State of Missouri. In all cases, Applicable Insurance Code shall include the rules and regulations promulgated under any of the foregoing laws.

"Applicable Insurance Department" means the insurance regulatory agencies by which the Company is subject to supervision, including the Missouri Department of Insurance.

"Applicable Law" means any domestic federal, state or local statute, law, ordinance, rule, administrative interpretation, regulation, order, writ, injunction, directive, pronouncement, bulletin, judgment, decree, policy, administrative or judicial doctrine, guideline or other requirement or principle of common law applicable to the Buyer, the Seller or the Company or any of their respective businesses, properties or assets, as the case may be.

"Business Day" means any day other than a Saturday, Sunday or a day on which banks in New York City are authorized by law or executive order to be closed.

"Buyer" has the meaning set forth in the preface above.

"Buyer Insurance Approvals" means all Consents required to be obtained, made or given by the Buyer pursuant to the Applicable Insurance Codes.

"CERCLA" shall mean the federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended.

"Closing" has the meaning set forth in Section 2.2 hereof.

"Closing Date" has the meaning set forth in Section 2.2 hereof.

"Closing Surplus Statement" has the meaning set forth in Section 2.4(a) hereof.

"Code" means the Internal Revenue Code of 1986, as amended.

"Company" has the meaning set forth in the first Recital of this Agreement.

"Company Books and Records" has the meaning set forth in Section 5.7(a) hereof.

"Company Claim" means any Action brought against the Company relating to or arising from the conduct or operations of the Company that occurred prior to the Closing Date.

"Company Insurance Policies" has the meaning set forth in Section 3.18 hereof.

"Company Materials" means (i) all previously prepared memoranda of law and all analyses and materials related to a Company Claim, (ii) all agreements, Contracts and other memoranda, including preparatory materials, drafts and all oral and written communications pertaining to a Company Claim, and (iii) any documents or other information relating to a Company Claim that would otherwise be protected by any applicable privilege or work product protection from disclosure to third parties other than the parties hereto. For the avoidance of doubt, Company Materials shall not include any information relating to a party which is or becomes publicly available other than through a breach of this Agreement by the disclosing party.

"Consents" has the meaning set forth in Section 3.4 hereof.

"Contemplated Transactions" means the transactions contemplated under this Agreement and the Ancillary Agreements.

"Contracts" means any written, oral or other contract, subcontract, agreement, undertaking, understanding, option, warranty, purchase order, license, sublicense, indenture, note, debenture, bond, loan, policy, instrument, lease, mortgage, plan, or legally binding commitment or arrangement of any nature.

"Damages" means all costs, damages, disbursements or expenses (including, but not limited to interest and reasonable legal, accounting and other professional fees and expenses incurred in the investigation, collection, prosecution and defense of claims and amounts paid in settlement) that are actually imposed or otherwise actually incurred or suffered by the indemnified Person, but shall not include incidental, consequential, exemplary, punitive or other special damages (unless such damages have been awarded to a third party and as to which an indemnifying party is determined to be liable).

"Debt" shall mean any Liability in respect of borrowed money or guarantees of the foregoing.

"Domiciliary Insurance Department" means the Missouri Department of Insurance.

"Employee" means each current and former full-time or part-time employee of the Company or its predecessors-in-interest, including any such employee who is on disability or leave of absence.

"Environmental Law" shall mean any federal, state or local law, statute, rule, order, directive, judgment, Permit or regulation or the common law relating to the environment, occupational health and safety, or exposure of persons or property to Materials of Environmental Concern, including any statute, regulation, administrative decision or order pertaining to: (i) the presence of or the treatment, storage, disposal, generation, transportation, handling, distribution, manufacture, processing, use, import, export, labeling, recycling, registration, investigation or remediation of Materials of Environmental Concern or documentation related to the foregoing; (ii) air, water and noise pollution; (iii) groundwater and soil contamination; (iv) the release, threatened release, or accidental release into the environment, the workplace or other areas of Materials of Environmental Concern, including emissions, discharges, injections, spills, escapes or dumping of Materials of Environmental Concern; (v) transfer of interests in or control of real property which may be contaminated; (vi) community or worker right-to-know disclosures with respect to Materials of Environmental Concern; (vii) the protection of wild life, marine life and wetlands, and endangered and threatened species; (viii) storage tanks, vessels, containers, abandoned or discarded barrels and other closed receptacles; and (ix) health and safety of Employees and other persons. As used above, the term "release" shall have the meaning set forth in CERCLA.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and any rules and regulations promulgated thereunder.

"ERISA Affiliate" means any person that, together with the Company, would be treated as a single employer under Section 414 of the Code.

"Estimated Policyholders' Surplus" shall mean the Policyholders' Surplus as of the Closing Date as estimated in good faith by the Seller as set forth on the Estimated Surplus Statement based upon the Company's Policyholders' Surplus reflected in the Company's most recently filed statutory financial statement prior to the Closing Date, with appropriate adjustments for the period from the date of that financial statement until the Closing Date to reflect any change in the Company's circumstances, prepared in a manner consistent with the Company's historical accounting practices, and to give effect to any settlement of intercompany accounts as of the Closing Date pursuant to Section 5.3, in each case to the extent Policyholders' Surplus shall have been changed thereby.

"Estimated Surplus Statement" shall mean the Seller's estimate of Policyholders' Surplus as of the Closing Date delivered by the Seller to the Buyer not less than two (2) Business Days prior to the Closing Date.

"GMAC Re SPA" means that certain Securities Purchase Agreement by and among the Buyer, Maiden Holdings, Ltd. and GMACI Holdings LLC pursuant to which the Buyer will acquire all of the outstanding membership interests of GMAC Re LLC.

"Governmental Entity" means any foreign, domestic, federal, territorial, state or local U.S. or non-U.S. governmental authority, quasi-governmental authority, instrumentality, court or government, self-regulatory organization, commission, tribunal or organization or any political or other subdivision, department, branch or representative of any of the foregoing.

"Insurance Approvals" means the Buyer Insurance Approvals and the Seller Insurance Approvals.

"Insurance Licenses" has the meaning set forth in Section 3.14 hereof.

"Intellectual Property Right" has the meaning set forth in Section 3.15(a) hereof.

"Intercompany Agreement" shall mean any agreement between (x) the Company, on the one hand, and (y) the Seller or any of its Affiliates, on the other hand.

"Investment Broker" has the meaning set forth in Section 3.22 hereof.

"IRS" means the U.S. Internal Revenue Service.

"Liabilities" means any and all debts, losses, liabilities, offsets, claims, damages, fines, commitments, obligations, payments and accounts payable (including, without limitation, those arising out of any award, demand, assessment, settlement, judgment or compromise relating to any Action), and accruals for out-of-pocket costs and expenses (including, without limitation, reasonable attorneys' fees and expenses incurred in investigating, preparing or defending any Action) of any kind or nature whatsoever, whether absolute, accrued, contingent or other, and whether known or unknown.

"Lien" means any mortgage, deed of trust, pledge, hypothecation, assignment, security interest, lien (statutory or otherwise), preference, priority, charge or other encumbrance, adverse claim (whether pending or, to the knowledge of the Person against whom the adverse claim is being asserted, threatened) or restriction of any kind affecting title or resulting in an encumbrance against Property, real or personal, tangible or intangible, or a security interest of any kind, including, without limitation, any easement, servitude, encroachment, conditional sale or other title retention agreement, any right of first refusal on real property, and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statute) of any jurisdiction (other than a financing statement which is filed or given solely to protect the interest of a lessor).

"Material Adverse Effect" means (a) with respect to the Company, any change, effect, event or occurrence resulting in a material adverse effect on (i) the business, financial condition or results of operations of the Company, taken as a whole or (ii) the ability of the Company to enter into new reinsurance contracts, other than in the case of (i) or (ii) any change, effect, event or occurrence relating to (A) the effects of changes affecting the economy and securities markets generally; (B) the effects of changes affecting the insurance, reinsurance and financial services industries generally, including the general competitive forces in the insurance and reinsurance markets and changes to Applicable Laws, or accounting or reserving principles, practices or conventions; (C) the announcement of the Contemplated Transactions and (D) any changes resulting from actions or omissions of a party hereto taken with the prior written consent of the other parties with respect to this Agreement or the other Transaction Documents or the Contemplated Transactions; (b) with respect to the Seller, any change, effect, event or occurrence resulting in a material adverse effect on the ability of the Seller to consummate the transactions contemplated hereby on a timely basis and perform its obligations hereunder; and (c) with respect to the Buyer, any change, effect, event or occurrence resulting in a material adverse effect on (i) the business, financial condition or results of operations of the Buyer, taken as a whole or (ii) the ability of the Buyer to consummate the transactions contemplated hereby on a timely basis and perform its obligations hereunder.

"Material Contract" means any Contract required to be set forth on Schedule 3.12(a) hereof.

"Material Permit" has the meaning set forth in Section 3.11(b) hereof.

"Materials" means (i) all previously prepared memoranda of law and all analyses and materials related to a Seller Third-Party Claim; (ii) all agreements, Contracts and other memoranda, including preparatory materials, drafts and all oral and written communications pertaining to a Seller Third-Party Claim; and (iii) any documents or other information relating to a Seller Third-Party Claim that would otherwise be protected by any applicable privilege or work product protection from disclosure to third parties other than the parties hereto. For the avoidance of doubt, Materials shall not include any information relating to a party which is or becomes publicly available other than through a breach of this Agreement by the disclosing party.

"Materials of Environmental Concern" shall mean any: pollutants, contaminants or hazardous substances (as such terms are defined under CERCLA), pesticides (as such term is defined under the Federal Insecticide, Fungicide and Rodenticide Act), solid wastes and hazardous wastes (as such terms are defined under the Resource Conservation and Recovery Act), chemicals, other hazardous, radioactive or toxic materials, oil, petroleum and petroleum products or derivatives (and fractions thereof), or any other material (or article containing such material) listed or subject to regulation under any law, statute, rule, regulation, order, Permit, or directive due to its potential, directly or indirectly, to harm the environment or the health of humans or other living beings.

"Maximum Indemnification Amount" has the meaning set forth in Section 7.3(a) hereof.

"Notice of Objection" has the meaning set forth in Section 2.4(b) hereof.

"Ordinary Course of Business" means the manner in which the Company has conducted its business and operations prior to the Closing Date, it being acknowledged by the parties hereto that the Company is not currently writing new insurance or reinsurance except for renewals of insurance policies as required by Applicable Law.

"Overlap Period" has the meaning set forth in Section 5.8(b) hereof.

"Permits" means all licenses, certificates of authority, permits, orders, Consents, approvals, registrations, authorizations, qualifications and filings under any applicable federal, state, municipal, local, foreign or other laws or with any Governmental Entities.

"Permitted Liens" means all imperfections of title or Liens (a) that are reflected or reserved against or disclosed on the books of the Company, (b) that arise out of Taxes or general or special assessments not in default and payable without penalty or interest or the validity of which is being contested in good faith by appropriate proceedings, (c) of carriers, warehousemen, mechanics, materialmen and other similar Persons or otherwise imposed by law incurred in the Ordinary Course of Business for sums not yet delinquent or being contested in good faith and for which there are adequate reserves in accordance with SAP, or (d) that relate to deposits made in the Ordinary Course of Business in connection with workers' compensation, unemployment insurance and other types of social security.

"Person" means an individual, corporation, partnership, association, joint stock company, limited liability company, Governmental Entity, trust, joint venture, labor union, estate, unincorporated organization, private agency or other entity.

"Plan" means any "employee benefit plan" (as such term is defined in section 3(3) of ERISA), and any other employment, consulting, severance, change in control, retention, retirement, pension, profit-sharing, thrift, savings, target benefit, stock ownership, cash or deferred, deferred or incentive compensation, bonus, stay bonus, stock option, stock purchase, phantom stock, stock appreciation, other equity-based, change in control, medical, dental, vision, cafeteria (Section 125 plan), psychiatric counseling, employee assistance, vacation, sick pay, disability or other compensation or fringe benefit plan, program, agreement or arrangement which is or has been maintained sponsored, contributed to, or required to be contributed to by the Company or any ERISA Affiliate in which any current or former officer or Employee of the Company have participated, or as to which the Company has any present or contingent Liability.

"Policyholders' Surplus" means as of any date "surplus as regards policyholders" of the Company calculated in accordance with SAP applied on a basis consistent with the Statutory Statements of the Company.

"Pre-Closing Taxable Period" means all Taxable Periods ending on or before the Closing Date and, with respect to any Taxable Period that includes but does not end on the Closing Date, the portion of such period that ends on and includes the Closing Date.

"Property" means any real, personal or mixed property, whether tangible or intangible.

"Property Taxes" means real, personal and intangible property Taxes of the Company.

"Purchase Price" has the meaning set forth in Section 2.1 hereof.

"Regulatory Body Matters" means any proceeding, investigation or inquiry, whether formal or informal, or Action involving or undertaken by any Governmental Entity including without limitation the United States Securities and Exchange Commission, any state attorney general office or any state insurance department.

"Reinsurance Business" has the meaning set forth in that certain Fronting Agreement by and among the Buyer, the Seller, Integon Specialty Insurance Company, MIC Property and Casualty Insurance Corporation and Integon Preferred Insurance Company of even date herewith.

"Reinsurance Contracts" means all Contracts, treaties, facultative certificates, policies or other arrangements, to which the Company is a party or by which the Company is bound or subject, providing for ceding or assumption of reinsurance, excess insurance or retrocession, including, without limitation, all reinsurance policies, and retrocession agreements, in each case as such Contract, treaty, facultative certificate, policy or other arrangement may have been amended, modified or supplemented irrespective of how such arrangement is accounted for.

"Representatives" has the meaning set forth in Section 5.2(a).

"SAP" means the applicable statutory accounting practices prescribed or permitted by the Domiciliary Insurance Department.

"Seller" has the meaning set forth in the preface above.

"Seller Insurance Approvals" means all Consents required to be obtained, made or given by the Seller or the Company pursuant to the Applicable Insurance Codes.

"Seller Third-Party Claim" means any Action brought against the Seller relating to or arising from the conduct or operations of the Company that occurred prior to the Closing Date.

"Seller's Knowledge" and, with a correlative meaning, "Knowledge of Seller" means actual knowledge of Donald J. Bolar, John Dunn or Chris Morris after reasonable inquiry.

"Shares" has the meaning ascribed to it in the first Recital of this Agreement.

"Statutory Statements of the Company" means the annual statements of the Company, as filed with its Domiciliary Insurance Department, for the year ended December 31, 2007 and the quarterly statements of the condition and affairs of the Company, as filed with its Domiciliary Insurance Department, for the quarterly periods ended March 31, 2008 and June 30, 2008.

"Subsequent Period Financial Statement" has the meaning set forth in Section 5.11(a) hereof.

"Subsidiary" of any Person means any corporation, partnership, joint venture or other entity in which such Person (a) owns, directly or indirectly, 50% or more of the outstanding voting securities or equity interests, or (b) has the right to designate a majority of its board of directors or similar governing body or to direct the management of such corporation, limited liability company, partnership, joint venture or other entity.

"Tax" and "Taxes" mean (a) all taxes (whether U.S. federal, state or local or foreign) based upon or measured by income and any other tax whatsoever, including, without limitation, gross receipts, profits, sales, use, occupation, value added, ad valorem, transfer, franchise, withholding, payroll, employment, excise, premium or Property Taxes, together with any interest, penalties or additions to tax imposed with respect thereto, (b) any obligations under any agreements or arrangements with respect to any Taxes described in clause (a), and (c) any transferee or secondary Liability or joint or several Liability in respect of any amounts described in clause (a) imposed by law or as a result of being a member of any affiliated, consolidated, combined, unitary or similar group.

"Tax Claim" means any claim, assessment or proceeding related to Taxes.

"Tax Return" means all returns, reports, elections, estimates, declarations, information statements and other forms and documents (including all schedules, exhibits, and other attachments thereto) relating to, and required to be filed or maintained in connection with the calculation, determination, assessment or collection of, any Taxes (including estimated Taxes).

"Taxable Period" means any taxable year or any other period that is treated as a taxable year with respect to which any Tax may be imposed under any statute, rule or regulation.

"Taxing Authority" means any federal, state, local or foreign governmental authority, quasi-governmental authority, instrumentality or political or other subdivision, department or branch of any of the foregoing, with the legal authority to impose, assess or collect Taxes.

"Termination Endorsement" means the Termination Endorsement to Treaty Reinsurance Agreement in the form attached hereto as Annex A by and between the Company and the Seller to be executed immediately following the Closing to terminate that certain Treaty Reinsurance Agreement effective October 1, 2000 by and between the Company and the Seller, pursuant to the terms of the Termination Endorsement.

"Threshold" has the meaning set forth in Section 7.3(a) hereof.

"WARN Act" means the Worker Adjustment and Retraining Notification Act of 1988, as amended.

ARTICLE II

PURCHASE AND SALE OF THE SHARES

2.1 Purchase and Sale of the Shares. Upon the terms and subject to the conditions set forth in this Agreement, the Buyer agrees to purchase, acquire and accept from the Seller, and the Seller agrees to sell, convey, transfer, assign, and deliver to the Buyer, the Shares, free and clear of all Liens for a purchase price equal to Five Million Dollars ($5,000,000) plus that amount in U.S. dollars equal to the Policyholders' Surplus as of the Closing Date (the "Purchase Price").

2.2 The Closing. Subject to the satisfaction or waiver of all of the conditions to closing set forth in Article VI, the closing (the "Closing") of the purchase and sale of the Shares hereunder shall take place at the offices of the Edwards Angell Palmer & Dodge LLP, 750 Lexington Avenue, New York, New York 10022 at 10:00 a.m., Eastern Standard Time, on the fifth Business Day following the date on which all of the conditions set forth in Article VI (other than those conditions that are contemplated to be satisfied by the respective parties at the Closing itself) have been satisfied or waived, or at such other time or place as may be mutually agreed upon by the parties hereto. The date on which the Closing occurs is referred to herein as the "Closing Date." All of the Contemplated Transactions under this Agreement and the Ancillary Agreements shall be deemed to be consummated as of 12:01 a.m. Eastern Standard Time on the Closing Date and all actions taken at Closing shall be deemed to have occurred simultaneously and shall be deemed effective as of the dates and times specified in this Agreement or the Ancillary Agreements.

2.3 Deliveries at the Closing.

(a) At the Closing, the Seller shall deliver to the Buyer

(i) A certificate representing the Shares, free and clear of all Liens (other than restrictions on transfer under federal and state securities laws), duly endorsed for transfer or accompanied by duly executed stock powers in favor of the Buyer with all necessary stock transfer tax stamps affixed thereto;

(ii) The written resignation of all officers and directors of the Company;

(iii) A certificate complying with the Code and the Treasury Regulations, in form and substance reasonably satisfactory to the Buyer and executed under penalties of perjury, certifying that the Seller is not a "foreign person" as defined in Section 1445 of the Code;

(iv) The written consent of the parties identified on Schedule 3.4;

(v) All Company Books and Records, including, without limitation, all minute books, employment records, financial and accounting records and other files of the Company;

(vi) A certificate, executed and acknowledged by the Seller, in a form and substance reasonably satisfactory to the Buyer attaching copies of resolutions duly adopted by the board of directors of the Seller authorizing the execution and performance of this Agreement and the other documents contemplated hereby and the transactions contemplated hereby;

(vii) A certificate, executed and acknowledged by the Seller, in form and substance satisfactory to the Buyer and its counsel, attesting to the truth of the matters following:

(A) All representations and warranties of the Seller contained in this Agreement shall have been true and correct when made and all such representations and warranties are also true and correct in all material respects with the same force and effect as though such representations and warranties had been made at and as of the Closing Date except as affected by actions taken after the date of this Agreement with the prior written consent of the Buyer, and except for representations and warranties made as of a specified date, which shall be true and correct in all material respects as of such specified date, it being understood that, for purposes of determining the accuracy of such representations and warranties pursuant to this Section 2.3(a)(vii)(A), all qualifications based on the words "material" or similar phrases contained in such representations and warranties shall be disregarded; and

(B) The Seller and the Company shall have performed and complied in all material respects with all of the covenants and agreements required by or pursuant to this Agreement to be performed or complied with by them on or prior to the Closing Date, it being understood that, for purposes of determining the performance of such covenants pursuant to this Section 2.3(a)(vii)(B), all qualifications based on the words "material" or similar phrases contained in such covenants shall be disregarded.

(viii) Certificates, obtained by the Seller, dated as of a date not more than twenty (20) days before the Closing Date certified by the Insurance Commissioners of the States of Michigan and Missouri as to the corporate existence and good standing of the Seller and the Company respectively;

(ix) Evidence that shall be reasonably acceptable to the Buyer of the appointment as sole signatories on each deposit, securities, brokerage, investment or other account of the Company of the Persons designated by the Buyer in writing to the Seller at least five (5) Business Days prior to the Closing;

(x) a schedule of all passwords, pass codes or similar secure authorizations related to the operation of the business of the Company or its websites; and

(xi) The Termination Endorsement duly executed by the Seller and effective in accordance with its terms.

(b) At the Closing, the Buyer shall deliver to the Seller:

(i) Five Million Dollars ($5,000,000) plus the Estimated Policyholders' Surplus by wire transfer of immediately available funds to an account or accounts designated by the Seller in a written notice delivered to the Buyer not later than five (5) Business Days prior to the Closing Date;

(ii) a certificate, executed and acknowledged by the Buyer, in a form and substance reasonably satisfactory to the Seller attaching copies of resolutions duly adopted by the board of directors of the Buyer authorizing the execution and performance of this Agreement and the other documents contemplated hereby and the transactions contemplated hereby;

(iii) A certificate, executed and acknowledged by the Buyer, in form and substance satisfactory to the Seller and its counsel, attesting to the truth of the matters following:

(A) All representations and warranties of the Buyer contained in this Agreement shall have been true and correct when made and all such representations and warranties are also true and correct in all material respects with the same force and effect as though such representations and warranties had been made at and as of the Closing Date except as affected by actions taken after the date of this Agreement with the prior written consent of the Seller, and except for representations and warranties made as of a specified date, which shall be true and correct in all material respects as of such specified date, it being understood that, for purposes of determining the accuracy of such representations and warranties pursuant to this Section 2.3(b)(iii)(A), all qualifications based on the words "material" or similar phrases contained in such representations and warranties shall be disregarded; and

(B) The Buyer shall have performed and complied in all material respects with all of the covenants and agreements required by or pursuant to this Agreement to be performed or complied with by it on or prior to the Closing Date, it being understood that, for purposes of determining the performance of such covenants pursuant to this Section 2.3(b)(iii)(B), all qualifications based on the words "material" or similar phrases contained in such covenants shall be disregarded;

(iv) The Termination Endorsement duly executed by the Company and effective in accordance with its terms.

(v) all other documents and instruments required hereunder to be delivered by the Buyer to the Seller at the Closing.

2.4 Policyholder's Surplus Adjustment.

(a) Within sixty (60) days after the Closing Date, the Buyer shall deliver to the Seller a statement (the "Closing Surplus Statement"), setting forth the Buyer's determination of the Policyholders' Surplus as of the Closing Date.

(b) After the receipt by the Seller of the Closing Surplus Statement and until such time as the final Policyholders' Surplus as of the Closing Date is determined in accordance with this Section 2.4, the Seller and its authorized Representatives shall have full access during reasonable business hours upon prior written notice to the working papers of the Buyer and its Representatives relating to the Closing Surplus Statement and the calculations set forth thereon. Unless the Seller, within thirty (30) days after receipt of the Closing Surplus Statement, gives the Buyer a notice objecting thereto and specifying, in detail, the basis for each such objection and the amount in dispute ("Notice of Objection"), such Closing Surplus Statement and the Policyholders' Surplus as of the Closing Date reflected therein shall be binding upon the Buyer and the Seller and the applicable payment required pursuant to subsection (c) below shall be made. Any Notice of Objection shall specify (x) in detail the nature and amount of any disagreement so asserted, and (y) only include disagreements based on the differences between the Estimated Surplus Statement and the Closing Surplus Statement and the Policyholders' Surplus as of the Closing Date. If a timely Notice of Objection is received by the Buyer, then the Closing Surplus Statement (as revised in accordance with clause (1) or (2) below) shall become final and binding upon the parties hereto on the earlier of (1) the date the Seller and the Buyer resolve in writing any differences they have with respect to any matter specified in the Notice of Objection and (2) the date any matters properly in dispute are finally resolved in writing by the Accounting Firm (as defined below). During the ninety (90) days immediately following the delivery by the Seller to the Buyer of a Notice of Objection, the Seller and the Buyer shall seek in good faith to resolve in writing any differences that they may have with respect to any matter specified in the Notice of Objection. At the end of such ninety (90) day period, the Seller and the Buyer shall submit to an accounting firm jointly selected by the Seller's accountants and the Buyer's accountants (the "Accounting Firm") for review and resolution of any and all matters (but only such matters) which remain in dispute. The Buyer and the Seller shall instruct their respective accountants to select the Accounting Firm in good faith within ten (10) days. If either the Buyer's or the Seller's accountants shall not be willing to select the Accounting Firm within such ten (10) day period, the other accountant shall select the accounting firm. If the Buyer's or the Seller's accountants cannot agree upon the Accounting Firm within such ten (10) day period, within an additional five (5) days, they shall each designate an Accounting Firm who has not performed work in the last two years for either the Seller or the Buyer and the Accounting Firm shall be selected by lot from those two accounting firms. If only one of the Seller's and the Buyer's accountants shall so designate a name of an accounting firm for selection by lot, such accounting firm so designated shall be the Accounting Firm. The Accounting Firm so selected shall be instructed to review and resolve any and all matters (but only such matters) which remain in dispute and which were properly included in the Notice of Objection. The Buyer and the Seller shall instruct the Accounting Firm to make a final determination of the Policyholders' Surplus as of the Closing Date. The Buyer and the Seller will cooperate with the Accounting Firm during the term of its engagement. The Buyer and the Seller shall instruct the Accounting Firm not to assign a value to any item in dispute greater than the greatest value for such item assigned by the Buyer, on the one hand, or the Seller, on the other hand, or less than the smallest value for such item assigned by the Buyer, on the one hand, or the Seller, on the other hand. The Buyer and the Seller shall also instruct the Accounting Firm to make its determination based solely on presentations by the Buyer and the Seller (i.e., not on the basis of an independent review). The Closing Surplus Statement and the Policyholders' Surplus as of the Closing Date reflected therein shall become final and binding on the parties hereto on the date the Accounting Firm delivers its final resolution in writing to the Buyer and the Seller (which final resolution shall be requested by the parties hereto to be delivered not more than thirty (30) days following submission of such disputed matters). All of the fees and expenses of the Accounting Firm pursuant to this Section 2.4(b) shall be borne equally by the Seller and the Buyer.

(c) If the Policyholders' Surplus as of the Closing Date (as determined pursuant to Section 2.4(b)) exceeds the Estimated Policyholders' Surplus, then the Buyer shall pay the Seller the amount of such excess, as directed by the Seller. If the Policyholders' Surplus as of the Closing Date (as determined pursuant to Section 2.4(b)) is less than the Estimated Policyholders' Surplus, then the Seller shall pay the Buyer such shortfall as directed by the Buyer. Payments made pursuant to this Section 2.4(c) shall be made by wire transfer of immediately available funds as follows: (i) if no Notice of Objection is delivered by the Seller, such amount shall be paid within three (3) Business Days of the earlier of the expiration of the thirty (30) day period for delivery of such Notice of Objection and the date of delivery by the Seller of a joint notice that the Closing Statement will be accepted without objection; or (ii) if Notice of Objection is delivered by the Seller, (x) any net undisputed amount due from the Seller to the Buyer or from the Buyer to the Seller (as the case may be) shall be paid within three (3) Business Days after delivery of such Notice of Objection, and (y) the remaining amount, if any, due from the Seller to the Buyer or the Buyer to the Seller (as the case may be) shall be paid within three (3) Business Days after the date all disputed items are finally resolved pursuant to Section 2.4(b). Any amounts not paid when required pursuant to this Section 2.4(c) shall bear interest compounded annually from the required date of payment to the date of actual payment at the prime rate of interest announced publicly by Citibank N.A. in New York, New York from time to time as its prime rate.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF THE SELLER

The Seller hereby represents and warrants to the Buyer as follows:

3.1 Organization of the Seller. The Seller is a corporation duly organized, validly existing and in good standing under the laws of State of Michigan.

3.2 Authorization, Validity and Enforceability. The Seller has all requisite corporate power and authority to execute and deliver this Agreement and the Ancillary Agreements, to perform its obligations hereunder and to consummate the Contemplated Transactions, including, without limitation, the sale of the Shares. The execution, delivery and performance by the Seller of this Agreement and the Ancillary Agreements and the consummation of the Contemplated Transactions by the Seller have been duly and validly authorized by all necessary corporate action on the part of the Seller and no other corporate proceeding on the part of the Seller is necessary to authorize the execution, delivery and performance of this Agreement or the consummation of any of the Contemplated Transactions. This Agreement and the Ancillary Agreements have been duly executed and delivered by the Seller and constitute the legal, valid and binding obligations of the Seller, enforceable against the Seller in accordance with their terms, subject to the effect of receivership, conservatorship and subject to the effect of bankruptcy, insolvency, reorganization, moratorium or similar laws now or hereafter in effect relating to or affecting the enforcement of creditors' rights generally and subject to general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity).

3.3 No Conflicts. Assuming compliance with the matters referred to in Section 3.4 below, except as set forth in Schedule 3.3, the execution, delivery and performance by the Seller of this Agreement and each Ancillary Agreement to which it is a party and the consummation of the Contemplated Transactions or any Ancillary Agreement do not and will not conflict with, result in any breach or violation of, constitute a default under (or an event that with the giving of notice or the lapse of time or both would constitute a default under), or give rise to any right of termination or acceleration of any right or obligation of the Seller or the Company under, or result in the creation or imposition of any Lien upon any assets or Properties (including, without limitation, the Shares) of the Seller or the Company by reason of the terms of (a) the certificate or articles of incorporation or bylaws of the Seller or the Company; (b) any Contract to which the Seller or the Company is a party or by or to which either of them or their assets or Properties (including, without limitation, the Shares) may be bound or subject; (c) any applicable order, writ, judgment, injunction, award, decree, law, statute, ordinance, rule or regulation of any Governmental Entity; or (d) any other Permit of the Seller or the Company.

3.4 Seller Consents and Approvals. Except as set forth in Schedule 3.4, no consent, approval, authorization, license or order of, registration or filing with, or notice to, any Governmental Entity or any other Person (collectively, "Consents") is necessary to be obtained, made or given by the Seller or the Company in connection with the execution and delivery by the Seller of this Agreement or the Ancillary Agreements, the performance by the Seller of its obligations hereunder and thereunder and the consummation of the Contemplated Transactions, other than such Consents which, if not obtained or made, could not reasonably be expected to have a Material Adverse Effect on the Company or a material adverse effect on the ability of the Seller to execute and deliver this Agreement or the Ancillary Agreements, to perform its obligations hereunder or to consummate the Contemplated Transactions

3.5 Organization and Qualification of the Company; No Subsidiaries. The Company is a corporation duly organized, validly existing and in good standing under the laws of Missouri as a property and casualty insurance company and has all requisite corporate power and authority to own its assets or Properties and to conduct its business as currently being conducted. The Company is duly qualified and in good standing as a foreign corporation in all jurisdictions in which the nature of its business or the ownership of its Properties makes such qualification necessary, except where the lack of such qualification or good standing would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company. The Company has no Subsidiaries and no equity or other ownership interest of any kind in any other Person.

3.6 Capitalization of the Company.

(a) Schedule 3.6 sets forth the designation, par value and the number of authorized, issued and outstanding Shares of capital stock of the Company. The issued and outstanding capital stock of the Company consists solely of the Shares. Except as set forth in Schedule 3.6, no other class of equity securities, preferred stock, bonds, debentures, notes, other evidences of indebtedness for borrowed money or other securities of any kind of the Company (except for the Shares) is authorized, issued or outstanding. All of the Shares are duly authorized, validly issued, fully paid and non-assessable.

(b) There are no subscriptions, options, warrants, calls, preemptive rights or other rights to purchase or otherwise receive, nor are there any securities or instruments of any kind convertible into or exchangeable for, any capital stock of the Company. Neither the Company nor the Seller is a party to any agreement with a third party (other than the Buyer) which places any restriction upon, or which creates any voting trust, proxy, or other agreement with respect to, the voting, purchase, redemption, acquisition or transfer of the Shares.

3.7 Title to Shares. The Seller has good and valid title to each of the Shares, free and clear of any Lien.

3.8 Financial Statements.

(a) The Seller has heretofore delivered to the Buyer true and complete copies of the Statutory Statements of the Company.

(b) The Statutory Statements of the Company were prepared and the Subsequent Period Financial Statements will be prepared in accordance with SAP and the Applicable Insurance Code, consistently applied throughout the periods involved (except as may be indicated in the notes thereto regarding the adoption of new accounting policies), and present fairly, in all material respects, in accordance with SAP and the Applicable Insurance Code, the statutory financial position of the Company at the respective dates thereof and the results of operations of the Company, for the respective periods then ended, except that the Statutory Statements of the Company have not been, and any Subsequent Period Financial Statement will not have been, audited and are or will be subject to normal recurring year-end audit adjustments. The Statutory Statements of the Company complied and the Subsequent Period Financial Statements will comply in all material respects with SAP and the Applicable Insurance Code, and were or will be complete and correct in all material respects when filed, and no material deficiency has been asserted in writing with respect to any of the Statutory Statements of the Company by any Applicable Insurance Department.

3.9 Absence of Changes.

(a) Except as set forth in Schedule 3.9 or any other schedule hereto and except for the Contemplated Transactions, since December 31, 2007, there has not occurred a Material Adverse Effect on the Company.

(b) Except as set forth in Schedule 3.9, or any other Schedule hereto and except for the Contemplated Transactions, between December 31, 2007, through the date hereof, the Company has operated its businesses in the Ordinary Course of Business.

(c) Without limiting the foregoing, except as set forth in Schedule 3.9, or any other Schedule hereto and except for the Contemplated Transactions, none of the Company, the Seller or any Person acting on behalf of the Company or the Seller has taken any of the following actions since December 31, 2007:

(i) sold (or granted any warrants, options or other rights to purchase) any of the Shares, or otherwise issued any other interests in the Company;

(ii) acquired any assets or Property of the Company for a cost in excess of Fifty Thousand Dollars ($50,000), individually or in the aggregate;

(iii) created, incurred or assumed any indebtedness relating to or affecting the Company other than accounts payable incurred in the Ordinary Course of Business;

(iv) made any loans, advances or capital contributions to or investments in any Person relating to or affecting the Company;

(v) materially changed billing, payment or credit practices of the Company with any insurer, reinsurer, producer, agent, broker or intermediary or changed the timing of rendering invoices;

(vi) entered into any material Lease or contract, or terminated, modified or changed in any material respect any contract, relating to or affecting the Company other than in the Ordinary Course of Business or as contemplated pursuant to this Agreement or the Ancillary Agreements;

(vii) entered into any employment, independent contractor, severance, termination or other compensation agreement with any Employee or consultant of the Company;

(viii) increased the rate or terms of compensation of, or entered into any new, or extended the term of any existing, bonus or incentive agreement or arrangement , with, any Employee or consultant of the Company;

(ix) adopted any new Plan or amendment to increase the compensation or benefits payable under any of the Plans;

(x) induced any Employee or consultant of the Company to leave his or her employment or terminate his or her engagement in order to accept employment or an engagement with the Seller or any of its Affiliates, or acted to otherwise adversely affect the relations of the Company with any employee or consultant to the detriment of the Company;

(xi) entered into any material transaction, agreement, contract or understanding with an Affiliate or altered the terms of any material transaction, agreement, contract or understanding with any Affiliate;

(xii) suffered any material breach or waived any rights of the Company arising under or in connection with any of the assets other than in the Ordinary Course of Business;

(xiii) entered into any merger, consolidation, recapitalization or other business combination or reorganization;

(xiv) changed any of the Company’s methods of accounting or accounting systems, policies or practices;

(xv) without limiting the foregoing, entered into any material transaction (except as expressly contemplated by this Agreement) affecting any of the assets or the operations, prospects or financial condition of the Company other than in the Ordinary Course of Business; or

(xvi) entered into any oral or written agreement, contract, commitment, arrangement or understanding with respect to any of the foregoing.

3.10 Legal Proceedings. Except as set forth in Schedule 3.10, there is no civil, criminal, administrative or other Action pending or, to the Seller's Knowledge, threatened against the Company or any of its assets or Properties or against the Shares, by or before any court, other Governmental Entity or arbitrator, which has or could reasonably be expected to have a Material Adverse Effect. Except as set forth in Schedule 3.10, there is no outstanding order, writ, judgment, injunction, fine, award, determination or decree of any court, other Governmental Entity or arbitrator against the Company or any of its assets or Properties which has had or could reasonably be expected to have a Material Adverse Effect. Except as disclosed in Schedule 3.10, there is no Action pending or, to the Seller's Knowledge, threatened against or affecting the Seller or the Company that (i) seeks to restrain or enjoin the consummation of any of the Contemplated Transactions or (ii) has or could reasonably be expected to materially impair the ability of the Seller to consummate any of the Contemplated Transactions.

3.11 Compliance with Laws; Permits.

(a) Except as set forth in Schedule 3.11, the Company is in compliance with, is not in default under and has received no written notice from any Governmental Entity and the Seller has no Knowledge that it is not in compliance with or default under (i) all Applicable Laws; (ii) all applicable rules, ordinances, resolutions, codes, edicts, regulations, rulings, requirements, orders, Consents, approvals, writs, judgments, injunctions, awards, determinations and decrees issued, enacted, adopted, promulgated, implemented or otherwise put into effect by any court, other Governmental Entity or arbitrator; (iii) the Insurance Licenses; and (iv) its Permits (other than the Insurance Licenses), except, with respect to clauses (i) - (iv), where noncompliance or default would not reasonably be expect to have, individually or in the aggregate, a Material Adverse Effect on the Company.

(b) The Company has all Permits necessary for the ownership of its assets and Properties and to conduct its business (a "Material Permit"), and all such Material Permits are valid and in full force and effect, except where the failure by the Company to have any Permit would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company.

(c) To the Seller's Knowledge, since January 1, 2003, the Company has not engaged in any corrupt business practices or price fixing, bid rigging or any other anticompetitive activity of any type.

(d) Since January 1, 2003 neither the Company nor its directors or officers, nor to the Seller's Knowledge any Employees or agents, has (i) directly or indirectly given or agreed to give any illegal gift, contribution, payment or similar benefit to any supplier, customer, governmental official or employee or other Person who was, is or may be in a position to help or hinder the Company (or assist in connection with any actual or proposed transaction) or made or agreed to make any illegal contribution, or reimbursed any illegal political gift or contribution made by any other Person, to any candidate for federal, state, local or foreign public office (x) which could reasonably be expected to subject the Company, the Buyer or the business to any damage or penalty in any civil, criminal or governmental litigation or proceeding or (y) the non-continuation of which has had or could reasonably be expected to have a Material Adverse Effect on the Company or (ii) established or maintained any unrecorded fund or asset or made any false entries on any books or records for any purpose.

3.12 Contracts.

(a) Schedule 3.12(a), contains a true and complete list of all of the following Contracts in effect or pursuant to which any party thereto has any obligations (excluding policies of insurance written by the Company, Plans and Company Insurance Policies which are the subject of Sections 3.16 and 3.18, respectively) to which the Company is a party:

(i) material partnership or joint venture Contracts;

(ii) Contracts containing any covenant of the Company not to compete with any Person or in any location or geographic area or any limitation or restriction on the ability of the Company to engage in any line of business or the manner in which Company conducts business;

(iii) Contracts relating to the borrowing of money, or the direct or indirect guaranty of any obligation for borrowed money by the Company, or Contracts to service the repayment of borrowed money or any other Liability in respect of indebtedness for borrowed money of any other Person;

(iv) lease, sublease, rental, licensing, use or similar Contracts with respect to Property providing for annual rental, license, or use payments or the guaranty of any such lease, sublease, rental, licensing or other Contracts;

(v) Contracts (A) for the purchase, acquisition, sale or disposition of any assets or Properties or the Shares or equity interests of the Company or any Person, other than in connection with the management of the Company's investment portfolio in the Ordinary Course of Business, or (B) for the grant to any Person (excluding the Company) of any option or preferential rights to purchase any Shares, other equity interests, assets or Properties of the Company;

(vi) any Contract that provides for the indemnification of any officer, director, Employee or agent and any employment or other similar Contracts with any current officer, director, Employee or agent;

(vii) Reinsurance Contracts to which the Company is a party;

(viii) material agency, broker, selling, marketing or similar Contracts;

(ix) asset management agreements with any other Person;

(x) Contracts under which Persons provide material information, technology products or information technology services to the Company;

(xi) Contracts providing for indemnification of any special purpose vehicle or other financing entity, including off balance sheet entities;

(xii) Any contract providing for future payments that are conditioned on, or an event of default as a result of, a change of control of the Company or any similar event;

(xiii) other material Contracts not listed above.

(b) The Seller has heretofore delivered or made available to the Buyer true and complete copies of all of the Material Contracts whether or not listed on Schedule 3.12(a). Each of such Material Contracts is a valid and binding obligation of the Company and, to the Seller's Knowledge, is a valid and binding obligation of any other Person party thereto, and is in full force and effect enforceable against the parties thereto in accordance with its terms, subject to applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other laws affecting creditors' right generally, general principles of equity and the discretion of courts in granting equitable remedies. Except as specified in Schedule 3.12(b), neither the Company nor, to the Seller's Knowledge, any other Person party thereto, is in breach or violation of, or default under, any Material Contract whether or not listed on Schedule 3.12(a), except for such breaches, violations and defaults that have not had and could not reasonably be expected to have a Material Adverse Effect and, to the Knowledge of the Seller no condition or event exists which with the giving of notice or the passage of time, or both, would constitute a violation or default of any Material Contract by the Company or any other party thereto or permit the termination, modification, cancellation or acceleration of performance of the obligations of the Company or any other party to the Material Contract.

3.13 Property and Assets.

(a) The Company does not own and has never owned any real Property and the Company has no leasehold interests in real Property.

(b) The Company has good title to, or valid and subsisting leasehold interests in, free of all Liens (other than Permitted Liens) all personal Property and other assets on its books and reflected in the Statutory Statements of the Company or in the Subsequent Period Financial Statements, as applicable, or acquired in the Ordinary Course of Business since December 31, 2007, which would have been required to be reflected in the balance sheets included therein, except for assets that have been disposed of in the Ordinary Course of Business since December 31, 2007 or otherwise in accordance with the terms of this Agreement.

(c) The Company has complied in all material respects with all applicable Environmental Laws. Other than Liabilities arising from insurance policies issued by the Company, the Company has no Liabilities or obligations arising from the release of any Materials of Environmental Concern into the environment. To the Knowledge of the Seller, there have been no releases of any Materials of Environmental Concern into the environment at or from any parcel of real Property or any facility formerly owned, operated or controlled by the Company, or, to the Knowledge of the Seller, any other owner, operator or lessee of such Property or facility.

3.14 Insurance Licenses. Schedule 3.14 contains a true and complete list of all states in which the Company is licensed to engage in the business of insurance and the lines of authority for which it is licensed in each state. Subject to satisfaction of any minimum capital and surplus requirements, the licenses listed on Schedule 3.14 and the lines of authority will permit the Company to act as a licensed reinsurer with respect to the Reinsurance Business in each state where the Company is licensed for the Reinsurance Business following the Closing. The Seller has delivered or made available to the Buyer true and complete copies of licensing documentation for each such state (such licenses being herein called the "Insurance Licenses"). Except as set forth in Schedule 3.14, all such licenses are valid, unrestricted and in full force and effect.

3.15 Intellectual Property.

(a) Except as set forth in Schedule 3.15, the Company owns or possesses, or has valid, enforceable rights or licenses to use, the patents, patent applications, trademarks, trademark applications, service marks, trade names, copyrights, Internet domain names (including any registrations, licenses or rights relating to any of the foregoing), computer software, trade secrets, inventions and know-how that are necessary to carry on its business as presently conducted (each, an "Intellectual Property Right") free and clear of all Liens (other than Permitted Liens and restrictions provided in an agreement, license or other arrangement listed in Schedule 3.15, except where the failure to so own or possess, or have licenses to use any Intellectual Property Right, has not had and could not reasonably be expected to have a Material Adverse Effect on the Company. The Seller has no Knowledge of any infringement by any Person of any Intellectual Property Right of the Company.

(b) All Intellectual Property Rights that have been licensed by or on behalf of the Company are being used substantially in accordance with the applicable license pursuant to which the Company has the right to use such Intellectual Property Rights, except where the failure to do so could not reasonably be expected to have a Material Adverse Effect on the Company. Schedule 3.15 lists each agreement, license or other arrangement relating to any licensed Intellectual Property Right, which if not licensed or available for use by the Company, could reasonably be expected to have a Material Adverse Effect on the Company or under which a one-time or periodic license fee of more than $50,000 was or shall be payable in the applicable licensing period.

(c) Schedule 3.15 contains a complete and accurate list of (A) registered and applied for patents, trademarks, service marks, copyrights, or domain names owned or licensed by the Company, in each case specifying the jurisdiction in which the applicable registration has been obtained or pending application has been filed, and, where applicable, the registration or application number therefore (B) material common law trademarks and service marks owned by the Company and other Intellectual Property Rights owned or licensed by the Company. Except as set forth in Schedule 3.15, as of the date hereof, there are no claims pending or, to the Knowledge of Seller, threatened, challenging the ownership, validity or enforceability of any Intellectual Property Right owned by the Company, except, in each case, for such claims that, if adversely determined, could not reasonably be expected to have a Material Adverse Effect on the Company.

(d) To the Seller's Knowledge, since January 1, 2003, the Company has not suffered a material security breach with respect to its data or systems requiring notification to Employees in connection with such Employees' confidential information or to customers, except, in each case, for such security breaches that have not had and could not reasonably be expected to have a Material Adverse Effect on the Company.

Except as set forth in Schedule 3.15, since January 1, 2003, the Company has not received any written notice of any infringement of the rights of any third party with respect to any Intellectual Property Right that, if such infringement is determined to be unlawful, could reasonably be expected to have a Material Adverse Effect on the Company. To the Knowledge of Seller, no use by the Company of any Intellectual Property Right owned by the Company (A) infringes any Intellectual Property Right of any Person, except to the extent that such infringement, if determined to be unlawful, has not had and could not reasonably be expected to have a Material Adverse Effect on the Company or (B) requires any payment for the use of such Intellectual Property Right of any Person (except for payment of licensing or maintenance fees).

3.16 Employee Benefit Plans. The Seller represents that the Company does not currently sponsor, maintain, or contribute to, and has never sponsored, maintained or contributed to, any Plan. The Company has no Liabilities or obligations under any Plan. No event has occurred and no condition exists with respect to any Plan that would reasonably be expected to subject the Company to any material tax, fine, lien, penalty or other Liability imposed by ERISA, the Code or other Applicable Laws.

3.17 Employee Relations. (i) The Company has no Employees and has not had any Employees since January 1, 2003; (ii) there is no labor strike, dispute, slowdown, stoppage or lockout pending or, threatened against the Company, and during the past twelve months there has not been any such action; (iii) the Company is not a party to or bound by any collective bargaining or similar agreement with any labor organization, or work rules or practices agreed to with any labor organization or employee association applicable to Employees; (iv) within the last twelve months there has been no "mass layoff" or "plant closing" as defined by the WARN Act or any similar state or local "plant closing" law with respect to the Employees; (v) the Company has no Liabilities, obligations, costs, or expenses of any kind or nature attributable in any manner to any Employees and (iv) the Company is in material compliance with all federal, state or other Applicable Laws, domestic or foreign, respecting employment and employment practices, terms and conditions of employment and wages and hours of employment.

3.18 Insurance Policies. The Company is covered by (a) valid and effective insurance policies issued in favor of the Seller, an Affiliate of the Seller and/or the Company or (b) self insured plans that, in the judgment of the Seller, an Affiliate of the Seller and/or the Company or (b) self insured plans that, in the judgment of the Seller, are customary for a company of similar size in the industry and locale in which the Company operates. Schedule 3.18 sets forth a complete and accurate list of all insurance policies covering the business and operations of the Company issued in favor of an Affiliate of the Seller, the Seller and/or the Company (the "Company Insurance Policies"), specifying the type of coverage, the amount of coverage, the insurer, the policyholder, each covered loss-sharing arrangement, and all self insured plans covering the business and operations of the Company. Neither the Seller, the Company nor any Affiliate of the Seller (a) is in material default with respect to any of the Company Policies, (b) has received any written notice of a cancellation with respect to any of the Company Policies or (c) has been refused any insurance coverage sought or applied for with respect to the Company or its business. All premiums due and payable on any of the Company Policies or renewals thereof have been paid or will be paid timely through the Closing Date.

3.19 Tax Matters.

(a) The Company has filed (or joined in the filing of) when due (after taking into account all properly requested extensions) all Tax Returns required by Applicable Law to be filed with respect to the Company and all Taxes owed have been paid (whether or not shown, or required to be shown on any Tax Return);

(b) there is no Action currently pending or, to threatened, regarding any Taxes relating to the Company in respect of any Tax or assessment, nor is any written claims for additional Tax or assessment being asserted by any Taxing Authority;

(c) there has been no waiver or extension of any applicable statute of limitations for the assessment or collection of any Taxes of the Company;

(d) the Company is not a party to any agreement other than with the Seller and its Affiliates, whether written or unwritten, providing for the payment of Taxes, payment for Tax losses, entitlements to refunds or similar Tax matters;

(e) none of the Tax Returns filed by the Company contain a disclosure statement under former Section 6661 of the Code or Section 6662 of the Code (or any similar provision of state, local or foreign Tax law);

(f) there are no Liens for Taxes upon any of the Company's assets, other than Liens for Taxes not yet due and payable;

(g) there are no material elections with respect to Taxes affecting the Company, as of the date hereof;

(h) the Company is not subject to, nor has applied for any private letter ruling of the IRS or comparable rulings of any Taxing Authority;

(i) neither the Company nor any Person on its behalf has granted to any Person any power of attorney that is currently in force with respect to any Tax matter;

(j) the Company will not be required to include any item of income in, or exclude any item of deduction from, taxable income for any Taxable Period (or portion thereof) ending after the Closing Date as a result of any (i) change in method of accounting for a Taxable Period ending on or prior to the Closing Date, (ii) "closing agreement" as described in Section 7121 of the Code (or any corresponding or similar provision of state, local or non-U.S. Tax law) executed on or prior to the Closing Date, (iii) intercompany transaction or excess loss account described in United States Treasury Regulations under Section 1502 of the Code (or any corresponding or similar provision of state, local, or non-U.S. Tax law), (iv) installment sale or open transaction made on or prior to the Closing Date, or (v) prepaid amount received on or prior to the Closing Date;

(k) none of the Shares of outstanding capital stock of the Company is subject to a "substantial risk of forfeiture" within the meaning of Section 83 of the Code;

(l) no portion of the Purchase Price is subject to the Tax withholding provisions of Section 3406 of the Code, or of Subchapter A of Chapter 3 of the Code or of any other provision of law;

(m) the Company is not a party to or member of any joint venture, partnership, limited liability company or other arrangement or contract which could be treated as a partnership for federal income Tax purposes;

(n) the Company has never filed a consent pursuant to Section 341(f) of the Code, relating to collapsible corporations and Section 341(f)(2) of the Code does not apply to any of the Company's assets;

(o) the Company is not, and has not been, a U.S. real property holding company (as defined in Section 897(c)(2) of the Code) during the applicable period specified in Section 897(c)(1)(A)(ii) of the Code;

(p) 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 (i) in the two (2) years prior to the date of this Agreement or (ii) in a distribution which could otherwise constitute part of a "plan" or "series of related transactions" (within the meaning of Section 355(e) of the Code) in conjunction with the transactions contemplated by this Agreement;

(q) the Company has not (i) participated or engaged in any transaction, or taken any Tax Return position, described in Treasury Regulation Section 301.6111-2(b)(2) (or any corresponding or similar provision of state, local or non-U.S. Tax law) or (ii) participated or engaged in any "reportable transaction" within the meaning of Treasury Regulation Section 1.6011-4 (or any corresponding or similar provision of state, local or non-U.S. Tax law);

(r) the Company is not and has not been a party to a transaction or agreement that is in violation of the Tax rules on transfer pricing in any relevant jurisdiction and all transactions and agreements (whether written or oral) between the Company and any of its Affiliates have been conducted in an arm's length manner; and

(s) no claim is pending or threatened by a Tax Authority in a jurisdiction where the Company does not file Tax Returns that the Company is or may be subject to Tax in that jurisdiction.

3.20 Bank Accounts. Schedule 3.20 contains a true and complete list of the names and locations of all banks, trust companies, securities brokers and other financial institutions at which the Company has an account or safe deposit box or maintains a banking, custodial, trading or other similar relationship.

3.21 Material Services Provided by Seller; Related Party Transactions.

(a) Except as set forth in Schedule 3.21, neither the Seller nor its Affiliates (other than the Company) provide any material services to the Company.

(b) Schedule 3.21 lists all Contracts, other than Reinsurance Contracts, in effect or pursuant to which any party thereto has material obligations, between the Company and any of the following Persons: (i) the Seller or any of its Affiliates and (ii) any director, officer or senior executive of the Seller, any Affiliate of the Seller or the Company.

3.22 No Brokers. Except as set forth in Schedule 3.22, no broker, finder or investment banker (an "Investment Broker") acting on behalf of the Seller or the Company is or will be entitled to any brokerage, finder's or other fee, compensation or commission from the Seller. No Person is or will be entitled to any brokerage, finder's or other fee, compensation or commission from the Company in connection with the Contemplated Transactions.

3.23 Absence of Undisclosed Liabilities. To the Seller's Knowledge, the Company has no Liabilities or obligations of any nature, whether known, unknown, absolute, accrued, contingent or otherwise and whether due or to become due, except (i) as disclosed or reserved against in the Statutory Statements of the Company, including the notes thereto, and (ii) for Liabilities or obligations that were incurred in the Ordinary Course of Business since December 31, 2007.

3.24 Insurance and Reinsurance Matters.

(a) The Seller has made available for inspection by the Buyer copies of: (i) each annual statement filed with or submitted to any insurance regulatory authority by the Company since December 31, 2002; (ii) any reports of examination (including, without limitation, financial, market conduct and similar examinations) of the Company issued by any insurance regulatory authority since December 31, 2002; and (iii) all other material holding company filings or submissions made by the Company with any insurance regulatory authority since January 1, 2003. The Company has filed all material reports, registrations, filings and submissions required to be filed with any insurance regulatory authority since January 1, 2003. All such reports, registrations, filings and submissions were in compliance in all material respects with Applicable Law when filed or as amended or supplemented.

(b) To the Knowledge of the Seller, other than as contemplated in the Termination Endorsement, all Reinsurance Contracts of the Company reflected in the Statutory Statements of the Company are valid, binding and enforceable against any other party thereto, in accordance with their terms, subject to applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other laws affecting creditors' right generally, general principles of equity and the discretion of courts in granting equitable remedies, are in full force and effect and transfer such risk as would be required for such treaties and agreements to be properly accounted for as reinsurance. Except as contemplated hereby, no such Reinsurance Contract contains any provision providing that the other party thereto may terminate or amend such Reinsurance Contract by reason of the Contemplated Transactions. The Company is entitled to take full credit in its financial statements pursuant to Applicable Laws for all reinsurance ceded pursuant to any Reinsurance Contract to which the Company is a party. The Company has complied in all material respects with all of its obligations under such Reinsurance Contracts and has provided the reinsurers thereunder on a timely basis with all required loss notices.

3.25 Investment Company, Etc. The Company is not required to be registered, licensed or qualified as, an investment adviser or a broker-dealer or as a commodity trading advisor, a commodity pool operator or a futures commission merchant or any or all of the foregoing. Neither the Company nor the Seller is an investment company within the meaning of the Investment Company Act of 1940, as amended.

3.26 Disclosure. To the Seller's Knowledge, none of the representations and warranties contained in this Article III, or the Seller's Disclosure Schedule contains any untrue statement of a material fact or omits a material fact necessary to make the statements contained herein or therein, taken as a whole, in light of the circumstances in which they were made, not misleading.

3.27 Exclusion of Implied Representations and Warranties . EXCEPT AS EXPRESSLY SET FORTH IN THIS ARTICLE III, THE SELLER EXCLUDES AND DISCLAIMS ANY AND ALL IMPLIED REPRESENTATIONS AND WARRANTIES.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF THE BUYER

The Buyer hereby represents and warrants to the Seller as follows:

4.1 Organization of the Buyer. The Buyer is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware.

4.2 Authorization, Validity and Enforceability. The Buyer has all requisite corporate power and authority to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the Contemplated Transactions. The execution, delivery and performance by the Buyer of this Agreement and the consummation of the Contemplated Transactions by the Buyer have been duly and validly authorized by all necessary corporate action on the part of the Buyer and no other corporate proceedings on the part of the Buyer is necessary to authorize the execution, delivery and performance of this Agreement or the consummation of any of the Contemplated Transactions. This Agreement has been duly executed and delivered by the Buyer and constitutes the legal, valid and binding obligation of the Buyer, enforceable against the Buyer in accordance with its terms.

4.3 No Conflicts. Assuming compliance with the matters referred to in Section 4.4 below, the execution, delivery and performance by the Buyer of this Agreement and the consummation of the Contemplated Transactions do not and will not conflict with, result in any breach or violation of, or constitute a default under (or an event which with the giving of notice or the lapse of time or both would constitute a default under), or give rise to any right of termination or acceleration of any right or obligation of the Buyer, or result in the creation or imposition of any Lien upon any assets or Properties of the Buyer by reason of the terms of (a) the certificate of incorporation, bylaws or other charter or organization documents of the Buyer; (b) any material Contract to which the Buyer is a party or by or to which it or its assets or Properties may be bound or subject; (c) assuming compliance with the matters set forth on Schedule 4.4, any applicable order, writ, judgment, injunction, award, decree, law, statute, ordinance, rule or regulation of any Governmental Entity; or (d) any other Permit of the Buyer other than, in the case of (b), (c) or (d), any such conflict, breach, violation, default, right, obligation or Lien, that could not be reasonably be expected to have a Material Adverse Effect on the ability of the Buyer to execute and deliver this Agreement, to perform its obligations hereunder or to consummate the Contemplated Transactions.

4.4 Buyer Consents and Approvals. Except as set forth in Schedule 4.4, no Consent of any Governmental Entity or other Person is necessary to be obtained, made or given by the Buyer in connection with the execution and delivery by the Buyer of this Agreement, the performance by the Buyer of its obligations hereunder and the consummation of the Contemplated Transactions, except for Consents which, if not obtained or made, could not be reasonably be expected to have a Material Adverse Effect on the ability of the Buyer to execute and deliver this Agreement, to perform its obligations hereunder or to consummate the Contemplated Transactions.

4.5 No Brokers. No Investment Broker acting on behalf of the Buyer is entitled to any brokerage, finder's or other fee, compensation or commission from the Buyer in connection with the Contemplated Transactions.

4.6 Disclosure. None of the representations and warranties contained in this Article IV or the Buyer's Disclosure Schedule contains any untrue statement of a material fact or omits a material fact necessary to make the statements contained herein or therein, taken as a whole, in light of the circumstances in which they were made, not misleading.

4.7 Exclusion of Implied Representations and Warranties. EXCEPT AS EXPRESSLY SET FORTH IN THIS ARTICLE IV, THE BUYER EXCLUDES AND DISCLAIMS ANY AND ALL IMPLIED REPRESENTATIONS AND WARRANTIES.

ARTICLE V

COVENANTS

5.1 Conduct of Business.

(a) Except as set forth on Schedule 5.1 or any of the other Schedules hereto, or as otherwise contemplated by this Agreement or the Ancillary Agreements, or as consented to in writing by the Buyer, from the date hereof to and including the Closing Date, the Seller will cause the Company to conduct its operations in the Ordinary Course of Business and in compliance in all material respects with all Applicable Law and the requirements of all Permits and Material Contracts (whether or not listed on Schedule 3.12(a)) and Reinsurance Contracts.

(b) Except as set forth in Schedule 5.1 or any of the other Schedules hereto, or as otherwise contemplated by this Agreement or the Ancillary Agreements from the date hereof to and including the Closing Date, the Seller will not, without the prior written consent of the Buyer (such consent not to be unreasonably withheld, delayed or conditioned), permit the Company to directly or indirectly:

(i) amend or modify its certificate or articles of incorporation, bylaws or other charter or organization documents;

(ii) merge or consolidate or enter into a business combination with or acquire the business of any other Person or acquire, lease or license any right or other any Property or assets of any other Person;

(iii) other than in connection with the management of the Company's investment portfolio in the Ordinary Course of Business, sell, pledge, lease, license or dispose of a material portion of any of its assets;

(iv) enter into or become bound by, or permit any of the assets owned or used by it to become bound by, any Material Contract (whether or not listed on Schedule 3.12(a)), or amend or terminate, or, other than in the Ordinary Course of Business, waive or exercise any material right or remedy under, any such Material Contract;

(v) enter into, amend, terminate or otherwise restructure any Intercompany Agreements in a manner that would have a material adverse impact on the Company; provided, however, that the Buyer acknowledges and agrees that all services provided by the Seller and its Affiliates (other than the Company) shall cease as of the Closing except as provided in the Termination Endorsement;

(vi) split, combine, recapitalize, reverse stock split or reclassify any Shares of its capital stock or other securities, or declare, pay or set aside any sum for any dividend or other distribution (whether in cash, stock or Property, any combination thereof or otherwise) in respect of its capital stock, or redeem, purchase or otherwise acquire (or agree to redeem, purchase or otherwise acquire) any of its capital stock or any of its other securities or any rights, warrants or options to acquire any such capital stock or securities, unless after giving effect to such dividend, distribution, redemption, purchase or other acquisition, Policyholders' Surplus shall be at least Seven Million Dollars ($7,000,000);

(vii) authorize, issue, sell, grant, dispose of, transfer, pledge or otherwise encumber any Shares of its capital stock, any of its equity interests, any other of its voting securities or any securities convertible into or exchangeable for, or any rights, warrants, call or options to acquire, any such Shares, equity interests, voting securities or convertible or exchangeable securities;

(viii) adopt a plan of complete or partial liquidation, dissolution, rehabilitation, merger, consolidation, restructuring, recapitalization, redomestication or other reorganization;

(ix) adopt a new Plan, amend any Plan or permit any Plan to enter into any material Contract, insurance arrangement or funding obligation to increase present or future benefits to Employees or the present or future cost of providing benefits to Employees;

(x) enter into or agree to any regulatory restrictions or arrangements;

(xi) adopt any Plan or enter into any employment agreement or employment contract or otherwise hire any Employee;

(xii) lend money to any Person or incur or guarantee any Debt;

(xiii) make, authorize or commit to any capital expenditures;

(xiv) settle or compromise any Action, other than (A) any claims or litigation under insurance policies issued by the Company in the Ordinary Course of Business within policy limits, (B) any claims or litigation for which the sole remedy is monetary damages in an amount less than $25,000, (C) as required by a final or non-appealable judgment of an arbitration panel or court, or (D) Regulatory Body Matters; provided, however, that if the settlement or compromise of any Regulatory Body Matter would require the Buyer or the Company to admit any Liability or pay Damages or other amounts in settlement, the Seller may not effect such settlement without the Buyer's prior written consent (which consent shall not be unreasonably withheld, delayed or conditioned);

(xv) make or change any material Tax election, enter into, amend, terminate or otherwise restructure any Intercompany Agreements relating to Taxes, change an annual accounting period, adopt or change any material accounting method, enter into any closing agreement, settle any Tax Claim, consent to any extension or waiver of the limitation period applicable to any material Tax Claim or assessment relating to the Company, if such election, adoption, change, consent or other action would have the effect of increasing the Tax Liability of the Company for any period ending after the Closing Date or decreasing any Tax attribute of the Company existing on the Closing Date;

(xvi) enter into any new Contract or amend in any material respect, or terminate or non-renew any Material Contract except as provided under Section 5.3 hereof;

(xvii) make any change in its financial or statutory accounting methods, principles or practices used by it materially affecting its assets or Liabilities (including reserve methods, practices and policies in effect, except insofar as may be required by a change in law or applicable accounting principles);

(xviii) forfeit, abandon, amend, modify, waive or terminate any Insurance License;

(xix) enter into any material transaction or take any other material action outside the Ordinary Course of Business or as otherwise contemplated by this Agreement or the Ancillary Agreements; or

(xx) agree in writing to do any of the foregoing.

5.2 Access; Confidentiality.

(a) From the date hereof until the Closing, the Seller will, and will cause the Company and its representatives to (i) allow the Buyer and its officers, employees, counsel, accountants, actuaries, consultants and other authorized representatives ("Representatives") to have reasonable access to the books, records, Tax Returns, financial statements, Contracts, work papers and other information and documents relating to the Company, assets, Properties, facilities, management and personnel of the Company at all reasonable times, upon reasonable notice and in a manner so as not to interfere with the normal operation of the business of the Company and (ii) cause the respective Representatives of the Seller and the Company to cooperate in good faith with the Buyer and its Representatives in connection with all such access.

(b) Each party hereto will hold, and will use reasonable best efforts to cause its Affiliates, and their respective Representatives to hold, in strict confidence from any Person (other than any such Affiliates or Representatives), except with the prior written consent of the other party or unless (i) compelled to disclose by judicial or administrative process (including in connection with obtaining the necessary approvals of this Agreement, the other Ancillary Agreements, or any of the Contemplated Transactions by Governmental Entities) or by other requirements of Applicable Law or stock exchange regulation, or (ii) disclosed in an Action or proceeding brought by a party hereto in pursuit of its rights or in the exercise of its remedies hereunder, all documents and information concerning the other party or any of its Affiliates furnished to it by the other party or such other party's Representatives in connection with this Agreement, the Ancillary Agreements, or any of the Contemplated Transactions, except to the extent that such documents or information can be shown to have been (a) previously known or available to (on a non-confidential basis) the party receiving such documents or information, (b) in the public domain (either prior to or after the furnishing of such documents or information hereunder) through no violation of this provision by the receiving party or (c) later acquired by the receiving party from another source if the receiving party is not aware that such source is under an obligation or duty to the party seeking to keep such documents and information confidential.

5.3 Intercompany Accounts; Intercompany Agreements. Except with respect to the Termination Endorsement, the Seller shall cause all agreements between the Company and any of its Affiliates, to be terminated without any further obligation or Liability of the Company and all intercompany accounts receivable or payable (whether or not currently due or payable) between (x) the Company, on the one hand, and (y) the Seller or any of its Affiliates, or any of the officers or directors of any of the Seller and any of its Affiliates, on the other hand, to be settled in full (without any premium or penalty), at or prior to the Closing.

5.4 Cooperation and Commercially Reasonable Efforts. Subject to the terms and conditions hereof, (a) each of the parties hereto shall cooperate with each other, and the Seller shall cause the Company to cooperate with the Buyer, in connection with consummating the Contemplated Transactions, and (b) each of the parties hereto agrees to, and the Seller shall cause the Company to, use commercially reasonable efforts to take, or cause to be taken, all actions, and to do, or cause to be done, all things necessary, proper or advisable under Applicable Law and regulations to consummate and make effective the Contemplated Transactions.

5.5 Consents and Approvals and Licensing.

(a) As soon as practicable after the date hereof, but in no event more than twenty (20) days following the date hereof, each of the parties hereto shall use commercially reasonable efforts to obtain any necessary Consents of, and make any filing with or give any notice to, any Governmental Entities and other Persons (including, without limitation, Insurance Approvals) as are required to be obtained, made or given by such party to consummate the Contemplated Transactions. Each party shall pay all amounts required to be paid by it in connection with obtaining any Consents that it is required to obtain, including those set forth in Schedule 5.5(a). The Seller and the Buyer shall provide each other with a reasonable opportunity to review and comment upon submissions made to the Applicable Insurance Departments in connection with the Seller Insurance Approvals and the Buyer Insurance Approvals, respectively, and shall keep one another reasonably informed of developments relating to their efforts to obtain such Insurance Approvals. Prior to the Closing, the Seller will not enter into or agree to any regulatory restrictions or arrangements which, as a result would materially alter the Company's licensing or regulatory status in any state without first obtaining the Buyer's consent thereto, which consent may be granted or withheld by the Buyer in its sole discretion.

(b) The Seller will cause the Company to use commercially reasonable efforts prepare, file and prosecute applications to state insurance departments for certificates of authority so that the Company will be authorized to transact business in the lines of business and states indicated on Schedule 5.5(b).

5.6 Press Releases. Prior to the Closing, each party hereto shall consult with the other party hereto prior to issuing, and shall provide the other party with a reasonable, opportunity to review and comment upon, any press release pertaining to this Agreement or the Contemplated Transactions and, except as may be required by Applicable Law or any listing agreement with any national securities exchange, will not issue any such press release prior to such consultation.

5.7 Records Retention, Accounting and Tax Support.

(a) From and after the Closing Date, upon reasonable notice, the Buyer and the Seller agree to furnish or cause to be furnished to each other and their Representatives, employees, counsel and accountants access, during normal business hours, to such information in a readily readable and accessible form (including Company Materials and Materials or other records pertinent to the Company); assistance and cooperation relating to the Company as is reasonably necessary for financial reporting, loss reporting and accounting matters, the preparation and filing of any Tax Returns, or the defense of any Tax Claim, Seller Third-Party Claim or assessment and to meet reporting requirements to any retrocessionaires or any Governmental Entities; provided, however, that such access and cooperation does not unreasonably disrupt the normal operations of the Buyer, the Seller or the Company. Such cooperation shall include, without limitation, making Employees (and, to the extent reasonably feasible, former Employees) reasonably available on a mutually convenient basis to provide information and explanations of such records and Materials. From and after the Closing Date, the Buyer hereby acknowledges that the Seller shall on behalf of the Company maintain and keep original copies of, all Company Materials, Materials and such other books and records of the Company, including such books and records necessary and pertinent to the Company for financial reporting and accounting purposes, the preparation and filing of any Tax Returns for a Pre-Closing Taxable Period, or the defense of any Tax Claim related to a Pre-Closing Taxable Period, Seller Third-Party Claim or assessment, to the extent such Company Materials, Materials, books and records relate to any date or period prior to the Closing Date (the "Company Books and Records"). The Seller acknowledges that, notwithstanding its maintenance and possession of the Company Books and Records, all such Company Books and Records remain the sole property of the Company. The Buyer shall, upon reasonable notice and for any reasonable business purpose, have access during normal business hours to examine, inspect and copy and to remove from the Seller's possession the original copies of such Company Books and Records; provided that, if any of such Company Books and Records are reasonably necessary for the Seller to perform its obligations under the Termination Endorsement, Seller may retain copies of such Company Books and Records. Before the Seller may dispose of any of the Company Books and Records, the Seller shall give the Buyer at least ninety (90) days' prior written notice of its intention to dispose of such Company Books and Records and the Buyer or its designee shall be given an opportunity, at its cost and expense, to remove and retain all or any part of such Company Books and Records as the Buyer may elect. From and after the Closing Date, the Buyer shall cause the Company to preserve, maintain and keep, or cause to be preserved, maintained and kept, in a readily readable and accessible form, all Company Books and Records and Materials and all original books and records of the Company that do not constitute Company Books and Records, including all books and records necessary and pertinent to the Company for financial reporting and accounting purposes, the preparation and filing of any Tax Returns, or the defense of any Tax Claim, Seller Third-Party Claim or assessment (the "Buyer's Books and Records") for the longer of any statute of limitations applicable to any such matters and a period of seven (7) years from the Closing Date. During such seven-year or longer period, the Seller and its Representatives shall, upon reasonable notice and for any reasonable business purpose, have access during normal business hours to examine, inspect and copy such Buyer Books and Records. After such seven-year or longer period, the Company may dispose of any of such Buyer Books and Records.

(b) The Seller agrees (i) to keep confidential all of the Company Books and Records, (ii) not to use any information contained in the Company Books and Records, except in connection with the transactions contemplated by and services to be provided by Seller pursuant to the Termination Endorsement or for tax, accounting, regulatory, contract compliance or legal-related purposes and (iii) not reveal or disclose the Company Information to any Person other than its Representatives who need to know the Company Information for purposes of the transactions contemplated by the Termination Endorsement and providing the services to be provided by the Seller pursuant to the Termination Endorsement or for tax, accounting, regulatory, contract-compliance or other legal-related purposes; it being understood that all such Persons will be informed of the confidential nature of the Company Information and the terms of this Section 5.7. As used herein, "Company Information" shall mean all non-public, confidential information contained in the Company Books and Records or relating to the Company or the Buyer's Affiliates, their business, financial condition or insureds, whether oral or written, whether in possession of the Seller or any Representative as of the Closing Date or obtained, developed or disclosed by insureds or their Representatives at any time. The term "Company Information" does not include any information which at the time of disclosure to the Seller or thereafter is generally available to and known by the public (other than as a result of a disclosure directly or indirectly by the Seller or any of its Representatives). The Seller may disclose Company Information if required to by Applicable Law.

5.8 Tax Matters.

(a) The Seller shall cause the Company to be included in the consolidated federal income Tax Returns of the Seller or an Affiliate of the Seller for all periods for which it is eligible to be so included, including, without limitation, the period from January 1, 2008 to the Closing Date, and in any other required state, local and foreign consolidated, affiliated, combined, unitary or other similar group Tax Returns that include the Seller or any such Affiliate of the Seller for all Taxable Periods ending on or prior to the Closing Date for which any of them are required to be so included. The Seller shall (A) timely prepare and file all such Tax Returns and timely pay when due all Taxes relating to such Tax Returns and (B) timely prepare and file, or cause to be prepared and filed, all other Tax Returns of the Company for all Taxable periods ending on or prior to the Closing Date and timely pay, or cause to be paid, when due all Taxes relating to such Tax Returns. Prior to the filing of any Tax Return described in the preceding sentence that was not filed before the Closing Date, the Seller shall provide the Buyer with a substantially final draft of such Tax Return (or, with respect to Tax Returns described in clause (A) above, the portion of such draft Tax Return that relates to the Company) at least fifteen (15) Business Days prior to the due date for filing such Tax Return, and the Buyer shall have the right to review such Tax Return prior to the filing of such Tax Return. The Buyer shall notify the Seller of any reasonable objections the Buyer may have to any items set forth in such draft Tax Returns within fifteen (15) Business Days, and the Buyer and the Seller agree to consult and resolve in good faith any such objection and to mutually consent to the filing of such Tax Return. Such Tax Returns shall be prepared or completed in a manner consistent with prior practice of the Seller, the Company with respect to Tax Returns concerning the income, assets, Properties or operations of the Company (including elections and accounting methods and conventions), except as otherwise required by law or regulation or otherwise agreed to by the Buyer prior to the filing thereof.

(b) Any Taxes with respect to the Company that relate to a Taxable Period beginning before the Closing Date and ending after the Closing Date (an "Overlap Period") shall be apportioned between the Seller and the Buyer, (i) in the case of Property Taxes (and any other Taxes not measured or measurable, in whole or in part, by net or gross income or receipts), on a per diem basis and, (ii) in the case of other Taxes, as determined from the books and records of the Company during the portion of such period ending on the Closing Date (i.e., Seller's portion) and the portion of such period beginning on the day following the Closing Date (i.e., Buyer's portion) consistent with the past practices of the Seller and the Company. The Buyer shall cause the Company to file any Tax Returns for any Overlap Period, and the Buyer shall pay, or cause to be paid, all state, local or foreign Taxes shown as due on any such Tax Returns. The Seller shall pay the Buyer its share of any such Taxes (to the extent the Seller is liable therefor in accordance with this Section 5.8(b) due pursuant to the filing of any such Tax Returns under the provisions of this Section 5.8(b) within five (5) Business Days of receipt of notice of such filing by the Buyer, which notice shall set forth in reasonable detail the calculations regarding the Seller's share of such Taxes.

(c) (i) If the Company or any consolidated, affiliated, combined, unitary or other similar Tax group of which the Company is now or was formerly a member has any reduction in Tax Liability by reason of an adjustment with respect to a Pre-Closing Taxable Period and such adjustment has the effect of decreasing deductions or credits, or increasing income, for any Taxable Period (or portion thereof) (including an Overlap Period) ending after the Closing Date, then the Seller shall pay to the Buyer an amount equal to the detrimental Tax effect attributable to such decreased deductions or credits, or increased income, as and when the Company or any consolidated, affiliated, combined, unitary or other similar Tax group of which the Company or may be a member actually suffers such detriment. Conversely, if the Company or any consolidated, affiliated, combined, unitary or other similar Tax group of which the Company is now or was formerly a member has any increase in Tax Liability by reason of an adjustment with respect to a Pre-Closing Taxable Period and such adjustment has the effect of increasing deductions or credits, or decreasing income, for any Taxable Period (or portion thereof) (including an Overlap Period) ending after the Closing Date, then the Buyer shall pay to the Seller an amount equal to the beneficial Tax effect attributable to such increased deductions or credits, or decreased income, as and when the Company or any consolidated, affiliated, combined, unitary or other similar Tax group of which the Company or may be a member actually incurs such benefit.

(ii) Any credit, deduction loss or other Tax attribute of the Buyer, the Company or their Affiliates arising in any Taxable Period (or position thereof) beginning after the Closing Date is required to be carried back and included in any Tax Return of the Seller, or any Affiliate of the Seller (including the Company), for any Pre-Closing Taxable Period, then the Seller shall pay to the Buyer an amount equal to the actual Tax savings produced by such credit, deduction or loss; provided, however, that the Seller or such Affiliate shall not be required to file any claim for refund of any Tax for the benefit of the Buyer, the Company or their Affiliates unless the Buyer so requests in writing and agrees to pay the reasonable expenses related to the claim for refund. Conversely, if any income, gain or other Tax attribute of the Buyer, the Company or their Affiliates arising in any Taxable Period (or position thereof) beginning after the Closing Date is required to be carried back and included in any Tax Return of the Seller, or any Affiliate of the Seller (including the Company), for any Pre-Closing Taxable Period, then the Buyer shall pay to the Seller an amount equal to the actual Tax Liability produced by such income or gain; additionally, with respect to any obligation to file said amended Tax Return, the Seller or such Affiliate shall (i) provide the Buyer with a reasonable opportunity to review and comment upon the amended Tax Return prior to filing, and (ii) pay the reasonable expenses related to the filing of said amended Tax Return.

(d) Neither the Seller nor any Affiliate of the Seller shall, without the prior written consent of the Buyer, file, or cause to be filed, any amended Tax Return or claim for Tax refund, with respect to the Company for any Pre-Closing Taxable Period, to the extent that any such filing may affect the Tax Liability of the Buyer, any of its Affiliates or the Company for any Taxable Period (or position thereof) beginning after the Closing Date (including, but not limited to, the imposition of Tax deficiencies, the reduction of asset basis or cost adjustments, the lengthening of any amortization or depreciation periods, the denial of amortization or depreciation deductions, or the reduction of loss or credit carryforwards).

(e) Any and all existing Tax sharing, allocation, compensation or like agreements or arrangements, whether or not written, that include the Company, including, without limitation, any arrangement by which the Company makes compensating payments to each other or any other member of any affiliated, consolidated, combined, unitary or other similar Tax group for the use of certain Tax attributes, shall be terminated on or prior to the Closing Date (pursuant to a writing executed on or before the Closing Date by all parties concerned) and shall have no further force or effect. All Liabilities of the Company to the Seller or any Affiliate of the Seller (for Taxes or otherwise pursuant to such agreements or arrangements) shall be canceled on or prior to the Closing Date. Any and all powers of attorney relating to Tax matters concerning the Company shall be terminated as to the Company on or prior to the Closing Date and shall have no further force or effect.

(f) After the Closing Date, the Buyer and the Seller shall provide each other, and the Buyer shall cause the Company to provide the Seller, with such cooperation and information relating to the Company as either party reasonably may request in (A) filing any Tax Return, amended Tax Return or claim for refund, (B) determining any Tax Liability or a right to refund of Taxes, (C) conducting or defending any audit or other proceeding in respect of Taxes or (D) effectuating the terms of this Agreement. The parties shall retain, and the Buyer shall cause the Company to retain, all returns, schedules and work papers, and all material records and other documents relating thereto, until the expiration of the statute of limitation (and, to the extent notified by any party, any extensions thereof) of the Taxable Periods to which such Tax Returns and other documents relate and, unless such Tax Returns and other documents are offered and delivered to the Seller or the Buyer, as applicable, until the final determination of any Tax in respect of such Taxable Periods. Any information obtained under this Section 5.8 shall be kept confidential, except as may be otherwise necessary in connection with filing any Tax Return, amended Tax Return, or claim for refund, determining any Tax Liability or right to refund of Taxes, or in conducting or defending any audit or other proceeding in respect of Taxes. Notwithstanding the foregoing, neither the Seller nor the Buyer, nor any of their Affiliates, shall be required unreasonably to prepare any document, or determine any information not then in its possession, in response to a request under this Section 5.8(f).

(g) The Seller shall be entitled to all Tax refunds of the Company for any Pre-Closing Taxable Period except for Tax refunds attributable to carrybacks from Taxable Periods (or portions thereof) beginning after the Closing Date. If the Buyer or the Company receives any Tax refund to which the Seller is entitled pursuant to this Section 5.8(g), the Buyer will promptly pay (or cause the Company to pay) the amount of such Tax refund to the Seller net of the reasonable costs to the Buyer, the Company and their Affiliates with respect to such Tax including any increase in Taxes owed by the Buyer, the Company or their Affiliates as a result of the receipt of such Tax refund. In the event that any such Tax refund is subsequently disallowed in whole or part by any Tax Authority, the Seller shall promptly return any such amounts to the Buyer or the Company.

5.9 Transfer Taxes. All transfer, documentary, sales, use, stamp, registration and other such Taxes, and all conveyance fees, recording charges and other fees and charges (including any penalties and interest) incurred in connection with the consummation of the transactions contemplated by this Agreement shall be shared equally by the Buyer and the Seller when due. The Buyer and the Seller will, to the extent require by Applicable Law, file all necessary Tax Returns and other documentation with respect to all such Taxes, fees and charges.

5.10 Tax Indemnification.

(a) Except for Taxes specifically reserved for on the Closing Surplus Statement (it being understood that the aggregate amount of such reserves for Taxes on the Closing Surplus Statement shall reduce, to the extent of such reserves, the indemnification obligations of the Seller hereunder) and that are taken into account in determining the final Purchase Price, the Seller, shall indemnify the Buyer for the amount of all Damages attributable to (A) Liabilities of the Company: (v) for Taxes attributable to Taxable Periods (or portions thereof) ending on or before the Closing Date; (w) for Taxes allocable to Taxable Periods (or portions thereof) beginning after the Closing Date that arise out of a Tax Contest for a Taxable Period beginning prior to the Closing Date and are attributable to a decrease in income or a gain, or an increase in deduction, loss or credit for a Taxable Period ending on or prior to the Closing Date; and (x) arising from breach of representations or warranties set forth in Section 3.19 and covenants in Section 5.8 hereof, and (B) the Seller's obligation to pay Transfer Taxes as determined pursuant to Section 5.9. The Seller's indemnification obligations under this Section 5.10 are referred to herein as the "Tax Indemnity".

(b) For purposes of this Section 5.10 and the calculation of any indemnity payable or amount recoverable under this Agreement, any interest, penalties or additions to Tax accruing before or after the Closing Date with respect to a Liability for Taxes for which the Buyer is entitled to recover from the Seller shall be deemed to be attributable to a Tax period with respect to which the Sellers is required to indemnify the Buyer.

5.11 Interim Financial Statements; 2008 Annual Statement.

(a) After the date hereof until the date that is five (5) Business Days prior to the anticipated Closing Date, the Seller shall within five (5) Business Days after the filing of such items with the Domiciliary Insurance Department, deliver to the Buyer the SAP financial statements of the Company as of the end of such quarter and for the period then ended (which shall be unaudited) (such financial statements, the "Subsequent Period Financial Statement"). The Subsequent Period Financial Statements shall be prepared in all material respects in accordance with SAP and in a manner consistent with the Company's historical accounting practices and shall present fairly in all material respects the financial position of the Company, as of the date thereof, and the results of its operations for the applicable period then ended (subject, for any Subsequent Period Financial Statement as of any date other than December 31, 2008, to normal recurring year-end adjustments).

(b) Following the Closing Date, unless filed prior thereto, the Seller will prepare and deliver to the Buyer in the format required for the applicable filing and on a timely basis in accordance with SAP, consistently applied, and the Applicable Insurance Code, (i) all annual and quarterly SAP financial statements of the Company as of the end of all quarters and for periods ending on or prior to the Closing Date, and (ii) if the Closing shall not have occurred on or prior to December 31, 2008, the audited financial statements of the Company for the year ended December 31, 2008, which SAP financial statements and audited financial statement shall present fairly in all material respects in accordance with SAP of the Domiciliary Insurance Department, and the Applicable Insurance Code and the statutory financial position and results of operations of the Company, for the year or quarter then ended. Prior to completing such annual statement or audited financial statements the Seller shall provide the Buyer with a draft thereof and provide the Buyer with a reasonable opportunity to consult with the Seller and its accounting personnel and, in the case of the audited financial statements, its auditor as to same. The Buyer agrees to cause the Company and its officers, upon reasonable advance written request by the Seller, to cooperate with the auditors preparing such audited financial statements.

(c) Following the Closing Date, the Seller shall provide to the Buyer, or cause its Affiliates to provide, such cooperation and information relating to the operations and financial condition of the Company prior to Closing as the Buyer may reasonably request to prepare SAP financial statements and audited financial statements required under the Applicable Insurance Code for periods ending after the Closing Date through the period ended December 31, 2009. Such cooperation shall include making employees of the Seller or its Affiliates with knowledge of such matters available to the Buyer upon reasonable notice and allowing the Buyer to inspect and copy documents in the possession of the Seller or its Affiliates relating to the operations and financial condition of the Company prior to Closing necessary for the Buyer to prepare the SAP financial statements or audited financial statements for periods ending after the Closing Date through the period ended December 31, 2009.

5.12 Reduction in Purchase Price. A portion of the Purchase Price of the Shares will be reimbursed to the Buyer by the Seller on the 120th day following the Closing Date if any of the Insurance Licenses listed on Schedule 3.14 are revoked, cancelled, suspended, terminated or restricted on or after the date hereof but prior to the 120th day following the Closing Date for reasons principally attributable to the operations or activities of the Company prior to the Closing. The amount of any Purchase Price adjustment pursuant to this Section 5.12 will be One Hundred Thousand Dollars ($100,000) per state in which any Insurance Licenses is revoked, cancelled, suspended, terminated or restricted.

5.13 Updating of Schedules. From the date hereof until the Closing Date, the Seller shall have the continuing obligation to supplement or amend the Schedules with respect to any matter hereafter arising or discovered of which they become aware and which, if existing or known at the date of this Agreement, would have been required to be set forth in the Disclosure Schedules; provided, however, that no such supplement or amendment shall affect any of the Buyer's rights to indemnification or with respect to the failure of any condition to Closing resulting from the matters disclosed in any such amendment or supplement; provided further, however, that in the event the Closing shall occur notwithstanding such supplement or amendment, the Buyer shall not be entitled to seek indemnification with respect to the failure of any condition to Closing resulting directly from the matters expressly disclosed in any such amendment or supplement.

5.14 Change of Name. Within two (2) Business Days following the Closing, the Buyer shall cause the Company to file with the Missouri Department of Insurance all documents necessary to change the Company's name to a name that does not include the word "GMAC" or any variation thereof. Within ten (10) days of receiving the approval of the Missouri Department of Insurance of the change of name of the Company, the Buyer shall cause the Company to file with the insurance department in each other jurisdiction in which the Company is licensed all documents necessary to reflect such change of name. After the Closing, and for so long as the Buyer or one of its Affiliates shall control the Company, the Buyer will cause the Company not to use any letterhead, catalogues, brochures, advertising, promotional or other materials which bear any trademark, service mark, trade name or service name of the Seller or its Affiliates or the name "GMAC" or any variation thereof, or which in any way incorrectly identify, or suggest, that the Company is an Affiliate of the Seller or any of its Affiliates; provided that the Buyer, for a reasonable period of time following the Closing, may use the prior name of Company in order to inform Governmental Entities, and other third parties that the Company has been acquired by the Buyer and that its name has changed or is in the process of being changed.

5.15 NAIC Group Code. Promptly following the Closing, the Buyer shall cause the Company to apply for and receive a new NAIC Group Code number, along with any similar identification numbers required by state insurance departments or other state or federal governmental authorities, including the employer identification number for federal tax purposes.

5.16 Ancillary Agreements. Following the Closing Date, the Buyer shall use commercially reasonable efforts to cause its Affiliates and the Company to comply with the Ancillary Agreements.

ARTICLE VI

CONDITIONS TO CLOSING

6.1 Conditions to the Obligation of the Buyer to Close. The obligation of the Buyer to purchase the Shares at the Closing shall be subject to the satisfaction of the following conditions at or prior to the Closing (unless waived by the Buyer):

(a) Representations, Warranties and Covenants. The representations and warranties of the Seller contained in this Agreement shall be true and correct in all material respects at and as of the date hereof and at and as of the Closing Date, as if made at and as of such time (except to the extent in either case that any such representations or warranties speak as of another date, in which case such representations and warranties shall be true and correct in all material respects at and as of the date specified therein); provided, however, that any representation or warranty that is qualified as to materiality or a Material Adverse Effect shall be true and correct in all respects. The Seller shall have performed and complied in all material respects with all covenants and agreements required to be performed or complied with by the Seller on or prior to the Closing Date.

(b) Ancillary Agreements. The Ancillary Agreements shall have been executed and delivered by the Seller or the Affiliate of the Seller party thereto and each of the Ancillary Agreements shall be in full force and effect.

(c) Insurance Licenses. Each of the Company's Insurance Licenses listed on Schedule 3.14 shall remain in effect as of the Closing Date, with no adverse change in the status thereof as compared to the date hereof and the Company shall be authorized to transact business in the lines and states indicated on Schedule 5.5(b).

(d) Approvals. All Permits, orders, approvals and Consents of, and notices to, registrations and filings with the Applicable Insurance Departments, or any other applicable insurance regulatory authority, which are set forth on Schedule 3.4 and required in connection with the consummation of this Agreement or any Ancillary Agreement shall have been obtained.

(e) No Proceedings. No injunction, order, decree or judgment shall have been issued by any Governmental Entity of competent jurisdiction and be in effect, and no statute, rule or regulation shall have been enacted or promulgated by any Governmental Entity and be in effect, which in each case restrains or prohibits the consummation of the purchase and sale of the Shares or the consummation of the Contemplated Transactions or by the Ancillary Agreements. There shall not be pending or threatened any Action involving or relating to the Company seeking to restrain or prohibit the consummation of the purchase and sale of the Shares or the consummation of the Contemplated Transactions or by the Ancillary Agreements

(f) Material Adverse Effect. Since the date of this Agreement, there shall not have occurred any Material Adverse Effect and no event shall have occurred or circumstance shall exist that, in combination with any other events or circumstances, could reasonably be expected to have a Material Adverse Effect.

(g) Closing Deliveries. The Seller shall have delivered to the Buyer the items required pursuant to Section 2.3(a).

6.2 Conditions to the Obligation of the Seller to Close. The obligations of the Seller to sell the Shares at the Closing shall be subject to the satisfaction of the following conditions at or prior to the Closing (unless waived by the Seller):

(a) Representations, Warranties and Covenants. The representations and warranties of the Buyer contained in this Agreement shall be true and correct in all material respects at and as of the date hereof and at and as of the Closing Date, as if made at and as of such time (except to the extent in either case that any such representations or warranties speak as of another date, in which case such representations and warranties shall be true and correct in all material respects at and as of the date specified therein); provided, however, that any representation or warranty that is qualified as to materiality or a Material Adverse Effect on the Buyer shall be true and correct in all respects. The Buyer shall have performed and complied in all material respects with all covenants and agreements required to be performed or complied with by the Buyer on or prior to the Closing Date.

(b) Ancillary Agreements. The Ancillary Agreements shall have been executed and delivered by the Company and such Ancillary Agreements shall be in full force and effect.

(c) Approvals. All permits, orders, approvals and Consents of, and notices to, registrations and filings with the Applicable Insurance Departments, or any other applicable insurance regulatory authority, which are set forth on Schedule 4.4 and required in connection with the consummation of this Agreement or any Ancillary Agreement.

(d) No Proceedings. No injunction, order, decree or judgment shall have been issued by any Governmental Entity of competent jurisdiction and be in effect, and no statute, rule or regulation shall have been enacted or promulgated by any Governmental Entity and be in effect, which in each case restrains or prohibits the consummation of the purchase and sale of the Shares. No Action before any court or regulatory authority, domestic or foreign, shall have been instituted or threatened by any Governmental Entity which seeks to prevent or delay the consummation of the purchase and sale of the Shares.

(e) Closing Deliveries. The Buyer shall have delivered to the Seller the items required pursuant to Section 2.3(b).

6.3 Waiver of Closing Conditions.

(a) No failure on the part of any party to exercise any power, right, privilege or remedy under this Agreement, and no delay on the part of any party in exercising any power, right, privilege or remedy under this Agreement, shall operate as a waiver of such power, right, privilege or remedy; and no single or partial exercise of any such power, right, privilege or remedy shall preclude any other or further exercise thereof or of any other power, right, privilege or remedy.

(b) No party shall be deemed to have waived any claim arising out of this Agreement, or any power, right, privilege or remedy under this Agreement, unless the waiver of such claim, power, right, privilege or remedy is expressly set forth in a written instrument duly executed and delivered on behalf of such party; any such waiver shall not be applicable or have any effect except in the specific instance in which it is given.

6.4 Frustration of Closing Conditions. Neither the Buyer nor the Seller may rely on the failure of any condition set forth in Section 6.1 or 6.2, respectively, to be satisfied if such failure was caused by such party's failure to act in good faith or to use commercially reasonable efforts to cause the Closing to occur.

ARTICLE VII

SURVIVAL, INDEMNIFICATION

7.1 Survival of Representations and Warranties, Covenants and Agreements.

(a) The representations and warranties of the Seller contained in this Agreement shall survive the Closing hereunder for a period of eighteen (18) months, except that (i) Section 3.1 (Organization of the Seller), Section 3.2 (Authorization, Validity and Enforceability), Section 3.3 (No Conflicts), Section 3.5 (Organization and Qualification of the Company; No Subsidiaries), Section 3.6 (Capitalization of the Company), Section 3.7 (Title to Shares), Section 3.13(c) (Environmental Matters), and Section 3.22 (No Brokers), which shall survive indefinitely, and Section 3.19 (Tax Matters), which shall survive until sixty (60) days after the expiration of the applicable statute of limitations.

(b) Any covenants or agreements of the Seller to be performed after the Closing, shall survive for one (1) year after the date on which such post-Closing covenant or agreement was required to have been performed.

(c) The representations and warranties of the Buyer contained in this Agreement shall survive the Closing hereunder for a period of eighteen (18) months, except that the representations and warranties set forth in Section 4.1 (Organization of the Buyer), Section 4.2 (Authorization, Validity and Enforceability), Section 4.3 (No Conflicts) and Section 4.5 (No Brokers), shall survive indefinitely.

(d) Any covenants or agreements to be performed by the Buyer after the Closing Date, shall survive for one (1) year after the date on which such post-Closing covenant or agreement was required to have been performed.

7.2 Indemnification.

(a) Subject to the provisions of this Agreement, the Seller agrees to indemnify and hold the Buyer and its Affiliates (including the Company following the Closing Date), predecessors, successors and assigns (and their respective officers, directors, employees and agents) harmless from and against and in respect of all Damages resulting from or relating to:

(i) A breach by the Seller or any of its Affiliates of any surviving representation or warranty made by the Seller or any such Affiliate in this Agreement;

(ii) A breach by the Seller or any of its Affiliates of any covenant or agreement of the Seller or any such Affiliate in this Agreement and to be performed post-Closing;

(iii) The conduct of the Seller or any of its Affiliates of the business of the Company prior to the Closing Date; and

(iv) Liabilities of the Company arising from the operation or conduct of the Company prior to Closing not disclosed or reserved against in the Statutory Statements of the Company.

(b) Subject to the provisions of this Agreement, the Buyer agrees to indemnify and hold the Seller and its Affiliates, predecessors, successors and assigns (and their respective officers, directors, Employees and agents) harmless from and against and in respect of all Damages, resulting from or relating to:

(i) A breach by the Buyer or any of its Affiliates of any surviving representation or warranty made by the Buyer or any such Affiliate in this Agreement; and

(ii) A breach by the Buyer or any of its Affiliates of any covenant or agreement of the Buyer or any such Affiliate in this Agreement and to be performed post-Closing; and

(iii) The conduct of the Buyer or any of any of its Affiliates of the business of the Company from and after the Closing Date.

(c) For purposes of calculating the amount of Damages incurred arising out of or relating to any breach of a representation or warranty by the Seller, the references to knowledge (but not for purposes of determining if a breach shall have occurred), Material Adverse Effect or other materiality qualifications shall be disregarded.

7.3 Limitations.

(a) Anything contained in this Agreement to the contrary notwithstanding, (i) the Buyer (on behalf of itself and any of its Affiliates including the Company post-Closing) shall not make any claim for indemnification pursuant to Section 7.2(a)(i) until the aggregate amount of all such claims exceeds One Hundred Thousand Dollars ($100,000) (the "Threshold") and if the Threshold is exceeded, the Seller shall be required to pay only those amounts in excess of the Threshold up to the Maximum Indemnification Amount, and (ii) the Seller shall not be required to make indemnification payments for any claim for indemnification pursuant to Section 7.2(a)(i) to the extent indemnification payments would exceed in the aggregate twenty percent (20%) of the Purchase Price less the amount of the Policyholders' Surplus (as adjusted pursuant to Section 2.4 and Section 5.12) (the "Maximum Indemnification Amount"); provided, however, the Seller's obligation and Liability for any and all breaches of the representations and warranties set forth in Section 3.2 (Authorization, Validity and Enforceability), Section 3.3 (No Conflicts), Section 3.5 (Organization and Qualification of the Company; No Subsidiaries), Section 3.6 (Capitalization of the Company), Section 3.7 (Title to Shares), Section 3.19 (Tax Matters), and Section 3.22 (No Brokers) shall not be subject to the Threshold and shall not count toward determining whether the Threshold or the Maximum Indemnification Amount has been reached. In determining the amount to which the Buyer is entitled to assert a claim for indemnification pursuant to this Article VII, only actual Damages net of all Tax benefits actually realized by the Buyer in the year of receipt of any indemnity payment shall be included. The Seller and the Buyer acknowledge and agree that any event, transaction, circumstance, or Liability, whether contingent or accrued, for which adequate reserves by the Company have been established on as of the Closing Date, shall not be used at any time as the basis of any claim for indemnification under this Article VII, or considered in any way in determining whether the Threshold or the Maximum Indemnification Amount has been reached. In addition, in connection with an alleged breach of the Seller's representations, warranties and covenants under this Agreement, the Buyer's Damages shall be net of all reserves established by the Company as of the Closing Date in connection with the particular item or contingency in dispute.

(b) The obligation of the Seller to indemnify the Buyer under Section 7.2(a) above shall expire, with respect to any representation, warranty, covenant or agreement of the Seller, on the date on which the survival of such representation, warranty, covenant or agreement shall expire in accordance with Section 7.1 above, except with respect to any written claims for indemnification which the Buyer has delivered to the Seller prior to such date.

(c) The obligation of the Buyer to indemnify the Seller under Section 7.2(b) above shall expire, with respect to any representation, warranty, covenant or agreement of the Buyer, on the date on which the survival of such representation, warranty, covenant or agreement shall expire in accordance with Section 7.1 above, except with respect to written claims for indemnification which the Seller has delivered to the Buyer prior to such date.

(d) Promptly after receipt by an indemnified party under this Article VII hereof of notice of any claim or the commencement of any Action, the indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under this Article VII hereof, notify the indemnifying party in writing of the claim or the commencement of that Action stating in reasonable detail the nature and basis of such claim and a good faith estimate of the amount thereof, provided that the failure to notify the indemnifying party shall not relieve it from any Liability which it may have to the indemnified party unless and only to the extent such failure materially and adversely prejudices the ability of the indemnifying party to defend against or mitigate Damages arising out of such claim. If any claim shall be brought against an indemnified party, it shall notify the indemnifying party thereof and the indemnifying party shall be entitled to participate therein, and to assume the defense thereof with counsel reasonably satisfactory to the indemnified party, and to settle and compromise any such claim or Action; provided, however, that the indemnifying party shall not agree or consent to the application of any equitable relief upon the indemnified party without its written consent. After notice from the indemnifying party to the indemnified party of its election to assume the defense of such claim or Action, the indemnifying party shall not be liable for other expenses subsequently incurred by the indemnified party in connection with the defense thereof; provided, however, that if the indemnifying party elects not to assume such defense, the indemnified party may retain counsel satisfactory to it and to defend, compromise or settle such claim on behalf of and for the account and risk of the indemnifying party, and the indemnifying party shall pay all reasonable fees and expenses of such counsel for the indemnified party promptly as statements therefore are received; and, provided, further, that the indemnified party shall not consent to entry of any judgment or enter into any settlement or compromise without the written consent of the indemnifying party which consent shall not be unreasonably withheld. The Buyer and the Seller each agree to render to each other such assistance as may reasonably be requested in order to insure the proper and adequate defense of any such claim or proceeding. The indemnified party shall also have the right to select its own counsel, at its own expense, to represent the indemnified party and to participate in the defense of such claim, as applicable.

7.4 Remedies Exclusive. Except as otherwise specifically provided in this Agreement or the Ancillary Agreements, the remedies provided in this Article VII shall be the exclusive remedies of the parties hereto from and after the Closing in connection with any breach of a representation or warranty, or non-performance, partial or total, of any covenant or agreement contained herein. The provisions of this Article VII shall apply to claims for indemnification asserted as between the parties hereto as well as to third-party claims.

7.5 Mitigation. The parties shall cooperate with each other with respect to resolving any indemnifiable claim, including by making commercially reasonable efforts to mitigate or resolve any such claim or Liability. Each party shall use commercially reasonable efforts to address any claims or Liabilities that may provide a basis for an indemnifiable claim such that each party shall respond to any claims or Liabilities in the same manner it would respond to such claims or Liabilities in the absence of the indemnification provisions of this Agreement.

7.6 Treatment of Payments. All payments made pursuant to this Article VII shall be treated as an adjustment to the Purchase Price.

ARTICLE VIII

TERMINATION

8.1 Termination of Agreement. This Agreement may be terminated prior to the Closing:

(a) by either the Buyer, on the one hand, or by the Seller, on the other hand, upon written notice to the other if, without fault of the terminating party, the Closing shall not have occurred on or before March 31, 2009; provided, however, that if all conditions to the obligations of the Buyer, on the one hand, and the Seller, on the other hand, to consummate the Closing (as set forth in Article VI hereof), other than obtaining the Insurance Approvals, have then been satisfied, and the Buyer and/or the Seller are diligently seeking to obtain such outstanding Insurance Approvals, then the right to terminate this Agreement pursuant to this clause (a) shall not be available to any party hereto, and the obligations hereunder of the parties hereto shall be extended, until September 30, 2009;

(b) at any time by mutual agreement in writing of the parties hereto;

(c) by the Buyer if the Seller has breached any representation, warranty, covenant or agreement contained in this Agreement such that the conditions set forth in Section 6.1(a) hereof would not be satisfied as of any date following the date of this Agreement; provided, however, that the Buyer may not terminate this Agreement pursuant to this Section 8.1(c) unless any such breach has not been cured within sixty (60) days after written notice thereof by the Buyer to the Seller informing the Seller of such breach;

(d) by the Seller if the Buyer has breached any representation, warranty, covenant or agreement contained in this Agreement such that the conditions set forth in Section 6.2(a) hereof would not be satisfied as of any date following the date of this Agreement; provided, however, that the Seller may not terminate this Agreement pursuant to this Section 8.1(d) unless any such breach has not been cured within sixty (60) days after written notice thereof by the Seller to the Buyer informing the Buyer of such breach; or

(e) by the Seller or the Buyer if: (i) there shall be a final, non-appealable order of a federal, state or foreign court in effect preventing consummation of the Contemplated Transactions; or (ii) there shall be any final action taken, or any final statute, rule, regulation or order enacted, promulgated or issued or deemed applicable to the Contemplated Transactions by any Governmental Entity that would make consummation of the Contemplated Transactions illegal; provided, however, that the right to terminate this Agreement under Section 8.1(a), (b), (c), (d) or (e) shall not be available to any party if it is then in breach in any material respect of any provision or any obligation under this Agreement.

8.2 Effect of Termination. Except as provided in the following sentence, in the event of the termination of this Agreement pursuant to Section 8.1, this Agreement shall thereafter become void and have no effect, and no party hereto shall have any Liability or obligation to any other party hereto in respect of this Agreement, except that the provisions of Section 5.2 (Access; Confidentiality), Section 5.6 (Press Releases), Article IX (Miscellaneous) and this Section 8.2 shall survive any such termination. Nothing herein shall relieve any party from Liability for any breach of any of its covenants or agreements or willful breach of its representations or warranties contained in this Agreement prior to termination of this Agreement.

ARTICLE IX

MISCELLANEOUS

9.1 No Third-Party Beneficiaries. This Agreement shall not confer any rights or remedies upon any Person other than the parties and their respective successors and permitted assigns.

9.2 Entire Agreement. This Agreement and the Ancillary Agreements (including the documents referred to herein and therein) and the Disclosure Schedules and Exhibits hereto constitute the entire agreement among the parties with respect to the subject matter hereof and there are no other understandings, agreements, or representations by or among the parties, written or oral, related in any way to the subject matter hereof.

9.3 Succession and Assignment. This Agreement shall be binding upon and inure to the benefit of the parties named herein and their respective successors and permitted assigns. No party may assign either this Agreement or any of its rights, interests or obligations hereunder without the prior written approval of the other parties hereto.

9.4 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together will constitute one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other party.

9.5 Headings. The section headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

9.6 Notices. All notices hereunder shall be sufficiently given for all purposes hereunder if in writing and delivered personally, sent by documented overnight delivery service or, to the extent receipt is confirmed, telecopy, telefax or other electronic transmission service to the appropriate address or number as set forth below. Notices to the Buyer shall be addressed to:

c/o Maiden Holdings, Ltd.
48 Par-la-Ville Road, Suite 1141
Hamilton HM 11
Bermuda
Attn: Ben Turin

Facsimile No.: 441-292-0471

E-mail: bturin@maiden.bm

with copies to:

Edwards Angell Palmer & Dodge LLP
750 Lexington Avenue
New York, NY 10022
Attention: Geoffrey Etherington
Facsimile No.: 212-308-4844
Email: getherington@eapdlaw.com

or at such other address and to the attention of such other Person as the Seller may designate by written notice to the Buyer. Notices to the Seller shall be addressed to:

GMACI Holdings, LLC
300 Galleria Officentre, Suite 201
M/C: 480-300-200
Southfield, MI 48034-4700
Attn: John J. Dunn, Jr.
Facsimile No.: (248-263-7393)
Email: john.j.dunn@gmacfs.com

with copies to:

General Counsel
GMACI Holdings, LLC
300 Galleria Officentre, Suite 201
M/C: 480-300-221
Southfield, MI 48034-4700
Attn: Joseph L. Falik
Facsimile No.: (248-263-4051)
Email: joseph.l.falik@gm.com

or at such other address and to the attention of such other Person as the Buyer may designate by written notice to the Seller.

9.7 Governing Law, Jurisdiction and Waiver of Jury Trial.

(a) This Agreement shall be governed by and construed in accordance with the domestic laws of the State of New York without giving effect to any choice or conflict of law provision or rule (whether of the State of New York or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of New York.

(b) Subject to Section 9.8, each of the parties hereto irrevocably and unconditionally submits to the exclusive jurisdiction of the U.S. District Court for the Southern District of New York, sitting in New York, New York, or, if such court does not have jurisdiction, the Supreme Court of the State of New York, County of New York for purposes of enforcing this Agreement. In any such action, suit or other proceeding, each of the parties hereto irrevocably and unconditionally waives and agrees not to assert by way of motion, as a defense or otherwise any claims that it is not subject to the jurisdiction of the above court, that such action or suit is brought in an inconvenient forum or that the venue of such action, suit or other proceeding is improper. Each of the parties hereto also agrees that any final and unappealable judgment against a party hereto in connection with any action, suit or other proceeding shall be conclusive and binding on such party and that such award or judgment may be enforced in any court of competent jurisdiction, either within or outside of the United States. A certified or exemplified copy of such award or judgment shall be conclusive evidence of the fact and amount of such award or judgment. Without limiting the foregoing, each party agrees that service of process on such party by written notice as provided in Section 9.6 shall be deemed effective service of process on such party.

(c) Subject to Section 9.8, each of the Parties hereto hereby irrevocably waives any and all right to trial by jury in any legal proceeding arising out of or related to this Agreement or the Ancillary Agreements or the transactions contemplated hereby or thereby. The waivers in Section 9.7(b) and in this Section 9.7(c) have been made with the advice of counsel and with a full understanding of the legal consequences thereof and shall survive the termination of this Agreement.

9.8 Dispute Resolution. Any dispute, controversy or claim arising out of or relating to this Agreement or any other Ancillary Agreement, or the breach thereof, shall be resolved in the manner provided in Section 10.8 of the GMAC Re SPA.

9.9 Amendments and Waivers. This Agreement may not be modified or amended except by an instrument or instruments in writing signed by the party against whom enforcement of any such modification or amendment is sought. Either party hereto may, only by an instrument in writing, waive compliance by the other party hereto with any term or provision of this Agreement on the part of such other party hereto to be performed or complied with. The waiver by any party hereto of a breach of any term or provision of this Agreement shall not be construed as a waiver of any subsequent breach.

9.10 Severability. Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction.

9.11 Expenses. Except as otherwise provided herein, whether or not the Contemplated Transactions are consummated, each of the parties hereto will bear its own costs and expenses (including legal fees and expenses) incurred in connection with this Agreement and the Contemplated Transactions.

9.12 Construction. The parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement. Any reference to any federal, state, local, or foreign statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise.

9.13 Incorporation of Exhibits and Disclosure Schedules and Confidentiality Agreement. The Exhibits, and Disclosure Schedules and Confidentiality Agreement identified in this Agreement are incorporated herein by reference and made a part hereof.

[Signature page follows]

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

MAIDEN HOLDINGS NORTH AMERICA, LTD.

By: _____
Name:
Title:

MOTORS INSURANCE CORPORATION

By: _____
Name:
Title:

[SIGNATURE PAGE TO STOCK PURCHASE AGREEMENT]

SELLER'S DISCLOSURE SCHEDULES

Schedule 3.3	Conflicts
Schedule 3.4	Consents and Approvals
Schedule 3.6	Capitalization
Schedule 3.9	Absence of Changes
Schedule 3.10	Legal Proceedings
Schedule 3.11	Compliance with Laws
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BUYER'S DISCLOSURE SCHEDULES

Schedule 4.4	Consents and Approvals

ANNEX A

TERMINATION ENDORSEMENT TO TREATY REINSURANCE AGREEMENT

THIS TERMINATION ENDORSEMENT TO THE TREATY REINSURANCE AGREEMENT (this "**Termination**") is dated as of _____, ____, between GMAC Direct Insurance Company, a Missouri corporation (the "**Company**") and Motors Insurance Corporation, a Michigan corporation (the "**Reinsurer**").

WITNESSETH

WHEREAS, the Company and the Reinsurer are party to the Treaty Reinsurance Agreement effective as of October 1, 2000 (the "**Reinsurance Agreement**"); and

WHEREAS, under the Stock Purchase Agreement (the "**SPA**") dated as of _____, ___ between Reinsurer and Maiden Holdings North America, Ltd. ("**Maiden**"), Maiden has acquired and Reinsurer has sold all of the issued and outstanding capital stock of the Company to Maiden; and

WHEREAS, the SPA requires that this Termination be executed immediately following the closing of the sale of the Company's issued and outstanding capital stock.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Definitions. For all purposes of this Termination, capitalized terms used herein (including the preamble and the recitals hereof) but not otherwise defined herein shall have the meanings set forth in the Reinsurance Agreement, as amended by this Termination.

2. Amendments. Upon the effectiveness of this Termination, the Reinsurance Agreement shall be amended as follows:

(a) Section 7 of the Reinsurance Agreement shall be amended and restated as follows:

"This agreement shall terminate with respect to new business at 12:01 a.m. on the day of the closing (the "**Termination Time**") of the sale of all of the issued and outstanding capital stock of the Company to Maiden Holdings North America, Ltd. pursuant to that Stock Purchase Agreement dated as of ____, ___ between Maiden Holdings North America, Ltd. and Reinsurer. Such termination shall not affect, however, any obligation of either party assumed or incurred hereunder relating to reinsurance coverage for policies in force as of the Termination Time, all of which shall be fully performed and discharged on a run-off basis."

(b) A new Section 13 shall be added to the Reinsurance Agreement as follows:

“13. (a) The Company grants to the Reinsurer as of the Termination Time authority in all matters relating to the administration of the Business Reinsured, including the authority (i) to communicate directly with all other reinsurers of that business and to collect on behalf of the Company reinsurance recoverables thereunder and (ii) to service and manage the Business Reinsured, including without limitation the authority to (A) collect and receipt for the premiums on Business Reinsured; (B) to adjust and settle claims under the Business Reinsured; (C) set and establish loss reserves; and (D) any and all other acts or duties that would otherwise be performed by the Company necessary and appropriate to run off the Business Reinsured, to the extent such authority may be granted pursuant to applicable law. In exercising such authorities, the Reinsurer may delegate the performance of any duty described above to a third party; provided that no such delegation shall relieve the Reinsurer of its obligations hereunder. Subject to the foregoing limitation, effective as of the Termination Time, the Company hereby appoints the Reinsurer as its attorney-in-fact with respect to the rights, duties and privileges and obligations of the Company in and to the Business Reinsured, with full power and authority to act in the name, place and stead of the Company with respect to such contracts, including without limitation, the power to service such contracts, to adjust, defend, settle and to pay all claims, to recover salvage and subrogation for any losses incurred and to take such other and further actions as may be necessary or desirable to effect the transactions contemplated by this agreement, provided that the Reinsurer covenants to exercise such authority in a businesslike manner, and shall be liable to the Company for any damages arising from a breach thereof. As part of the foregoing, the Company grants full authority to the Reinsurer to adjust, settle or compromise all losses hereunder, and all such adjustments, settlements and compromises shall be binding on the Company. The Company agrees to cooperate fully with the Reinsurer in the transfer of such administration, and the Reinsurer agrees to be responsible for such administration.

(b) The Company agrees that so long as the Reinsurer or its designee shall not be in breach of its obligations to service and administer the Business Reinsured under this agreement, the Company will not take action to prevent or limit the Reinsurer or its designee from servicing or administering the Business Reinsured as contemplated by this agreement.

(c) In the event that, pursuant to applicable law or this agreement, the Company shall have the right to direct the Reinsurer with respect to any matter that is the subject of the grant of authority pursuant to (a) above and the Company exercises such right and directs the Reinsurer to take an action and such direction is disputed by the Reinsurer, the Company shall indemnify and hold harmless the Reinsurer from any damages incurred by the Reinsurer in following such direction (an “Indemnifiable Company Direction”); provided, however, that no such direction by the Company shall be an Indemnifiable Company Direction to the extent that such direction was proper under the circumstances as measured from the perspective of a professional claims examiner not affiliated with any party.”

3. Limitation. Except as expressly stated herein, all of the terms, covenants and provisions of the Reinsurance Agreement shall remain unamended and shall continue to be, and shall remain, in full force and effect in accordance with their respective terms. This Termination is only effective in the specific instance and for the specific purpose for which it is given and shall not be effective for any other purpose, and shall not be deemed to be a waiver of, amendment of, or consent to or modification of any other term or provision of the Reinsurance Agreement.

4. Reinsurance Agreement References. From and after the effectiveness of this Termination (as set forth in Section 7 hereof), each reference in the Reinsurance Agreement to "this agreement", "hereunder", "hereof" or words of like import, and each reference to the Reinsurance Agreement by the words "thereunder", "thereof" or words of like import in any other document executed in connection with the Reinsurance Agreement, shall mean and be a reference to the Reinsurance Agreement, as amended or otherwise modified by this Termination.

5. Successors and Assigns. This Termination shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns and all future parties to the Reinsurance Agreement.

6. Counterparts. This Termination may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all the counterparts shall together constitute one and the same instrument. A facsimile signature on a counterpart of this Termination shall be binding to the same extent as an original signature by the signatory.

7. Effectiveness. This Termination shall be effective on the Closing after it is executed by the Company and the Reinsurer.

8. Governing Law. **THIS TERMINATION SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF MISSOURI.**

9. Arbitration. All disputes arising under this Termination shall be subject to arbitration under Section 8 of the Reinsurance Agreement.

[Remainder of page left intentionally blank.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

GMAC DIRECT INSURANCE COMPANY

By: _____
Name:
Title:

MOTORS INSURANCE CORPORATION

By: _____
Name:
Title:

STOCK PURCHASE AGREEMENT

by and between

MAIDEN HOLDINGS NORTH AMERICA, LTD.

and

MOTORS INSURANCE CORPORATION

dated as of October 31, 2008

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SECURITIES PURCHASE AGREEMENT

This SECURITIES PURCHASE AGREEMENT is entered into as of October 31, 2008 (this "Agreement"), by and between MAIDEN HOLDINGS NORTH AMERICA, LTD., a Delaware corporation (the "Buyer"), MAIDEN HOLDINGS, LTD., a company organized under the laws of Bermuda ("Holdings") (solely for the purposes of the covenant regarding the Rights Offering of Holdings in Section 7.7 of this Agreement) and GMACI HOLDINGS LLC, a Delaware limited liability company (the "Seller").

WHEREAS, the Seller is the holder of all of the outstanding ownership interests of GMAC Re LLC, a Delaware limited liability company (the "Company");

WHEREAS, the Company acquired certain assets and hired former employees of its Affiliate, GMAC Re Corp., and GMAC Re Corp. was engaged in a business similar to the Company; and

WHEREAS, this Agreement contemplates a transaction in which the Buyer will purchase from the Seller, and the Seller will sell to the Buyer, all of the outstanding ownership interests of the Company for the consideration and on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows.

ARTICLE I

DEFINITIONS

Section 1.1 General Provisions. For all purposes of this Agreement:

(a) The terms defined in this Article I have the meanings ascribed to them in this Article I and include the plural as well as the singular.

(b) All accounting terms used herein have the meanings ascribed to them under GAAP, except to the extent otherwise provided herein.

(c) All references herein to designated "Articles," "Sections" and other subdivisions and to "Exhibits" and "Disclosure Schedules" are to the designated Articles, Sections and other subdivisions of the body of this Agreement and to the exhibits and other schedules to this Agreement.

(d) Pronouns of either gender or neuter shall include, as appropriate, the other pronoun forms.

(e) The words "herein," "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or other subdivision.

(f) On or prior to the date hereof, the Seller, on the one hand, and the Buyer, on the other, have delivered to each other schedules (respectively, its "Disclosure Schedule") setting forth, among other things, items the disclosure of which is necessary or appropriate either (i) in response to an express informational requirement contained in a provision hereof or (ii) as an exception to one or more representations, warranties or covenants contained in a section of this Agreement. The inclusion of an item on a Disclosure Schedule in response to a disclosure obligation or as an exception to a representation, warranty or covenant shall not be deemed an admission by the disclosing party that such item represents a material exception or fact, event or circumstance or that such item would, or would be reasonably likely to, result in a Material Adverse Effect on the disclosing party.

Section 1.2 Definitions. As used in this Agreement, the following capitalized terms shall have the meanings set forth below:

"AAA" has the meaning set forth in Section 10.8(e) hereof.

"AAA Rules" has the meaning set forth in Section 10.8(e) hereof.

"Action" means any action, cause of action (whether at law or in equity), arbitration, claim or complaint by any Person alleging potential liability, wrongdoing or misdeed of another Person, or any administrative or other similar proceeding, criminal prosecution or investigation by any Governmental Entity alleging potential liability, wrongdoing or misdeed of another Person.

"Actuarial Materials" has the meaning set forth in Section 5.7(b).

"Administration Agreement" means that certain Administration Agreement of even date herewith by and among Motors, Integon, Integon Preferred, Integon National, MIC P&C, the Company, the Buyer and Maiden.

"Affiliate" (and, with a correlative meaning, "Affiliated") means, with respect to any Person, any other Person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such first Person. As used in this definition, "control" (including, with correlative meanings, "controlled by" and "under common control with") shall mean possession, directly or indirectly, of power to direct or cause the direction of management or policies (whether through ownership of securities or partnership or other ownership interests, by contract, as trustee or executor, or otherwise). For the avoidance of doubt, (i) GMAC Direct shall be considered an affiliate of the Seller for all periods prior to the closing of the transactions contemplated under the GMAC Direct SPA, and (ii) Integon shall be considered an affiliate of the Seller for all periods prior to the closing of the transactions contemplated under the Integon SPA.

"Agreement" has the meaning set forth in the preface above.

"Allocation Statement" has the meaning set forth in Section 2.7 hereof.

"Applicable Law" means any domestic federal, state or local statute, law, ordinance, rule, administrative interpretation, regulation, order, writ, injunction, directive, pronouncement, bulletin, judgment, decree, policy, administrative or judicial doctrine, guideline or other requirement or principle of common law applicable to the Buyer, the Seller or the Company or any of their respective businesses, properties or assets, as the case may be.

“Apportioned Obligations” has the meaning set forth in Section 8.3(b) hereof.

“Arbitrable Agreement” means any Transaction Document.

“Arbitrable Agreement Party” or “Arbitrable Agreement Parties” means any signatory, or all signatories, respectively, to any Arbitrable Agreement.

“Arbitration Joinder Party” shall have the meaning set forth in Section 10.8(b) hereof.

“ARIAS Rules” has the meaning set forth in Section 10.8(e) hereof.

“Assets of the Company” means all of the assets owned of record and beneficially by the Company at any given time as reflected on the books and records of the Company and determined in accordance with GAAP.

“Backstop Commitment” has the meaning set forth in Section 6.7 hereof.

“Backstop Investors” has the meaning set forth in Section 6.7 hereof.

“Business Day” means any day other than a Saturday, Sunday or a day on which banks in New York City are authorized by law or executive order to be closed.

“Buyer” has the meaning set forth in the preface above.

“Buyer Restricted Companies” has the meaning set forth in Section 7.13(a)(i) hereof.

“Buyer Parent SEC Documents” means all reports, schedules, forms and registration, proxy and other statements filed by the Holdings with the Securities Exchange Commission.

“Buyer Parties” has the meaning set forth in Section 10.8(c) hereof.

“Carved-Out Business of GMAC” has the meaning set forth in Section 7.10 hereof.

“Cash” means all of the Company’s cash and cash equivalents in U.S. Dollars.

“Cash Payment” has the meaning set forth in Section 2.3 hereof.

“Company Closing Liabilities” means the liabilities of the Company as of the Closing Date, as determined in accordance with GAAP and reflected on the Final Closing Balance Sheet.

“Company Closing Tangible Assets” means the Cash and prepaid assets of the Company as of the Closing Date, as determined in accordance with GAAP and reflected on the Final Closing Balance Sheet.

"Closing" has the meaning set forth in Section 3.1 hereof.

"Closing Date" has the meaning set forth in Section 3.1 hereof.

"COBRA" means the provisions for continuation of health coverage enacted by the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, as set forth in Section 4980B of the Code and Sections 601-608 of ERISA, and any amendments thereto and successor provisions thereof, including any regulations promulgated under the applicable provisions of the Code and ERISA.

"COBRA Beneficiaries" has the meaning set forth in Section 7.12(b) hereof.

"Code" means the Internal Revenue Code of 1986, as amended, and any successor thereto.

"Company" has the meaning set forth in the preface above.

"Company Employees" means the employees of the Company on the Closing Date (including employees on short-term disability or leave of absence).

"Company Policies" has the meaning set forth in Section 5.6 hereof.

"Competing Business" means (a) the reinsurance, as a reinsurer or retrocessionaire, of commercial property and casualty risks, including, without limitation, accident and health and workers' compensation risks, of insurance companies (other than reinsurance of risks of Affiliates or former Affiliates of GMAC LLC (or their successors-in-interest) that shall not constitute SRS Business or Reinsurance Business under the terms of the Fronting Agreement) or (b) the writing on a surplus lines or non-admitted basis of excess commercial property business, in either case in the United States, but excluding, with respect to clauses (a) and (b), any insurance or reinsurance products with the predominate customers being automobile manufacturers, distributors or dealers or insurance or reinsurance of personal lines risks.

"Contemplated Transactions" means the transactions contemplated in this Agreement and in the other Transaction Documents.

"Damages" means all costs, damages, disbursements or expenses (including, but not limited to interest and reasonable legal, accounting and other professional fees and expenses incurred in the investigation, collection, prosecution and defense of claims and amounts paid in settlement) that are actually imposed or otherwise actually incurred or suffered by the indemnified person, but shall not include incidental, consequential, exemplary, punitive or other special damages (unless such damages have been awarded to a third party and as to which an indemnifying party is determined to be liable).

"Dealer Inventory Business" has the meaning set forth in Section 7.13(a)(i) hereof.

"Disclosure Schedule" has the meaning set forth in Section 1.1(f) hereof.

"Employee Plan" means any written retirement plan, pension plan, profit sharing plan, stock ownership plan, deferred compensation agreement or arrangement, vacation pay, sickness, disability or death benefit plan, employee stock option or stock purchase plan, bonus or incentive plans or programs, Section 125 cafeteria plan, health care reimbursement, dependent care reimbursement, severance pay plan, program, policy, practice or agreement, or arrangement, and each other employee benefit plan, program, policy, practice, agreement or arrangement, including, without limitation, each "employee benefit plan" within the meaning of Section 3(3) of ERISA.

"Environmental Law" means any and all local, state and federal laws, regulations, codes, decrees, orders, judgments, principles of common law and binding judicial or administrative interpretations thereof pertaining to: (a) the protection of the environment (including air quality, surface water, groundwater, soils, subsurface strata, drinking water, natural resources and biota) or human health and safety; or (b) the presence, use, processing, generation, management, storage, treatment, recycling, disposal, discharge, release, threatened release, investigation or remediation of hazardous materials, including, without limitation, the Federal Resource Conservation and Recovery Act, the Federal Comprehensive Environmental Response, Compensation and Liability Act, the Federal Clean Water Act, the Federal Clean Air Act, and the Federal Occupational Safety and Health Act and their implementing regulations as well as state analogues, each as may be amended from time to time.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and any rules and regulations thereunder.

"ERISA Affiliate" has the meaning set forth in Section 7.12(d) hereof.

"Final Closing Balance Sheet" has the meaning set forth in Section 2.4(b) hereof.

"Financial Statements" has the meaning set forth in Section 5.7(a) hereof.

"Fronted Insurance Contracts" has the meaning ascribed to it in the Fronting Agreement.

"Fronting Agreement" means that certain Fronting Agreement of even date herewith by and among Buyer, Motors, Integon, MIC P&C, Integon National and Integon Preferred.

"FRR Agreement" means that certain Fronting and Renewal Rights Agreement between Motors and Integon, to be dated as of the date of the closing of the sale of Integon pursuant to the Integon SPA.

"GAAP" means United States generally accepted accounting principles and practices as in effect from time to time and applied consistently throughout the periods involved applying the respective historical accounting principles, policies, practices and methods of the Company, and upon which the Financial Statements were prepared.

"General Assignment Agreements" means the General Assignment Agreements between the Buyer and each of the Insurer Parties (or their applicable Affiliates, including, but not limited to GMAC Re Corp.) of even date herewith with respect to the properties, assets, contracts, agreements, licenses or instruments listed on Section 5.5(d) of the Seller's Disclosure Schedule.

"GMAC Direct" means GMAC Direct Insurance Company, a Missouri domiciled property and casualty insurance company.

"GMAC Direct SPA" means that certain Securities Purchase Agreement of even date herewith between the Buyer and Motors with respect to the acquisition of GMAC Direct by the Buyer.

"Governmental Entity" means any foreign, domestic, federal, territorial, state or local U.S. or non-U.S. governmental authority, quasi-governmental authority, instrumentality, court or government, self-regulatory organization, commission, tribunal or organization or any political or other subdivision, department, branch or representative of any of the foregoing.

"Holdings" has the meaning set forth in the preface above.

"In-Force Contract" has the meaning ascribed to it in the Fronting Agreement.

"Insurance Contracts" has the meaning ascribed to it in the Fronting Agreement.

"Insurer SPAs" means the GMAC Direct SPA and the Integon SPA.

"Insurer Affiliates" has the meaning ascribed to it in the Fronting Agreement.

"Insurer Parties" means Integon, Integon Preferred, MIC P&C and Motors.

"Integon" means Integon Specialty Insurance Company, a North Carolina domiciled property and casualty insurance company.

"Integon National" means Integon National Insurance Company, a North Carolina domiciled property and casualty insurance company.

"Integon Preferred" means Integon Preferred Insurance Company, a North Carolina domiciled property and casualty insurance company.

"Integon Reinsurance Agreement" means the Quota Share Reinsurance Agreement by and between Integon and Motors contemplated in the Integon SPA.

"Integon SPA" means that certain Securities Purchase Agreement of even date herewith between the Buyer and GMAC Insurance Management Corp. with respect to the acquisition of Integon by the Buyer.

"Intellectual Property Right" has the meaning set forth in Section 5.11(a) hereof.

"Interests" has the meaning set forth in Section 4.6 hereof.

"IRS" means the U.S. Internal Revenue Service.

"Knowledge of Buyer" or "Buyer's Knowledge" means actual knowledge of Ben Turin or Michael Tait after reasonable inquiry.

"Knowledge of Seller" or "Seller's Knowledge" means actual knowledge of John Dunn or Chris Morris after reasonable inquiry.

"Leases" has the meaning set forth in Section 5.5(b) hereof.

"Liabilities" means any and all debts, losses, liabilities, offsets, claims, damages, fines, commitments, obligations, payments and accounts payable (including, without limitation, those arising out of any award, demand, assessment, settlement, judgment or compromise relating to any Action), and accruals for out-of-pocket costs and expenses (including, without limitation, reasonable attorneys' fees and expenses incurred in investigating, preparing or defending any Action) of any kind or nature whatsoever, whether absolute, accrued, contingent or other, and whether known or unknown.

"Liabilities of the Company" means the total Liabilities of the Company at any given time as reflected on the books and records of the Company and determined in accordance with GAAP.

"Lien" means any mortgage, deed of trust, pledge, hypothecation, assignment, security interest, lien (statutory or otherwise), preference, priority, charge or other encumbrance, adverse claim (whether pending or, to the knowledge of the Person against whom the adverse claim is being asserted, threatened) or restriction of any kind affecting title or resulting in an encumbrance against property, real or personal, tangible or intangible, or a security interest of any kind, including, without limitation, any easement, servitude, encroachment, conditional sale or other title retention agreement, any right of first refusal on real property, and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statute) of any jurisdiction (other than a financing statement which is filed or given solely to protect the interest of a lessor).

"Maiden" means Maiden Insurance Company, Ltd., an insurance company organized under the laws of Bermuda.

"Material Adverse Effect" means (a) with respect to the Company, any change, effect, event or occurrence resulting in a material adverse effect on (i) the business, financial condition or results of operations of the Company, taken as a whole or (ii) the ability of the Company or, following the Closing, its Insurer Affiliates to renew, write new insurance policies or enter into new reinsurance contracts with respect to the Insurance Contracts or Fronted Insurance Contracts, other than in the case of (i) or (ii) any change, effect, event or occurrence relating to (A) the effects of changes affecting the economy and securities markets generally; (B) the effects of changes affecting the insurance, reinsurance and financial services industries generally, including the general competitive forces in the insurance and reinsurance markets and changes to Applicable Laws, or accounting or reserving principles, practices or conventions; (C) the announcement of the Contemplated Transactions and (D) any changes resulting from actions or omissions of a party hereto taken with the prior written consent of the other parties with respect to this Agreement or the other Transaction Documents or the Contemplated Transactions; (b) with respect to the Seller, any change, effect, event or occurrence resulting in a material adverse effect on (i) the business, financial condition or results of operations of the Seller, taken as a whole, or (ii) the ability of the Seller to consummate the transactions contemplated hereby on a timely basis and perform its obligations hereunder; and (c) with respect to the Buyer, any change, effect, event or occurrence resulting in a material adverse effect on (i) the business, financial condition or results of operations of the Buyer, taken as a whole or (ii) the ability of the Buyer to consummate the transactions contemplated hereby on a timely basis and perform its obligations hereunder.

"Material Contracts" has the meaning set forth in Section 5.12 hereof.

"Maximum Indemnification Amount" has the meaning set forth in Section 9.3(a) hereof.

"MIC P&C" means MIC Property and Casualty Insurance Company, a Michigan domiciled property and casualty insurance company.

"Motors" means Motors Insurance Corporation, a Michigan domiciled property and casualty insurance company.

"Names" has the meaning set forth in Section 7.2 hereof.

"Ordinary Course of Business" means the ordinary course of business of a Person consistent with past customs and practice. As applied to the Company, "Ordinary Course of Business" means the ordinary course of business of the Company and GMAC Re Corp., consistent with past customs and practices of the Company and GMAC Re Corp.

"Other Taxes" has the meaning set forth in Section 8.5 hereof.

"Outside Accountants" has the meaning set forth in Section 2.4(c)(ii) hereof.

"Permitted Liens" means all imperfections of title or Liens (a) that are reflected or reserved against or disclosed on the books of the Company, (b) that arise out of Taxes or general or special assessments not in default and payable without penalty or interest or the validity of which is being contested in good faith by appropriate proceedings, (c) of carriers, warehousemen, mechanics, materialmen and other similar Persons or otherwise imposed by law incurred in the Ordinary Course of Business for sums not yet delinquent or being contested in good faith, or (d) that relate to deposits made in the Ordinary Course of Business in connection with workers' compensation, unemployment insurance and other types of social security.

"Person" means an individual, corporation, partnership, association, joint stock company, limited liability company, Governmental Entity, trust, joint venture, labor union, estate, unincorporated organization, private agency or other entity.

"Post-Closing Tax Period" means any Tax period (or portion thereof) ending after the Closing Date.

“Pre-Closing Tax Period” means any Tax period (or portion thereof) ending on or before the Closing Date.

“Preliminary Closing Balance Sheet” has the meaning set forth in Section 2.4(a) hereof.

“Preliminary Purchase Price Calculation” has the meaning set forth in Section 2.4(a) hereof.

“Purchase Price” has the meaning set forth in Section 2.2 hereof.

“Regulation S-X” means Securities Exchange Commission Regulation S-X.

“Reinsurance Agreement” means that Portfolio Transfer and Quota Share Reinsurance Agreement of even date herewith by and between Maiden and Motors.

“Reinsurance Business” has the meaning ascribed to it in the Fronting Agreement.

“Related Person” has the meaning set forth in Section 7.13(a)(iii) hereof.

“Release and Indemnification Agreement” means that certain Release and Indemnification Agreement of even date herewith by and among Motors, the Seller, the Company and the Buyer.

“Representative” means, with respect to any Person, such Person’s officers, directors, employees, Affiliates, agents and representatives (including any investment banker, financial advisor, accountant, actuary, appraiser, analyst, consultant, legal counsel, agent, representative or expert retained by or acting on behalf of such Person or its subsidiaries).

“Rights Offering” has the meaning set forth in Section 6.7 hereof.

“Risk Period” has the meaning set forth in Section 7.12(c) hereof.

“Securities Act” has the meaning set forth in Section 6.6 hereof.

“Seller” has the meaning set forth in the preface above.

“Seller Confidential Information” has the meaning set forth in Section 7.13(a) hereof.

“Seller Parties” has the meaning set forth in Section 10.8(c) hereof.

“Seller Plans” has the meaning set forth in Section 5.19 hereof.

“SRS Business” has the meaning ascribed to it in the Fronting Agreement.

“Subsidiary” of any Person means any corporation, partnership, joint venture or other entity in which such Person (a) owns, directly or indirectly, 50% or more of the outstanding voting securities or equity interests, or (b) has the right to designate a majority of its board of directors or similar governing body or to direct the management of such corporation, limited liability company, partnership, joint venture or other entity.

"Taxes" means (a) all taxes (whether U.S. federal, state or local or foreign) based upon or measured by income and any other tax whatsoever, including, without limitation, gross receipts, profits, sales, use, occupation, value added, ad valorem, transfer, franchise, withholding, payroll, employment, excise, premium or property taxes, together with any interest, penalties or additions to tax imposed with respect thereto, (b) any obligations under any agreements or arrangements with respect to any Taxes described in clause (a), and (c) any transferee or secondary liability or joint or several liability in respect of any amounts described in clause (a) imposed by law or as a result of being a member of any affiliated, consolidated, combined, unitary or similar group.

"Taxing Authority" means any federal, state, local or foreign governmental authority, quasi-governmental authority, instrumentality or political or other subdivision, department or branch of any of the foregoing, with the legal authority to impose, assess or collect Taxes.

"Tax Return" means any return, declaration, report, claim for refund, or information return or statement relating to Taxes, including any amendment thereof, schedule or attachment thereto, required to be filed with any Taxing Authority.

"Threshold" has the meaning set forth in Section 9.3(a) hereof.

"Trademark License Agreement" means that certain GMAC Re LLC Trademark License Agreement of even date herewith between General Motors Corporation and the Company.

"Transaction Documents" means this Agreement, the Fronting Agreement, the Reinsurance Agreement, the Transition Services Agreement, the Insurer SPAs, the Administration Agreement, the Integon Reinsurance Agreement, the Release and Indemnification Agreement, the Trust Agreement, the Trademark License Agreement, and the other agreements, instruments or other documents contemplated hereby and thereby.

"Transition Services Agreement" means that certain Transition Services Agreement of even date herewith by and between Motors and the Company.

"Trust Agreement" means that certain Trust Agreement of even date herewith by and among Maiden, Motors and JPMorgan Chase Bank, N.A.

"Unresolved Changes" has the meaning set forth in Section 2.4(c)(ii) hereof.

"WARN" has the meaning set forth in Section 5.18(k) hereof.

ARTICLE II

PURCHASE AND SALE OF INTERESTS

Section 2.1 Purchase and Sale of Interests. Upon the terms and subject to the conditions of this Agreement, the Buyer shall purchase, acquire and accept from the Seller, and the Seller shall sell, convey, transfer, assign and deliver to the Buyer, the Interests, free and clear of all Liens, for the consideration specified herein.

Section 2.2 Purchase Price.

(a) The total purchase price (as adjusted as provided herein, the "Purchase Price") payable at Closing to the Seller by the Buyer for all of the Interests shall be One Hundred Million Dollars ($100,000,000.00).

(b) In accordance with Sections 2.4 and 2.5, the Purchase Price shall be adjusted "dollar for dollar" in an amount equal to the Company Closing Tangible Assets less the Company Closing Liabilities less One Million Dollars ($1,000,000.00). Such amount, if a positive number, shall increase the Purchase Price and, if a negative number, shall reduce the Purchase Price.

Section 2.3 Cash Payment at Closing. At the Closing, the Buyer shall pay to the Seller an aggregate amount (the "Cash Payment") equal to One Hundred Million Dollars ($100,000,000.00).

Section 2.4 Final Closing Balance Sheet.

(a) Not later than sixty (60) days after the Closing Date, the Buyer shall cause the balance sheet of the Company to be prepared as of the Closing Date in accordance with GAAP and using the same accounting methods, policies, practices and procedures used in the preparation of the balance sheets included in the Financial Statements, and shall deliver such balance sheet to the Seller (the "Preliminary Closing Balance Sheet"), which balance sheet shall include the Buyer's calculation (the "Preliminary Purchase Price Calculation") of the Company Closing Tangible Assets of the Company as of the Closing Date, the adjustments to the Purchase Price, if any, pursuant to Section 2.2(b) and the Purchase Price giving effect to such adjustments.

(b) If, within thirty (30) days following its receipt of the Preliminary Closing Balance Sheet and the Preliminary Purchase Price Calculation, the Seller does not dispute the Preliminary Closing Balance Sheet or the Preliminary Purchase Price Calculation, the Preliminary Closing Balance Sheet shall be deemed to be the balance sheet of the Company as of the Closing Date (the "Final Closing Balance Sheet") and the Purchase Price set forth in the Preliminary Purchase Price Calculation shall be final.

(c) In the event the Seller has any dispute with regard to the Preliminary Closing Balance Sheet or the Preliminary Purchase Price Calculation, such dispute shall be resolved in the following manner. The Seller shall notify the Buyer in writing of such dispute within thirty (30) days after the Seller's receipt of the Preliminary Closing Balance Sheet, which notice shall specify in reasonable detail the nature of the dispute.

(i) During the thirty (30) day period following the Buyer's receipt of such notice, the Buyer and the Seller shall attempt to resolve such dispute and to determine the final calculation of Purchase Price.

(ii) If, at the end of the thirty (30) day period specified in subsection (c)(i) above, the Buyer and the Seller shall have failed to reach a written agreement with respect to all or a portion of such dispute (those items that remain in dispute at the end of such period are the "Unresolved Changes"), the matter shall be referred to an accounting firm jointly selected by the Seller's accountants and the Buyer's accountants (the "Outside Accountants") for review and resolution of any and all matters (but only such matters) which remain in dispute. The Buyer and the Seller shall instruct their respective accountants to select the Outside Accountants in good faith within ten (10) days. If either the Buyer's or the Seller's accountants shall not be willing to select the Outside Accountants within such ten (10) day period, the other accountant shall select the Outside Accountants. If the Buyer's or the Seller's accountants cannot agree upon the Outside Accountants within such ten (10) day period, within an additional five (5) days, they shall each designate an Outside Accountant who has not performed work in the last two years for either the Seller or the Buyer and the Outside Accountants shall be selected by lot from those two accounting firms. If only one of the Seller's and the Buyer's accountants shall so designate a name of an accounting firm for selection by lot, such accounting firm so designated shall be the Outside Accountants.

(iii) Each party hereto agrees to execute, if requested by the Outside Accountants, a reasonable engagement letter. All fees and expenses relating to the work, if any, to be performed by the Outside Accountants shall be borne pro rata by the Seller and the Buyer in inverse proportion to the allocation of the dollar amount of the Unresolved Changes, in the aggregate, between the Buyer and the Seller made by the Outside Accountants such that the party with whom the Outside Accountants agree more closely pays a lesser proportion of the fees and expenses. The Outside Accountants shall act as an arbitrator to determine, based solely on the provisions of this Agreement and the presentations by the Seller and the Buyer, or Representatives thereof, and not by independent review, only the resolution of the Unresolved Changes. The Outside Accountants' resolution of the Unresolved Changes, which for each of the Unresolved Changes shall be within the range of values of the amount claimed by either party as to any of the Unresolved Changes, shall be made within thirty (30) days of the submission of the Unresolved Changes to the Outside Accountants, shall be set forth in a written statement delivered to the Seller and the Buyer and shall be deemed to be mutually agreed upon by the Buyer and the Seller for all purposes of this Agreement. Any changes to the Preliminary Closing Balance Sheet resulting from such resolution of the Unresolved Changes shall be made, and such Preliminary Closing Balance Sheet, as so changed shall be the Final Closing Balance Sheet and the calculation of Purchase Price therefrom shall be final and binding for all purposes hereunder.

(d) At all times prior to the final determination of the Final Closing Balance Sheet and the Purchase Price, the Buyer shall, and shall cause the Company to cooperate fully with the Seller and the Seller's authorized Representatives, including providing, on a timely basis, all information necessary or useful in reviewing the Preliminary Closing Balance Sheet, and require Company Employees who become employees of the Buyer to assist the Seller and the Seller's authorized representatives in the review of the Preliminary Closing Balance Sheet.

Section 2.5 Adjustment to Purchase Price. If, pursuant to the Final Closing Balance Sheet, the Cash Payment is greater than the Purchase Price, the Seller shall pay to the Buyer, as an adjustment to the Purchase Price, in a manner and with interest as provided in Section 2.6, the amount of such excess. If, pursuant to the Final Closing Balance Sheet, the Cash Payment is less than the Purchase Price, the Buyer shall pay to the Seller, as an adjustment to the Purchase Price, in a manner and with interest as provided in Section 2.6, the amount of such difference.

Section 2.6 Payment and Interest.

(a) Any payments pursuant to Section 2.5 and Section 2.6(b) shall be made within five (5) Business Days after the Purchase Price, as applicable, has been finally determined, by wire transfer to the Buyer of immediately available funds by Seller to a designated account of the Buyer.

(b) The amount of any payment pursuant to Section 2.5 shall bear interest from and including the Closing Date but excluding the date of payment at a rate per annum equal for each day during such period at the prime rate of interest announced publicly by Citibank N.A. in New York, New York from time to time as its prime rate.

Section 2.7 Purchase Price Allocation. The Buyer and the Seller agree that the purchase of the Interests shall be treated as an asset purchase for federal income Tax purposes and for Tax purposes of any other jurisdiction when Applicable Law so provides. Not later than sixty (60) days following the Closing Date, the Buyer shall prepare or cause to be prepared and shall provide to the Seller a statement (the "Allocation Statement") allocating among the Assets of the Company the Purchase Price (including, without limitation, all Liabilities of the Company assumed by Buyer hereunder) for the Assets of the Company as set forth in this Agreement. Such statement shall be prepared in accordance with the provisions of Section 1060 of the Code and Treasury Regulations thereunder. Within ten (10) days after the receipt of such Allocation Statement, the Seller will propose to the Buyer in writing any reasonable changes to such Allocation Statement together with reasonable documentation supporting such changes (and in the event that no such changes are proposed in writing to the Buyer within such time period, the Seller will be deemed to have agreed to, and accepted, the Allocation Statement). The Buyer and the Seller will attempt in good faith to resolve any differences with respect to the Allocation Statement, in accordance with requirements of Section 1060 of the Code, within fifteen (15) days after the Buyer's receipt of a timely written notice of objection from the Seller. If the Buyer and the Seller are unable to resolve such differences within such time period, the Outside Accountants will be selected in the manner provided in Section 2.4(c)(ii) hereof and any remaining disputed matters will be submitted to the Outside Accountants for resolution, in accordance with the requirements of Section 1060 of the Code. Promptly, but not later than fifteen (15) days after such matters are submitted to it for resolution hereunder, the Outside Accountants will determine those matters in dispute and will render a written report as to the disputed matters and the resulting allocation of the Purchase Price (together with any Liabilities of the Company assumed by the Buyer), which report shall be conclusive and binding upon the parties. The fees and expenses of the Outside Accountants in respect of such report shall be paid one-half by the Buyer and one-half by the Seller. The Buyer and the Seller shall each file or cause to be filed IRS Form 8594 for its taxable year that includes the Closing Date in a manner consistent with the allocation set forth on the Allocation Statement as so finalized, and (except as set forth below relating to a revised Allocation Statement) shall not take any position on any Tax Return or in the course of any Tax audit, review, or litigation inconsistent with the allocation provided in the Allocation Statement. In the event that any adjustment is required to be made to the Allocation Statement as a result of the payment of any additional purchase price for the Assets of the Company or otherwise, the Buyer shall prepare or cause to be prepared, and shall provide to the Seller, a revised Allocation Statement reflecting such adjustment. Such revised Allocation Statement shall be subject to review and resolution of timely raised disputes in the same manner as the initial Allocation Statement. Each of the Buyer and the Seller shall file or cause to be filed a revised IRS Form 8594 reflecting such adjustment as so finalized for its taxable year that includes the event or events giving rise to such adjustment, and (except as required by future revised Allocation Statements) shall not take any position on any Tax Return or in the course of any Tax audit, review, or litigation inconsistent with the allocation provided in the revised Allocation Statement.

ARTICLE III

THE CLOSING

Section 3.1 Time and Place of Closing. The closing of the transactions contemplated by this Agreement (the "Closing") shall take place upon the execution and delivery of this Agreement or at such other date as the parties shall mutually agree (the "Closing Date") at the offices of Edwards Angell Palmer & Dodge LLP, 750 Lexington Avenue, New York, New York 10022-1200. All the Contemplated Transactions (other than the Integon Reinsurance Agreement, the FRR Agreement and the closings of the acquisitions of Integon and GMAC Direct contemplated by the Insurer SPAs) shall be deemed to be consummated as of 12:01 a.m. Eastern Time on the Closing Date, including the transactions contemplated by the Fronting Agreement and the Reinsurance Agreement and all actions taken at Closing shall be deemed to have occurred simultaneously and shall be deemed effective as of the dates and times specified in this Agreement unless another date or time is specified in another Transaction Document with respect to a particular aspect of the Contemplated Transactions.

Section 3.2 Deliveries at Closing.

(a) At the Closing, the Seller shall deliver to the Buyer:

(i) Assignment of the Membership Interests to the Buyer in the form of Schedule 3.2(a)(i) attached hereto and any certificates evidencing the Interests;

(ii) All of the Company's books and records, including, without limitation, all minute books and other limited liability Company records, employment records, financial and accounting records and other files of the Company not located in the Company's offices on Closing;

(iii) Company officer certificate in a form and substance reasonably satisfactory to the Buyer attaching copies of resolutions duly adopted by the member of the Seller authorizing the execution and performance of this Agreement and the other documents contemplated hereby and the transactions contemplated hereby;

(iv) A certificate complying with the Code and the Treasury Regulations, in form and substance reasonably satisfactory to the Buyer and executed under penalties of perjury, certifying that the Seller is not a "foreign person" as defined in Section 1445 of the Code;

(v) Certificates of good standing of the Company and the Seller certified by the Delaware Secretary of State;

(vi) The written consents of the parties identified on Section 5.3 of the Seller's Disclosure Schedule;

(vii) The General Assignment Agreements of the parties identified on Section 5.5(d) of the Seller's Disclosure Schedule;

(viii) The GMAC Direct SPA, duly executed by Motors;

(ix) The Integon SPA, duly executed by GMAC Insurance Management Corp.;

(x) The Reinsurance Agreement, duly executed by Motors;

(xi) The Fronting Agreement, duly executed by Integon, Integon Preferred, Integon National, MIC P&C and Motors;

(xii) The Administration Agreement duly executed by Integon, Integon Preferred, Integon National, MIC P&C and Motors;

(xiii) The Trust Agreement, duly executed by Motors;

(xiv) The Trademark Services Agreement, duly executed by General Motors Corporation and GMAC LLC;

(xv) The Transition Services Agreement, duly executed by Motors;

(xvi) The Release and Indemnification Agreement duly executed by the Seller and Motors; and

(xvii) Evidence that all agreements between the Company and any Affiliate, other than Affiliate agreements contemplated under this Agreement, have been terminated.

(b) At the Closing, the Buyer shall deliver to the Seller:

(i) The Purchase Price by wire transfer of immediately available funds to such account as has been designated by the Seller to the Buyer;

(ii) An original executed Certificate of Amendment of the Company's Certificate of Formation to be filed with the Delaware Secretary of State to change the Company's name as required by Section 7.2;

(iii) The GMAC Direct SPA, duly executed by the Buyer;

(iv) The Integon SPA, duly executed by the Buyer;

(v) The Reinsurance Agreement, duly executed by Maiden;

(vi) The Fronting Agreement, duly executed by the Buyer;

(vii) The Administration Agreement duly executed by the Company, the Buyer and Maiden;

(viii) The Trust Agreement, duly executed by Maiden and JPMorgan Chase Bank, N.A.;

(ix) The Trademark License Agreement, duly executed by the Company;

(x) The Transition Services Agreement, duly executed by the Company; and

(xi) The Release and Indemnification Agreement duly executed by the Buyer and the Company.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES REGARDING THE SELLER

The Seller hereby represents and warrants, as of the date hereof and as of the Closing Date, to the Buyer as follows:

Section 4.1 Organization. The Seller is a limited liability company duly organized, validly existing and in good standing under the laws of Delaware.

Section 4.2 Authorization of Transaction. The Seller has the necessary limited liability company power and authority to execute and deliver this Agreement and the other Transaction Documents to which it is a party, to perform its obligations hereunder and thereunder and to consummate the Contemplated Transactions. The execution and delivery of this Agreement and the other Transaction Documents to which the Seller is a party, the performance by the Seller of its obligations hereunder and thereunder and the consummation of the Contemplated Transactions have been duly and validly authorized by all necessary limited liability company action on the part of the Seller. No other limited liability company action or proceeding on the part of the Seller is necessary to authorize this Agreement or the Transaction Documents, or other documents and instruments to be executed and delivered by the Seller to consummate the Contemplated Transactions. This Agreement and each of the other Transaction Documents and instruments to be executed and delivered by the Seller to consummate the Contemplated Transactions will constitute valid and binding agreements of the Seller, enforceable against it in accordance with their respective terms, subject to the effect of receivership, conservatorship and subject to the effect of bankruptcy, insolvency, reorganization, moratorium or similar laws now or hereafter in effect relating to or affecting the enforcement of creditors' rights generally and subject to general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity).

Section 4.3 Noncontravention. The execution and the delivery of this Agreement, the Transaction Documents to which the Seller is a party and the consummation of the Contemplated Transactions will not directly or indirectly (with or without notice, lapse of time or both) (a) violate any injunction, judgment, order, decree, ruling or other restriction of any Governmental Entity to which the Seller is subject, (b) violate any provision of the certificate of formation or limited liability company operating agreement of the Seller or (c) conflict with, result in a breach of, constitute a default under, or result in the acceleration of, create in any party the right to accelerate, terminate, modify or cancel, or require any notice or consent under any agreement, contract, lease, license, instrument, or other arrangement to which the Seller is a party or by which it is bound, except where any such violation, conflict, breach, default, acceleration, termination, modification, cancellation or failure to give notice or obtain consent would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Seller.

Section 4.4 Consents. Except as set forth in Section 4.4 of the Seller's Disclosure Schedule, in connection with the consummation of the sale of the Interests by the Seller to the Buyer, no registrations, filings, applications, notices, consents, approvals, orders, qualifications or waivers are required to be made, filed, given or obtained by the Seller, to or from any Governmental Entity, except for those that the failure to make, file, give or obtain would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Seller or the Company.

Section 4.5 Brokers' Fees. Neither the Seller nor the Company has any liability or obligation to pay any fees or commissions to any broker, finder, or agent with respect to the Contemplated Transactions for which the Buyer, or the Company, could become liable or obligated.

Section 4.6 The Interests. The Seller holds of record directly and owns beneficially 100% of the outstanding ownership interests in the Company (the "Interests"), free and clear of all Liens. Upon the delivery of and payment for the Interests as provided for in this Agreement, the Buyer will acquire good and valid title to the Interests, free and clear of any Liens. The Seller is not a party to any option, warrant, purchase right, or other contract or commitment (other than this Agreement) that could require the Seller to sell, transfer, or otherwise dispose of any portion of the Interests. The Seller is not a party to any voting trust, proxy, or other agreement or understanding with respect to the voting of any of the Interests.

ARTICLE V

REPRESENTATIONS AND WARRANTIES REGARDING THE COMPANY

The Seller hereby represents and warrants, as of the date hereof and as of the Closing Date, to the Buyer as follows:

Section 5.1 Organization, Qualification, and Corporate Power. The Company is duly organized, validly existing, and in good standing under the laws of Delaware. The Company is duly authorized to conduct business and is in good standing under the laws of each jurisdiction where such qualification is required, except where the lack of such authorization, qualification or good standing would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company. The Company has the necessary limited liability company power and authority to carry on the businesses in which it is currently engaged and to own and use the properties currently owned and used by it in the conduct of its respective businesses.

Section 5.2 Capitalization and Subsidiaries.

(a) Section 5.2(a) of the Seller's Disclosure Schedule lists the Company's date of formation, the number and type of its outstanding ownership interests, and the current ownership of such ownership interests and each of the states where it is qualified to do business as of the date of this Agreement.

(b) There are no options, warrants, convertible securities, or other rights, agreements, arrangements or commitments of any character relating to the ownership interests in the Company or obligating the Seller or the Company to issue or sell any interest in the Company.

(c) The Company does not own or have any agreement to acquire, directly or indirectly, any equity or beneficial interest in any Person.

(d) Except as set forth in Section 5.2(d) of the Seller's Disclosure Schedule, the Company does not have any Subsidiaries.

Section 5.3 Noncontravention with respect to the Company. Except as set forth in Section 5.3 of the Seller's Disclosure Schedule, neither the execution and the delivery of this Agreement, nor the consummation of the Contemplated Transactions, will directly or indirectly (with or without notice, lapse of time or both) (a) violate any injunction, judgment, order, decree, ruling, or other restriction of any Governmental Entity to which the Company is subject or any provision of the organizational documents of the Company or (b) conflict with, result in a breach of, constitute a default under, or result in the acceleration of, create in any party the right to accelerate, terminate, modify or terminate, cancel, or require any notice under any material agreement, contract, lease, license, instrument, or other arrangement to which the Company or GMAC Re Corp. is a party or by which either of them is bound, or (c) result in the imposition of any Lien against any of the Assets of the Company or GMAC Re Corp. (other than a Permitted Lien), except where any such violation, conflict, breach, default, acceleration, termination, modification, cancellation or failure to give notice or obtain consent would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company.

Section 5.4 Consents. Except as set forth in Section 5.4 of the Seller's Disclosure Schedule, in connection with the consummation of the sale of the Interests by the Seller to the Buyer, no registrations, filings, applications, notices, consents, approvals, orders, qualifications or waivers are required to be made, filed, given or obtained by the Company or GMAC Re Corp., to or from any Governmental Entity, except for those that the failure to make, file, give or obtain would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company.

Section 5.5 Title and Related Matters.

(a) With the exception of properties disposed of in the Ordinary Course of Business since June 30, 2008 or otherwise transferred in accordance with the terms of this Agreement, the Company has good title to, or holds by valid and existing lease or license, free and clear of all Liens other than Permitted Liens, each item of real and personal property reflected on the Financial Statements and to each item of real and personal property acquired by the Company since June 30, 2008. The Company, and GMAC Re Corp., do not own and have never owned any real property.

(b) Section 5.5(b) of Seller's Disclosure Schedule sets forth a list of all leases (including subleases) of real property to which the Company is a party (the "Leases"). The Company holds a valid leasehold estate, free and clear of all Liens, except Permitted Liens, to each Lease to which it is a party. The Leases are in full force and effect in all material respects and, as of the date hereof, the Company has not received a written notice of default or termination with respect to any of the Leases. Except as set forth in Section 5.5(b) of the Seller's Disclosure Schedule, there has not occurred any event nor has the Seller received any written notice of any default or event that with notice or lapse of time, or both, would constitute a material breach by the Company of, or material default by the Company in, the performance of any covenant, agreement or condition contained in any Lease, and to the Seller's Knowledge, no lessor under a Lease is in material breach or default in the performance of any covenant, agreement or condition contained in such Lease. The Company has paid all rents and other charges to the extent due under the Leases. Premises owned by the Seller or one of its Affiliates that the Company may not occupy post-Closing are identified on Section 5.5(b) of Seller's Disclosure Schedule.

(c) With respect to material leased personal property used by the Company in its business, the Company is not in default in any material respect under the terms of any such lease.

(d) Section 5.5(d) of the Seller's Disclosure Schedule lists all material properties, assets, contracts, agreements, licenses or instruments used by the Company in the conduct of its business that are owned or leased by an Affiliate of the Company, including, but not limited to GMAC Re Corp., or to which an Affiliate of the Company, including, but not limited to GMAC Re Corp., is a named party. Except as set forth on Section 5.5(d) of the Seller's Disclosure Schedule, the Assets of the Company, including the Leases and personal property leased by the Company as set forth on Section 5.5(b) of the Seller's Disclosure Schedule, constitute the material properties, rights and assets necessary and sufficient for the continued conduct of the businesses of the Company after the Closing in the same manner as currently being conducted.

Section 5.6 Insurance. As of the date hereof, the Company is covered by (a) valid and effective insurance policies issued in favor of the Seller, an Affiliate of the Seller and/or the Company or (b) self insured plans that, in the judgment of the Seller, are customary for a company of similar size in the industry and locale in which the Company operates. Section 5.6 of the Seller's Disclosure Schedule sets forth a complete and accurate list of all insurance policies covering the business and operations of the Company issued in favor of an Affiliate of the Seller, the Seller and/or the Company (the "Company Policies"), specifying the type of coverage, the amount of coverage, the insurer, the policyholder, each loss-sharing arrangement, and all self insured plans covering the business and operations of the Company. Neither the Seller, the Company nor any Affiliate of the Seller (a) is in material default with respect to the Company Policies, (b) has received any written notice of a cancellation with respect to any of the Company Policies or (c) has been refused any insurance coverage sought or applied for with respect to the Company or its business. All premiums due and payable on any of the Company Policies or renewals thereof have been paid or will be paid timely through the Closing Date.

Section 5.7 Financial Statements.

(a) Set forth in Section 5.7(a) of the Seller's Disclosure Schedule are true and complete copies of the unaudited balance sheet of the Company as of June 30, 2008 and the related unaudited statement of income for the year 2008 through June 30, 2008 (collectively, the "Financial Statements"). The Financial Statements present fairly in all material respects the financial position and results of operations of the Company for the period or as of the date set forth therein, in each case, and the Financial Statements were prepared in accordance with GAAP.

(b) Section 5.7(b) of the Seller's Disclosure Schedule sets forth with respect to the business written by each Insurer Party the combined premiums written, expenses, claims made and paid, loss ratios and combined ratios for the 2005 through 2007 calendar years and for the six months ending June 30, 2008**.** Such loss and combined ratios were determined based on statutory accounting principles consistently applied throughout the applicable periods and actuarial methods and assumptions made in good faith based upon information available at the time. The information provided to the Buyer and its Representatives with respect to such loss and combined ratios (the "Actuarial Materials") was, to the Knowledge of the Seller complete and accurate in all material respects. To the Knowledge of the Seller, there has been no material adverse change in such loss and combined ratios of the Insurer Parties for the calendar years ending December 31, 2005 through 2007 or the six months ending June 30, 2008, since the date of the Actuarial Materials through the Closing Date.

Section 5.8 Absence of Undisclosed Liabilities. Except as set forth on Section 5.8 of the Seller's Disclosure Schedule or otherwise incurred in the Ordinary Course of Business since June 30, 2008, to the Seller's Knowledge, the Company does not have any Liabilities that, individually or in the aggregate, have or would be reasonably expected to have a Material Adverse Effect on the Company, that have not been disclosed in the Financial Statements or in the Seller's Disclosure Schedule.

Section 5.9 Events Subsequent to June 30, 2008.

(a) Since June 30, 2008, there has not occurred a Material Adverse Effect on the Company nor has there been any sale, assignment or transfer of any of the material Assets of the Company other than sales, assignments or transfers of assets in the Ordinary Course of Business. Except with respect to activities undertaken in connection with the transactions contemplated by this Agreement, since June 30, 2008, the Company has carried on its business in all material respects in the Ordinary Course of Business. Since June 30, 2008, the Company has not suffered any material loss, damage, destruction or other casualty to any of the material Assets of the Company that were not replaced or covered by insurance.

(b) Without limiting the foregoing, except as set forth on Section 5.9(b) of the Seller's Disclosure Schedule, none of the Company, the Seller or any Person acting on behalf of the Company or the Seller has taken any of the following actions since June 30, 2008:

(i) sold (or granted any warrants, options or other rights to purchase) any of the Interests, or otherwise issued any other interests in the Company;

(ii) acquired any assets or property of the Company for a cost in excess of One Hundred Thousand Dollars ($100,000), individually or in the aggregate;

(iii) created, incurred or assumed any indebtedness relating to or affecting the Company other than accounts payable incurred in the Ordinary Course of Business;

(iv) made any loans, advances or capital contributions to or investments in any Person relating to or affecting the Company;

(v) materially changed billing, payment or credit practices of the Company with any insurer, reinsurer, producer, agent, broker or intermediary or changed the timing of rendering invoices;

(vi) entered into any material Lease or contract, or terminated, modified or changed in any material respect any contract, to which the Company is a party or by which it is bound other than in the Ordinary Course of Business;

(vii) entered into any employment, independent contractor, severance, termination or other compensation agreement with any employee or consultant of the Company other than in the Ordinary Course of Business;

(viii) increased the rate or terms of compensation of, or entered into any new, or extended the term of any existing, bonus or incentive agreement or arrangement with, any employee or consultant of the Company other than in the Ordinary Course of Business;

(ix) adopted any new Employee Plan of the Company or amendment to increase the compensation or benefits payable under any of the Employee Plans of the Company;

(x) induced any employee or consultant of the Company to leave his or her employment or terminate his or her engagement in order to accept employment or an engagement with the Seller or any of its Affiliates, or acted to otherwise adversely affect the relations of the Company with any employee or consultant to the detriment of the Company;

(xi) entered into any material transaction, agreement, contract or understanding relating to or affecting the Company with an Affiliate or, except as contemplated by the terms of this Agreement or the Transaction Documents, altered the terms of any material transaction, agreement, contract or understanding with any Affiliate;

(xii) suffered any material breach or waived any rights of the Company or arising under or in connection with any material Assets of the Company other than in the Ordinary Course of Business;

(xiii) entered into any merger, consolidation, recapitalization or other business combination or reorganization relating to or affecting the Company;

(xiv) changed any of the Company's methods of accounting or accounting systems, policies or practices;

(xv) without limiting the foregoing, entered into any material transaction (except as expressly contemplated by this Agreement) affecting any of the Assets of the Company or the operations, prospects or financial condition of the Company other than in the Ordinary Course of Business; or

(xvi) entered into any oral or written agreement, contract, commitment, arrangement or understanding with respect to any of the foregoing.

Section 5.10 Legal Compliance.

(a) Since January 1, 2003, the Company and GMAC Re Corp. have complied with all Applicable Laws, except where noncompliance would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company;

(b) Except as set forth on Section 5.10 of the Seller's Disclosure Schedule, since January 1, 2003, neither the Company nor GMAC Re Corp has received any written notice from any Governmental Entity, citizens group or other third party of any violation or alleged violation by the Company or GMAC Re Corp. of any Applicable Law or any material Intellectual Property Right of any Person. Except as set forth on Section 5.10 of the Seller's Disclosure Schedule, to the Knowledge of the Seller, there is no investigation, audit, examination or inquiry relating to the Company or GMAC Re Corp or their business in progress or contemplated by any Governmental Entity.

(c) To the Seller's Knowledge, since January 1, 2003, neither the Company nor GMAC Re Corp. has engaged in any corrupt business practices or price fixing, bid rigging or any other anticompetitive activity of any type.

(d) Since January 1, 2003, neither the Company, GMAC Re Corp., their managers or officers, nor to the Seller's Knowledge, any employees or agents of the Company or GMAC Re Corp., has (i) directly or indirectly given or agreed to give any illegal gift, contribution, payment or similar benefit to any supplier, customer, governmental official or employee or other Person who was, is or may be in a position to help or hinder the Company or GMAC Re Corp. (or assist in connection with any actual or proposed transaction) or made or agreed to make any illegal contribution, or reimbursed any illegal political gift or contribution made by any other Person, to any candidate for federal, state, local or foreign public office (x) which could reasonably be expected to subject the Company, GMAC Re Corp., the Buyer or their business to any damage or penalty in any civil, criminal or governmental litigation or proceeding or (y) the non-continuation of which has had or could reasonably be expected to have a Material Adverse Effect on the Company or (ii) established or maintained any unrecorded fund or asset or made any false entries on any books or records for any purpose.

Section 5.11 Intellectual Property.

(a) Except as set forth in Section 5.11(a) of the Seller's Disclosure Schedule, the Company owns or possesses, or has valid, enforceable rights or licenses to use, the patents, patent applications, trademarks, trademark applications, service marks, trade names, copyrights, Internet domain names (including any registrations, licenses or rights relating to any of the foregoing), computer software, trade secrets, inventions and know-how that are necessary to carry on its business as presently conducted (each, an "Intellectual Property Right") free and clear of all Liens (other than Permitted Liens and restrictions provided in an agreement, license or other arrangement listed in Section 5.11(a) of the Seller's Disclosure Schedule), except where the failure to so own or possess, or have licenses to use any Intellectual Property Right, has not had and could not reasonably be expected to have a Material Adverse Effect on the Company. Except as set forth in Section 5.11(a) of the Seller's Disclosure Schedule, since January 1, 2003 neither the Company nor GMAC Re Corp. has received any written notice of any infringement of the rights of any third party with respect to any Intellectual Property Right that, if such infringement is determined to be unlawful, could reasonably be expected to have a Material Adverse Effect on the Company. The Seller has no Knowledge of any infringement by any Person of any Intellectual Property Right of the Company.

(b) All Intellectual Property Rights that have been licensed by or on behalf of the Company are being used substantially in accordance with the applicable license pursuant to which the Company has the right to use such Intellectual Property Rights, except where the failure to do so could not reasonably be expected to have a Material Adverse Effect on the Company. Section 5.11(b) of the Seller's Disclosure Schedule lists each agreement, license or other arrangement to use relating to any licensed Intellectual Property Right, which if not licensed or available for use by the Company, could reasonably be expected to have a Material Adverse Effect on the Company or under which a one-time or periodic license fee of more than $50,000 was or shall be payable in the applicable licensing period.

(c) Section 5.11(c)(i) of the Seller's Disclosure Schedule contains a complete and accurate list of (A) registered and applied for patents, trademarks, service marks, copyrights, or domain names owned or licensed by the Company, in each case specifying the jurisdiction in which the applicable registration has been obtained or pending application has been filed, and, where applicable, the registration or application number therefor and (B) material common law trademarks and service marks owned by the Company and other Intellectual Property Rights owned or licensed by the Company. Except as set forth in Section 5.11(c)(ii) of the Seller's Disclosure Schedule, as of the date hereof, there are no claims pending or, to the Knowledge of Seller, threatened, challenging the ownership, validity or enforceability of any Intellectual Property Right owned by the Company, except, in each case, for such claims that, if adversely determined, could not reasonably be expected to have a Material Adverse Effect on the Company.

(d) To Seller's Knowledge, since January 1, 2003, neither the Company nor GMAC Re Corp. has suffered a material security breach with respect to its data or systems requiring notification to employees in connection with such employees' confidential information or to customers, except, in each case, for such security breaches that have not had and could not reasonably be expected to have a Material Adverse Effect on the Company.

Except as set forth in Section 5.11(d) of the Seller's Disclosure Schedule, since January 1, 2003, neither the Company nor GMAC Re Corp. has received any written notice of an infringement of any Intellectual Property Right of any Person that, if such infringement is determined to be unlawful, could reasonably be expected to have a Material Adverse Effect on the Company. To the Knowledge of Seller, no use by the Company of any Intellectual Property Right owned by the Company (A) infringes any Intellectual Property Right of any Person, except to the extent that such infringement, if determined to be unlawful, has not had and could not reasonably be expected to have a Material Adverse Effect on the Company or (B) requires any payment for the use of such Intellectual Property Right of any Person (except for the payment of licensing or maintenance fees).

Section 5.12 Contracts. The Seller has made available true and complete copies of each of the following types of contracts of the Company (collectively, the "Material Contracts"):

(a) contracts and agreements between the Company and the Seller or any Affiliate pursuant to which (i) the Seller or an Affiliate provides assets, services or facilities to the Company, or (ii) the Company provides assets, services or facilities to the Seller or an Affiliate;

(b) contracts and agreements, with any present or former officer, director, trustee or employee of the Company (including employment agreements and agreements evidencing loans or advances to any such Person or any Affiliate of such Person);

(c) contracts and agreements containing any provision or covenant limiting the ability of the Company to engage in any line of business, the manner in which business is to be conducted, to compete with any Person or to do business with any Person or in any location or geographic area;

(d) mortgages, indentures, loan or credit agreements, security agreements and other agreements and instruments relating to the borrowing of money or the extension of credit to or by the Company or the direct or indirect guarantee by the Company of any obligation of any Person for borrowed money or other financial obligation of any Person or any other liability of the Company in respect of indebtedness for borrowed money or other financial obligations of any Person, in any case in excess of $100,000;

(e) the Leases and any other leases, subleases or licenses of real property used in the conduct of the business of the Company and all other leases, subleases, licenses or rental or use contracts providing for annual rental payments in any case in excess of $100,000 (whether the Company is lessor, lessee, licensor or licensee);

(f) agency, subagency, producer, broker, selling, marketing or similar agreements;

(g) stock purchase agreements, asset purchase agreements and other acquisition or divestiture agreements relating to the acquisition, lease or disposition of material assets or properties used in conducting the business of the Company or any membership interests or other equity interest of the Company, under which the Company has any executory indemnification or other continuing obligations;

(h) any contract providing for indemnification or any special purpose vehicle or other financing entity, including off-balance sheet entities;

(i) any contract providing for future payments that are conditioned on, or that cause an event of default as a result of, a change of control of the Company or any similar event;

(j) any agreement to which the Company is a party granting or obtaining any right to use or practice any rights under any material Intellectual Property Right (other than licenses for off-the-shelf commercially available software), all material information technology service agreements, material service agreements that involve Intellectual Property Rights and all material outsourcing agreements; provided, that for purposes hereof any such agreement shall be a Material Contract if annual fees due thereunder exceed $100,000; and

(k) other material contracts not listed above.

All of the Material Contracts are listed in Section 5.12 of the Seller's Disclosure Schedule. Except as has not had and could not reasonably be expected to have a Material Adverse Effect on the Company, each Material Contract is the legal, valid and binding obligation of the Company and, to the Knowledge of the Seller, of each other party thereto, and is enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or similar Applicable Laws affecting the enforcement of creditors' rights generally, and to general equitable principles (regardless of whether considered in a proceeding of law or in equity). Except as has not had and could not reasonably be expected to have a Material Adverse Effect on the Company, neither the Company nor, to the Knowledge of the Seller, any other party thereto is in violation or default of any term of any such Material Contract and, to the Knowledge of the Seller, no condition or event exists which with the giving of notice or the passage of time, or both, would constitute a violation or default of any Material Contract by the Company or any other party thereto or permit the termination, modification, cancellation or acceleration of performance of the obligations of the Company or any other party to the Material Contract.

Section 5.13 Litigation. Section 5.13 of the Seller's Disclosure Schedule sets forth all Actions pending or, to the Seller's Knowledge, threatened against the Company or GMAC Re Corp., none of which (a) if adversely determined would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company, or (b) enjoins or seeks to enjoin any significant activity of the Company. As of the date hereof, there are no judgments or outstanding orders, injunctions, decrees, stipulations or awards (whether rendered by a court or administrative agency, or by arbitration) against the Company. There is no actual or, to the Seller's Knowledge, threatened Action which presents a claim to restrain, condition or prohibit the transactions contemplated herein.

Section 5.14 Licenses, Permits, and Exemptions. Except as set forth on Section 5.14 the Seller's Disclosure Schedule, since January 1, 2003, the Company, GMAC Re Corp. and their employees have held and currently hold all licenses, registrations or permits (or exemptions therefrom) necessary to conduct the business and operations of the Company and GMAC Re Corp., the failure to hold which would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company. Section 5.14 of the Seller's Disclosure Schedule sets forth all licenses, registrations or permits held by the Company, GMAC Re Corp. and their employees and reflects all exemptions from license, registration or permit requirements. Each such license, registration and permit is in full force and effect. Upon Closing, the Company and its employees will hold all licenses, registrations and permits necessary to conduct the business and operations of the Company, the failure to hold which would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company.

Section 5.15 Affiliate Transactions. Except as set forth in Section 5.15 of the Seller's Disclosure Schedule (a) none of the Seller or any of its Affiliates provides or causes to be provided to the Company any material assets, services or facilities and (b) the Company does not provide to the Seller or any of its Affiliates any material assets, services or facilities. All of the agreements listed in Section 5.15 of the Seller's Disclosure Schedule have been terminated.

Section 5.16 Accounts Receivable. All accounts receivable of the Company that are reflected on the Financial Statements (i) are accurate and complete in all material respects, and (ii) represent or will represent valid obligations arising from services actually performed in the Ordinary Course of Business. None of such accounts receivable are subject to any counterclaim or set-off except for counterclaims or set-offs for which reserves have been established on the books of the Company or to the extent set forth on Section 5.16 of Seller's Disclosure Schedule.

Section 5.17 Employees. The Seller has previously provided the following information in writing to the Buyer for each Company Employee:

(i) job title;
(ii) job band;
(iii) annual base salary;
(iv) incentives paid in 2007 and 2008;
(v) date of hire;
(vi) credited years of service;
(vii) employment status (active or leave of absence); and
(viii) employment category (full-time or part-time);

which information is true, complete and accurate in all material respects as of the date hereof.

Section 5.18 Employee Relations. Except as set forth in Section 5.18 of the Seller's Disclosure Schedule:

(a) The Company is in material compliance with all federal, state or other Applicable Laws, domestic or foreign, respecting employment and employment practices, terms and conditions of employment and wages and hours of employment;

(b) No legal claim in respect of application for employment, employment or termination of employment of any Person is pending before any Governmental Entity, or to Seller's Knowledge is threatened, against the Company or GMAC Re Corp.;

(c) The Seller, the Company and GMAC Re Corp. have not, and are not, engaged in any unfair labor practice relating to or affecting the Company;

(d) No unfair labor practice complaint against the Company or GMAC Re Corp. is pending before the National Labor Relations Board;

(e) No labor strike, dispute, slowdown or stoppage is actually pending or, to Seller's Knowledge, threatened against or involving the Company;

(f) Neither the Seller, the Company nor GMAC Re Corp. is a party to any collective bargaining agreement relating to or affecting the Company or GMAC Re Corp. and no collective bargaining agreement relating to or affecting the Company is currently being negotiated by any of them;

(g) None of the employees of the Company or GMAC Re Corp. is or has been represented by a labor union;

(h) No petition has been filed or Action instituted by any employee or group of employees of the Company or GMAC Re Corp. with any labor relations board seeking recognition of a bargaining representative;

(i) To Seller's Knowledge, there is no organizational effort currently being made or threatened by or on behalf of any labor union to organize any employees of the Company;

(j) There are no other controversies or disputes pending between the Company and employees of the Company or GMAC Re Corp., except for such other controversies and disputes with individual employees arising in the Ordinary Course of Business that have not had and would not reasonably be expected to have a Material Adverse Effect; and

(k) The Seller, the Company and GMAC Re Corp. have taken any and all actions necessary to comply with the Worker Adjustment and Retraining Notification Act ("WARN"), with respect to any event or occurrence affecting the Company or GMAC Re Corp. since the effective date of WARN.

Section 5.19 Employee Benefit Plans and Programs. All Employee Plans in which Company Employees are eligible to participate as of the date hereof are maintained and sponsored by an Affiliate of the Seller ("Seller Plans"). Except as set forth in Section 5.19 of Seller's Disclosure Schedules, as of the Closing, the Company shall not have any Liabilities of any kind, whether known or unknown, fixed or contingent, disputed or undisputed, matured or unmatured, liquidated or unliquidated, or secured or unsecured, under any Employee Plan, including the Seller Plans, including, without limitation, any civil penalty assessed pursuant to Sections 406, 409 or 502 of ERISA or tax imposed pursuant to Section 4975, 4976 or 4980B of the Code, or any Liability under Title IV of ERISA.

Section 5.20 Employment Agreements. Except as set forth in Section 5.20 of the Seller's Disclosure Schedule, neither the Company nor GMAC Re Corp. is a party to or bound by any employment agreement or producer agreement that causes an employee of the Company to be other than an "at will" employee.

Section 5.21 Company Relationships. Section 5.21 of Seller's Disclosure Schedule sets forth a correct and complete list of (a) each insurance company, reinsurance company, agent, producer, intermediary and broker through which the Company or GMAC Re Corp. placed insurance or reinsurance during the period January 1, 2008 through the Closing Date and during the fiscal years ended December 31, 2007 and 2006 setting forth the name of each individual or entity and the total gross premiums written by each individual or entity during the applicable period and (b) each insurance company, reinsurance company, agent, producer, intermediary or broker that paid commissions to the Company in each such period, setting forth the name of each such company and the amount of the commissions paid to the Company. Except as otherwise set forth in Section 5.21 of Seller's Disclosure Schedule, all accounts with all companies represented by the Company are current and there are no disagreements or unreconciled discrepancies as to the amounts owed by or to the Company.

Section 5.22 Renewal Rights. Neither any Affiliate of Seller (other than the Company) nor any Insurer Party has or will have any right to offer, quote and/or solicit the renewals of any of the In-Force Contracts or any Fronted Insurance Contract, including the right to solicit replacement insurance coverage upon expiration of the In-Force Contracts or Fronted Insurance Contracts with respect to the SRS Business or renew reinsurance upon expiration of Insurance Contracts with respect to the Reinsurance Business and all such rights, as possessed and in existence as between the Insurer Parties or any Affiliate of the Seller (other than the Company), on the one hand, and the Company, on the other hand, are held by the Company.

Section 5.23 Environmental Matters. The business of the Company and GMAC Re Corp. and the Assets of the Company and GMAC Re Corp. have at all times, and do presently, comply in all material respects with all Environmental Laws. With respect to the Assets of the Company and GMAC Re Corp. and the business of the Company and GMAC Re Corp., there are no judicial, administrative or other Actions pending or, to Seller's Knowledge, threatened, alleging a violation of any Environmental Law.

Section 5.24 Disclosure. To Seller's Knowledge, none of the representations and warranties contained in this Article V, or the Seller's Disclosure Schedule contains any untrue statement of a material fact or omits a material fact necessary to make the statements contained herein or therein, taken as a whole, in light of the circumstances in which they were made, not misleading.

Section 5.25 Exclusion of Implied Representations and Warranties. EXCEPT AS EXPRESSLY SET FORTH IN THIS ARTICLE V, THE SELLER EXCLUDES AND DISCLAIMS ANY AND ALL IMPLIED REPRESENTATIONS AND WARRANTIES.

ARTICLE VI

REPRESENTATIONS AND WARRANTIES REGARDING THE BUYER

The Buyer hereby represents and warrants, as of the date hereof and as of the Closing Date, to the Seller as follows:

Section 6.1 Organization. The Buyer is duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation.

Section 6.2 Authorization of Transaction. The Buyer has the necessary corporate power and authority to execute and deliver this Agreement and the other documents and instruments to be executed by it hereunder, to perform its obligations hereunder and to consummate the Contemplated Transactions. The execution and delivery of this Agreement, the performance by the Buyer of its obligations hereunder and the consummation of the transactions contemplated hereby have been duly and validly authorized by all necessary corporate action on the part of the Buyer. No other corporate action or proceeding on the part of the Buyer is necessary to authorize this Agreement or the other documents and instruments to be executed and delivered by the Buyer pursuant hereto or the consummation by the Buyer of the Contemplated Transactions. When fully executed and delivered, this Agreement and each of the other documents and instruments to be executed and delivered by the Buyer pursuant hereto will constitute valid and binding agreements of the Buyer, enforceable against it in accordance with their respective terms, subject to the effect of applicable bankruptcy, insolvency, reorganization, moratorium or similar laws now or hereafter in effect relating to or affecting the enforcement of creditors' rights generally and subject to general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity).

Section 6.3 Noncontravention. Neither the execution and the delivery of this Agreement, nor the consummation of the Contemplated Transactions, will directly or indirectly (with or without notice, lapse of time or both) (a) violate any injunction, judgment, order, decree, ruling or other restriction of any Governmental Entity to which the Buyer is subject or any provision of the charter or bylaws of the Buyer or (b) conflict with, result in a breach of, constitute a default under, or result in the acceleration of, create in any party the right to accelerate, terminate, modify or cancel, or require any notice under any agreement, contract, lease, license, instrument, or other arrangement to which the Buyer is a party or by which it is bound, except where any such violation, conflict, breach, default, acceleration, termination, modification, cancellation or failure to give such notices would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Buyer.

Section 6.4 Consents. Except as set forth in Section 6.4 of the Buyer Disclosure Schedule, in connection with the consummation of the purchase of the Interests by the Buyer from the Seller, no registrations, filings, applications, notices, consents, approvals, orders, qualifications or waivers are required to be made, filed, given or obtained by the Buyer or any of its Affiliates with, to or from any Person in connection with the consummation of the Contemplated Transactions except for those that the failure to make, file, give or obtain would not have a Material Adverse Effect on the Buyer.

Section 6.5 A.M. Best Rating. Maiden has an A.M. Best rating of no lower than A- with a stable outlook, after giving effect to the closing of the transaction contemplated by this Agreement in accordance with the terms hereof.

Section 6.6 Buyer Parent SEC Documents. As of their respective effective dates (in the case of Buyer Parent SEC Documents that are registration statements filed pursuant to the Securities Act of 1933 (as amended, the "Securities Act")) and as of their respective filing dates (in the case of all other Buyer Parent SEC Documents), the Buyer Parent SEC Documents complied in all material respects with the requirements of the Securities Exchange Act of 1934 and the Securities Act, as the case may be, and the rules and regulations of the Securities Exchange Commission promulgated thereunder, applicable to such Buyer Parent SEC Documents, and none of the Buyer Parent SEC Documents as of such respective dates contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

Section 6.7 Capital Commitment. Holdings has a commitment letter dated as of October 31, 2008 (the "Backstop Commitment") from two of its stockholders (the "Backstop Investors"), a true and correct executed copy of which has been provided to the Seller, pursuant to which the Backstop Investors have agreed to purchase up to Two Hundred Sixty Million Dollars ($260,000,000.00) of equity or debt securities of Holdings, in the event that Holdings shall be unable to raise an aggregate of at least Two Hundred Sixty Million Dollars ($260,000,000.00) pursuant to the equity rights offering described in the Backstop Commitment (the "Rights Offering") or there is a delay or failure of the Rights Offering that will lead to a downgrade of Maiden from A- with a stable outlook by A.M. Best.

Section 6.8 Brokers' Fees. The Buyer has no liability or obligation to pay any fees or commissions to any broker, finder, or agent with respect to the Contemplated Transactions for which the Seller could become liable or obligated.

Section 6.9 Disclosure. To Buyer's Knowledge, none of the representations and warranties contained in this Article VI or the Buyer's Disclosure Schedule contains any untrue statement of a material fact or omits a material fact necessary to make the statements contained herein or therein, taken as a whole, in light of the circumstances in which they were made, not misleading.

Section 6.10 Exclusion of Implied Representations and Warranties. EXCEPT AS EXPRESSLY SET FORTH IN THIS ARTICLE VI, THE BUYER EXCLUDES AND DISCLAIMS ANY AND ALL IMPLIED REPRESENTATIONS AND WARRANTIES.

ARTICLE VII

POST-CLOSING COVENANTS

The parties agree as follows with respect to the period following the Closing:

Section 7.1 Notices and Consents. Each of the Seller and the Buyer agrees to use its commercially reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable to consummate and make effective as promptly as practicable the Contemplated Transactions and to cooperate with the other in connection with the foregoing, including using its commercially reasonable efforts to effect all necessary registrations and filings, including, but not limited to submissions of information requested by Governmental Entities.

Section 7.2 Corporate Names. Subject to the rights granted under the Fronting Agreement, the Buyer acknowledges that, from and after the Closing Date, the Seller and its Affiliates shall have the absolute and exclusive proprietary right to all names, marks, trade names and trademarks (collectively, the "Names") incorporating GMAC, by itself or in combination with any other Name, including, without limitation, the corporate design logo associated with GMAC LLC, GMAC Insurance or any of the Affiliates of GMAC LLC (other than that specifically of the Company to the extent it does not incorporate any Name), and that none of the rights thereto or goodwill represented thereby or pertaining thereto are being transferred hereby or in connection herewith nor shall the Buyer or any of its Affiliates (including the Company) have any right after the Closing to use, in any way, the Names except solely for transitional purposes as specifically set forth in the Transition Services Agreement. On the Closing Date, the Buyer will cause the Company to change its name such that it no longer incorporates any Name.

Section 7.3 General. Without limiting the provisions of Sections 9.1(b) and (d) and 9.3, following the Closing Date, if any further action is necessary to carry out the purposes of this Agreement, all of the parties hereto will take and will cause their Affiliates to take such further action (including the execution and delivery of such further instruments and documents) as any other party reasonably may request, all at the sole cost and expense of the requesting party (unless the requesting party is entitled to indemnification therefor under the provisions of this Agreement).

Section 7.4 Litigation Support. In the event and for so long as any party actively is contesting or defending against any Action, claim, or demand in connection with (a) any of the Contemplated Transactions or (b) any fact, situation, circumstance, status, condition, activity, practice, plan, occurrence, event, incident, action, failure to act, or transaction on or prior to the Closing Date involving the Company, each of the other parties shall cooperate with it and its counsel in the defense or contest, make available their personnel, and provide such testimony and access to their books and records as shall be reasonably necessary in connection with the defense or contest, all at the sole cost and expense of the contesting or defending party (unless the contesting or defending party is entitled to indemnification therefor under the provisions of this Agreement).

Section 7.5 Confidentiality. Each party hereto will hold, and will use commercially reasonable efforts to cause its Affiliates, and their respective Representatives to hold, in strict confidence from any Person (other than any such Affiliates or Representatives), except with the prior written consent of the other party or unless (i) compelled to disclose by judicial or administrative process (including in connection with obtaining the necessary approvals of this Agreement, the other Transaction Documents, or any of the Contemplated Transactions of Governmental Entities) or by other requirements of Applicable Law or stock exchange regulation, or (ii) disclosed in an action or proceeding brought by a party hereto in pursuit of its rights or in the exercise of its remedies hereunder, all documents and information concerning the other party or any of its Affiliates furnished to it by the other party or such other party's Representatives in connection with this Agreement, the other Transaction Documents, or any of the Contemplated Transactions, except to the extent that such documents or information can be shown to have been (a) previously known or available to (on a non-confidential basis) the party receiving such documents or information, (b) in the public domain (either prior to or after the furnishing of such documents or information hereunder) through no violation of this provision by the receiving party or (c) later acquired by the receiving party from another source if the receiving party is not aware that such source is under an obligation or duty to the party seeking to keep such documents and information confidential; provided that following the Closing the foregoing restrictions will not apply to the Buyer's use in the Ordinary Course of Business of documents and information relating exclusively to the rights granted under the Fronting Agreement.

Section 7.6 Seller's Noncompetition.

(a) The Seller hereby covenants and agrees with the Buyer that from and after the Closing Date and through the fifth anniversary of the Closing Date, neither the Seller nor any Subsidiary of GMAC LLC shall, directly or indirectly: (a) engage in the Competing Business; (b) as a partner, member or stockholder (except as a holder, for investment purposes only, of not more than five percent (5%) of the outstanding stock of any company listed on a national securities exchange, or actively traded in a national over-the-counter market), equity holder, or joint venturer of any other Person, or, directly or beneficially, own, manage, operate, control, or participate in the ownership, management, operation or control of, or permit the use of its name by, a Person that is engaged in the Competing Business if such Person derives an amount greater than ten percent (10%) of its annual gross premiums from the Competing Business; or (c) solicit any policyholder of an Insurance Contract or Fronted Insurance Contract (both as defined in the Fronting Agreement) issued in connection with the SRS Business (as defined in the Fronting Agreement) or insurance company that is a party to an Insurance Contract or Fronted Insurance Contract entered into in connection with the Reinsurance Business (as defined in the Fronting Agreement), directly or through an agent, broker, intermediary or other producer with respect to any insurance coverage or cession of insurance risks or liabilities of the type that is the subject of the Business (as defined in the Fronting Agreement), except to the extent required by Applicable Law, the terms of the Insurance Contracts, or as contemplated by this Agreement or any of the Transaction Documents; provided, however, that the foregoing restrictions in clauses (a), (b) or (c) above shall not prohibit or apply to: (i) the acquisition after the Closing Date and subsequent operation by the Seller or any of its Affiliates of any business or entity, provided that such acquired business or entity derives an amount that is less than of ten percent (10%) of its annual gross premiums from the Competing Business, measured at the end of the most recent fiscal year prior to the date of acquisition, or (ii) any joint venture, partnership, agency or other similar business relationship between the Seller or any of its Affiliates and any other Person entered into primarily for the purpose of marketing, selling or producing direct insurance business (but excluding excess commercial property business written on a surplus lines or non-admitted basis anywhere in the United States) pursuant to which the Seller or any of its Affiliates reinsure all or a portion of the direct insurance business produced thereunder as a component of such joint venture, partnership, agency or other similar business relationship.

(b) It is agreed that any party hereto shall be entitled to an injunction or injunctions to prevent breaches of this Section and to enforce specifically the terms and provisions hereof, this being in addition to any other remedy to which they are entitled hereunder or otherwise.

Section 7.7 Completion of Rights Offering. Holdings shall use commercially reasonable efforts, to complete, on or before March 31, 2009, equity or debt security issuances raising an aggregate of at least Two Hundred Sixty Million Dollars ($260,000,000.00) in proceeds pursuant to the Rights Offering and, if such Rights Offering is not completed to the full extent of Two Hundred Sixty Million Dollars ($260,000,000.00) by March 31, 2009, Holdings shall complete on or before March 31, 2009, the sale of equity or debt securities of Holdings to the Backstop Investors raising an aggregate of at least Two Hundred Sixty Million Dollars ($260,000,000.00) in proceeds from such sale and/or the Rights Offering and, in either such event, infuse the proceeds of such sale and/or Rights Offering into Maiden, GMAC Direct and/or Integon in such amounts and on such terms as shall be necessary to maintain an A- rating by A.M. Best of Maiden, GMAC Direct and Integon.

Section 7.8 Third Party Consents. From and after the Closing Date, the parties shall use and shall cause their Affiliates to use commercially reasonable efforts to obtain all necessary consents from third parties identified on Section 5.3 of the Seller's Disclosure Schedule as requiring such consent effective as of the Closing Date to effect the assumption by the Buyer, the Company or an Affiliate of Buyer of the material contracts or the change of control of the Company. Nothing contained in this Agreement will be construed as an attempt to agree to assign any contract, which by Applicable Law or by its terms is non-assignable without the consent of any other party thereto, unless such consent shall have been given. If the parties are unable to obtain the required consent of a third party of the contracts identified on Section 5.3 of the Seller's Disclosure Schedule, the Seller and the Buyer shall cooperate in a commercially reasonably manner which does not violate Applicable Law or the relevant contract in order to provide the benefits and burdens of such contract to the Buyer.

Section 7.9 Licensing of the Company by the Buyer. Following Closing, the Buyer shall use commercially reasonable efforts to license the Company as a producer, managing general agent and reinsurance intermediary in all states where such licenses shall be required for the Company to transact business related to the Fronted Insurance Contracts.

Section 7.10 Financial Statements with Respect to the Carved-Out Business of GMAC. Following the Closing, the Seller will use commercially reasonable efforts to cooperate and assist and to cause its employees, Affiliates and outside accountants, Deloitte, to cooperate and assist the Buyer and its accountants in the preparation of (i) audited balance sheets as of December 31, 2007 and December 31, 2006 and audited statements of income, cash flows and changes in stockholder's equity for the years ended December 31, 2007, 2006 and 2005 for the Carved-Out Business of GMAC, and (ii) reviewed financial statements as of and for the period ended September 30, 2008 and 2007 for the Carved-Out Business of GMAC, in form and substance materially in compliance with Regulation S-X with respect to the timely filing by Holdings of a current report on Form 8-K with respect to the acquisition of the Carved-Out Business of GMAC. As used in this Section 7.10, the term "Carved-Out Business of GMAC" includes the assets, liabilities and operations of the Company, as well as, the premiums written and expenses incurred (along with related assets and liabilities) related to the block of business serviced by the Company, but reflected on the financial statements of Motors and Integon, but excluding other business written by Motors and Integon which is not being acquired by the Buyer or its Affiliates under this Agreement and the other Transaction Documents. The Buyer and the Seller shall each bear their internal costs as well as the cost of their respective outside accountants in complying with the requirements under this Section 7.10.

Section 7.11 Maintenance of Post-Closing Business.

(a) The Buyer intends to operate the Company as a going concern following the Closing and shall retain the leadership and business teams of the Company for a period of at least three (3) years following the Closing, subject to the performance-based criteria of the Buyer and the Company established from time to time and the financial results and prospects of the Company. The Buyer shall maintain the existing claims infrastructure of the Company in place immediately prior to the Closing for a period of at least three (3) years following the Closing, provided that the Buyer may cause to be made adjustments in the Ordinary Course of Business to the infrastructure and practices of the Company so long as there is no resulting diminution in levels of service and standards or to reflect changes in the volume of business and prospects of the Company.

(b) For purposes of determining eligibility and vesting, but not benefit accrual, under any employee benefits plans for Company Employees after the Closing, the Buyer shall cause to be granted, to the extent applicable, credit to Company Employees for years of service with the Company or Affiliates of the Company prior to the Closing.

Section 7.12 COBRA Benefits.

(a) The Buyer represents to the Seller that neither the Buyer nor any ERISA Affiliate of the Buyer currently maintains a group health plan and that as of the Closing Date, neither the Company Employees, nor their dependants, shall be eligible to participate in any group health plan sponsored by the Buyer, the Company or any ERISA Affiliate of the Buyer. The Buyer agrees that it, directly or through an ERISA Affiliate, shall establish a group health plan covering the Company Employees on or before December 31, 2008.

(b) As of the Closing, (i) the Company shall cease to be an ERISA Affiliate of the Seller and shall cease to be a sponsoring employer under all Seller Plans, including the Seller's group health plan and (ii) the coverage of the Company Employees under all Seller Plans, including Seller's group health plan, shall cease, subject only to the rights of some Company Employees or their dependants to elect continuation coverage under federal COBRA. The Seller agrees to cause timely notice to be provided to all "covered employees" or "qualified beneficiaries" whose coverage under the Seller's group health plan terminates as a result of the Closing of their rights to elect COBRA continuation coverage under Seller's group health plan (those Company Employees electing continuation coverage referred to herein as "COBRA Beneficiaries").

(c) The Buyer shall reimburse the COBRA Beneficiaries for any increase in the contributions payable for medical, dental and vision coverage by such COBRA Beneficiaries to the Seller for providing continuation coverage, including medical, dental and vision coverage. The Buyer shall also reimburse the Seller in an amount equal to fifty percent (50%) of the total cost of the premiums paid by the Seller to obtain stop-loss insurance covering claims of COBRA Beneficiaries receiving continuation coverage of Twenty Five Thousand Dollars ($25,000) or more.

(d) For purposes of this Section 7.12, (i) the terms "continuation coverage," "covered employee," "group health plan," and "qualified beneficiary" shall have the meaning ascribed to such terms under Section 4980B of the Code and the regulations promulgated thereunder and (ii) the term "ERISA Affiliate" shall mean with respect to the Buyer or the Seller any person or entity that is considered a single employer with the Buyer or the Seller due to the application of the controlled group rules of Sections 414(b) or (c) of the Code.

Section 7.13 Buyer Covenant Regarding Restricted Businesses.

(a) The Seller and its Affiliates have provided access to and shared confidential and proprietary information about the Dealer Inventory Business and Integon Fronted Business (as such terms are defined below) with the Company and the Transferred Employees (the "Seller Confidential Information") that would otherwise not be available from and after the Closing Date to the Buyer and its Subsidiaries and which the Buyer and its Subsidiaries could use to the competitive disadvantage of the Seller and its Affiliates after the Closing. Therefore, the Buyer agrees that, from and after the Closing Date, for the respective durations outlined below, the Buyer shall comply, and shall cause the Company and the Buyer's other Subsidiaries to comply, with the following covenants restricting their ability to solicit customers of the Seller and its Affiliates for Dealer Inventory Business and Integon Fronted Business.

(i) Dealer Inventory Business. From and after the Closing Date and through the third anniversary of the Closing Date, neither the Buyer, the Company nor any of their respective Subsidiaries (together, the "Buyer Restricted Companies") shall permit, and the Buyer shall cause its Subsidiaries not to permit, directly or indirectly, alone or in association with, on behalf of, in the name of or as an agent of, any Buyer Restricted Company or, a Related Person (A) any employees of the Company, or (B) any employee, agent or representative of any Buyer Restricted Company (other than the Company), who shall be assisted, supervised, advised or otherwise aided, directly or indirectly, by a Transferred Employee, to solicit, market, offer, bind, enter into or issue insurance or reinsurance contracts, policies, treaties or slips for or relating to commercial auto physical damage coverages insuring the inventory of automobile dealers (the "Dealer Inventory Business"), who, to the Knowledge of the Buyer or, the knowledge of Karen Schmitt and John Marshaleck were customers of the Seller or its Affiliates as of the Closing Date or during the twelve-month period prior to the Closing Date nor shall any Buyer Restricted Company, directly or indirectly, alone or in association with, on behalf of, in the name of or as an agent of, any Buyer Restricted Company or a Related Person, use any Seller Confidential Information to solicit, market, offer, bind, enter into or issue such insurance or reinsurance contracts, policies, treaties or slips.

(ii) Business Fronted by Integon. Throughout the period commencing on the closing date under the Integon SPA and continuing, with respect to any given state within the United States, as long as the Fronting Period (as such term is defined in the FRR Agreement) remains in effect with respect to such state and Integon is fronting for Motors or any Affiliate of Motors thereunder, the Buyer shall cause the Company and Integon not to permit, directly or indirectly, alone or in association with, on behalf or in the name of or as an agent of, any Buyer Restricted Company or, a Related Person (A) any of the employees of the Company, or (B) any employee, agent or representative of any Buyer Restricted Company (other than the Company), who shall be assisted, supervised, advised or otherwise aided, directly or indirectly, by a Transferred Employee, to solicit, market, offer, bind, enter into or issue insurance or reinsurance contracts, policies, treaties or slips for or relating to, any of line of business constituting In-Force Contracts or Fronted Contracts (as such terms are defined in the FRR Agreement), including, without limitation, any commercial auto physical damage coverages, commercial vehicle coverage, Dealer Inventory Business or standard, nonstandard and preferred private passenger auto and recreational vehicle coverages that shall be included in such In-Force Contracts and Fronted Contracts (together, the "Integon Fronted Business") in the United States to Persons, who, to the Knowledge of the Buyer or the knowledge of Karen Schmitt and John Marshaleck were customers of the Seller or its Affiliates as of the Closing Date nor shall any Buyer Restricted Company, directly or indirectly, alone or in association with, on behalf of, in the name of or as an agent of, any Buyer Restricted Company or a Related Person, use any Seller Confidential Information to solicit, market, offer, bind, enter into or issue such insurance or reinsurance contracts, policies, treaties or slips.

(iii) For purposes of this Section 7.13(a), "Related Person" means any Person of which any Buyer Restricted Company is a partner, member or stockholder (except as a holder, for investment purposes only, of not more than five percent (5%) of the outstanding stock of any company listed on a national securities exchange, or actively traded in a national over-the-counter market) or equity holder, or which is a joint venturer of such Buyer Restricted Company, or, which is directly or beneficially, owned, managed, operated or controlled by such Buyer Restricted Company, or in which such Buyer Restricted Company participates in the ownership, management, operation or control of, or which the Buyer Restricted Company permits the use of its name by such Person.

(b) The parties hereto acknowledge that the restrictions contained in this Section 7.13 were specifically negotiated to induce the Seller to enter into this Agreement and are reasonable and necessary to protect the legitimate interests of the Seller, that the Seller shall not have an adequate remedy at law for any actual or attempted breach or violation of this Section 7.13 and that the Seller, in addition to any other rights or remedies, shall be entitled to specific performance, injunctive and other equitable relief for any actual or attempted breach or violation, as well as reasonable attorneys' fees incurred in successfully enforcing the covenants in this Section 7.13 against any such actual or attempted breach or violation. Anything in this Agreement to the contrary notwithstanding, the rights of the Seller under this Section 7.13 shall inure to the benefit of any successor or assign of the Seller, including, without limitation, any Person acquiring, directly or indirectly, all or substantially all of the assets of the Seller, whether by merger, consolidation, sale or otherwise.

ARTICLE VIII

TAXES

Section 8.1 Tax Representations. The Seller represents and warrants that:

(a) The Seller has timely filed all Tax Returns required to be filed and all Taxes owed (whether or not shown or required to be shown on such Tax Returns) have been paid or remitted, in each case, to the extent such Taxes and Tax Returns related to the Assets of the Company or the operation of the Company. All such Tax Returns were true, complete and correct in all respects. No portion of any Tax Return that relates to the Assets of the Company or the operation of the Company has been the subject of any audit, action, suit, proceeding, claim or examination by any governmental authority, and no such audit, action, suit, proceeding, claim, deficiency or assessment is pending or, to the Knowledge of the Seller, threatened. The Seller is not currently the beneficiary of any extension of time within which to file any Tax Return, and the Seller has not waived any statute of limitation with respect to any Tax or agreed to any extension of time with respect to a Tax assessment, or deficiency. No claim has ever been made by a governmental authority in a jurisdiction where the Seller or the Company does not file Tax Returns that it is or may be subject to taxation by that jurisdiction. There are no Liens for Taxes upon the Assets of the Company other than for real property Taxes not yet due. The Seller does not have, and has not had, a permanent establishment in any foreign country, as defined in any applicable Tax treaty or convention between the United States and such foreign country. The Seller does not have any liability for the Taxes of any Person (other than the Seller) under Treasury Regulation Section 1.1502-6 (or any corresponding provision of state, local or non-U.S. Tax law), as a transferee or successor, by contract, or otherwise. No portion of the Purchase Price is subject to any Tax withholding provision of federal, state, local or non-U.S. law.

(b) The Seller has withheld and paid all Taxes required to have been withheld and paid in connection with amounts paid or owing to any employee, stockholder, independent contractor, creditor, or other third party. None of the Liabilities of the Company is an obligation to make a payment that will not be deductible under Section 280G of the Code. The Assets of the Company do not include any stock or other ownership interests in any foreign or domestic corporations, partnerships, joint ventures, limited liability companies, business trusts, or other entities.

(c) With the exception of any state requiring a separate corporate filing for a single member limited liability company, the Company has been treated as a disregarded entity for Tax purposes since the date of its formation and has not filed an election for Tax purposes to be treated as an association taxable as a corporation.

(d) The Seller has timely paid all Taxes, and all interest and penalties due thereon and payable by it, for the Pre-Closing Tax Period which will have been required to be paid on or prior to the Closing Date, the non-payment of which would result in a Lien on any Assets of the Company, or would result in the Buyer becoming liable or responsible therefor.

(e) The Seller has established, in accordance with GAAP, adequate reserves for the payment of, and will timely pay, all Taxes which arise from or with respect to the Assets of the Company or the operation of the Company which are incurred in or attributable to the Pre-Closing Tax Period, the non-payment of which would result in a Lien on any Assets of the Company, would otherwise adversely affect the Company or would result in the Buyer becoming liable therefor.

(f) Section 8.1(f) of the Seller's Disclosure Schedule contains a list of all jurisdictions (whether foreign or domestic) to which any Tax is properly payable by the Seller in connection with the Company or the Assets of the Company.

(g) None of the Assets of the Company is a "United States real property interest" within the meaning of Section 897 of the Code.

(h) There has not been any change in any method of Tax accounting or any making of a Tax election or change of an existing election by the Seller with respect to the Company.

Section 8.2 Tax Indemnity by the Seller. The Seller shall be liable for, and shall indemnify and hold the Buyer and the Company and any successor entities thereto or Affiliates thereof harmless from and against the following:

(a) Any and all Taxes of the Seller or any Affiliate (other than the Company);

(b) Any Liability (including Taxes) of the Buyer or the Company in connection with or arising from any breach of any representation, agreement, or covenant relating to Taxes made by the Seller in this Article VIII of this Agreement; and

(c) Any and all Taxes of the Company relating to any period prior to the Closing Date that have not paid or fully accrued or reserved by the Company as of the Closing Date.

Section 8.3 Tax Cooperation; Allocation of Taxes.

(a) The Buyer and the Seller agree to furnish or cause to be furnished to each other, upon request, as promptly as practicable, such information and assistance relating to the Company as is reasonably necessary for the filing of all Tax Returns, and making of any election related to Taxes, the preparation for any audit by any governmental authority, and the prosecution or defense of any claim, suit or proceeding relating to any Tax Return. The Seller and the Buyer shall cooperate with each other in the conduct of any audit or other proceeding related to Taxes involving the Company or the Assets of the Company and each shall execute and deliver such powers of attorney and other documents as are necessary to carry out the intent of this Section 8.3(a).

(b) All real property Taxes, personal property Taxes and similar ad valorem obligations levied with respect to the Assets of the Company for a taxable period which includes (but does not end on) the Closing Date (collectively, the "Apportioned Obligations") shall be apportioned between the Seller and the Buyer as of the Closing Date based on the number of days of such taxable period included in the Pre-Closing Tax Period and the number of days of such taxable period included in the Post-Closing Tax Period. The Seller shall be liable for the proportionate amount of such Taxes that is attributable to the Pre-Closing Period. Within ninety (90) days after the Closing, the Seller and the Buyer shall present a statement to the other setting forth the amount of reimbursement to which each is entitled under this Section 8.3(b) together with such supporting evidence as is reasonably necessary to calculate the proration amount. The proration amount shall be paid by the party owing it to the other within ten (10) days after delivery of such statement. Thereafter, the Seller shall notify the Buyer upon receipt of any bill for real or personal property Taxes relating to the Assets of the Company, part or all of which are attributable to the Post-Closing Tax Period, and shall promptly deliver such bill to the Buyer who shall pay the same to the appropriate governmental authority, provided that if such bill covers the Pre-Closing Tax Period, the Seller shall also remit prior to the due date of assessment to the Buyer payment for the proportionate amount of such bill that is attributable to the Pre-Closing Tax Period. If either the Seller or the Buyer shall thereafter make a payment for which it is entitled to reimbursement under this Section 8.3(b), the other party shall make such reimbursement promptly but in no event later than thirty (30) days after the presentation of a statement setting forth the amount of reimbursement to which the presenting party is entitled along with such supporting evidence as is reasonably necessary to calculate the amount of reimbursement. Any payment required under this Section 8.3(b) and not made within ten (10) days of delivery of the statement shall bear interest at the rate per annum determined, from time to time, under the provisions of Section 6621(a)(2) of the Code for each day until paid.

(c) Prior to the Closing Date, the Seller shall provide the Buyer with a clearance certificate or similar document(s) which may be required by any governmental authority in order to relieve the Buyer of (i) any obligation to withhold any portion of the Purchase Price and (ii) any liability for Taxes (determined without regard to the provisions of this Agreement assigning responsibility therefor) for which relief is available by reason of the filing of an appropriate certificate.

(d) The Buyer and the Seller shall file all Tax Returns consistent with the Allocation Statement and shall not make any inconsistent written statements or take any inconsistent position on any Tax Return, in any refund claim, during the course of any IRS audit or other Tax audit, for any financial or regulatory purpose, in any litigation or investigation or otherwise. Each party shall notify the other parties if it receives notice that the IRS or other governmental agency proposes any allocation different than that set forth in the Allocation Statement. No later than ten (10) days prior to the filing of their respective Form 8594s relating to the transactions contemplated by this Agreement, each party shall deliver to the other party a copy of its Form 8594.

Section 8.4 Payments. Any payment made pursuant to this Article VIII or Article IX shall be treated by the Seller and the Buyer as an adjustment to the Purchase Price and the Seller and the Buyer agree not to take any position inconsistent therewith for any purpose.

Section 8.5 Other Taxes. The Seller agrees to assume liability for and to pay all sales, transfer, stamp, real property transfer and similar Taxes incurred as a result of the sale of the Interests ("Other Taxes").

Section 8.6 Survival Periods. The survival periods with regard to representations set forth in Section 8.1 hereof shall be to sixty (60) days after the expiration of the applicable statutes of limitations (including extensions).

ARTICLE IX

SURVIVAL, INDEMNIFICATION

Section 9.1 Survival of Representations and Warranties, Covenants and Agreements.

(a) The representations and warranties of the Seller contained in this Agreement shall survive the Closing hereunder for a period of eighteen (18) months, except that (i) the representations and warranties set forth in Sections 4.1 (Organization of Seller), 4.2 (Authorization of Transaction), 4.3(b) (Noncontravention), 4.5 (Brokers' Fees), 4.6 (The Interests), 5.1 (Organization, Qualification and Corporate Power of the Company), and 5.2 (Capitalization and Subsidiaries) hereof shall survive indefinitely, (ii) the representations and warranties set forth in Section 5.19 (Employee Benefit Plans and Programs) shall survive until sixty (60) days after the applicable statutes of limitations (including extensions), and (iii) the representations and warranties set forth in Section 8.1 (Tax Representations) shall survive as provided for in Section 8.6.

(b) Any covenants or agreements of the Seller to be performed after the Closing, shall survive for one (1) year after the date on which such post-Closing covenant or agreement was required to have been performed.

(c) The representations and warranties of the Buyer contained in this Agreement shall survive the Closing hereunder for a period of eighteen (18) months, except that the representations and warranties set forth in Sections 6.1 (Organization), 6.2 (Authorization of Transaction), 6.3(a) (Noncontravention) and 6.8 (Brokers' Fees), shall survive indefinitely.

(d) Any covenants or agreements to be performed by the Buyer after the Closing Date, shall survive for one (1) year after the date on which such post-Closing covenant or agreement was required to have been performed.

Section 9.2 Indemnification.

(a) Subject to the provisions of this Agreement, the Seller agrees to indemnify and hold the Buyer and its Affiliates (including the Company following the Closing Date), predecessors, successors and assigns (and their respective officers, directors, employees and agents) harmless from and against and in respect of all Damages resulting from or relating to:

(i) A breach by the Seller or any of its Affiliates of any surviving representation or warranty made by the Seller or any such Affiliate in this Agreement;

(ii) Failure of the Company or GMAC Re Corp. to hold all licenses, registrations or permits (or exemptions therefrom) necessary to conduct the business and operations of the Company prior to the Closing Date;

(iii) Any fine or penalty, including interest thereon, assessed by any Governmental Entity for failure of the Company, from and after the Closing, to hold all licenses, registrations or permits (or exemptions therefrom) necessary to conduct the business and operations of the Company as conducted immediately prior to the Closing, provided the Company is compliance with the requirements of Section 2.5(d)(iii) of the Fronting Agreement;

(iv) A breach by the Seller or any of its Affiliates of any covenant or agreement of the Seller or any such Affiliate in this Agreement and to be performed post-Closing;

(v) Any Liability of the Company under or attributable to any Seller Plan except, so long as Company Closing Tangible Assets less One Million ($1,000,000) equals or exceeds the aggregate of the accruals or reserves described in this Subsection (v) or (vi) of the Section 9.2(a), any Liability incurred in the Ordinary Course of Business previously paid or fully accrued or reserved by the Company as of the Closing Date and reflected in the Final Closing Balance Sheet; provided, however, that, for the avoidance of doubt, any Liability incurred by the Company after the Closing Date under any retention bonus or restrictive stock unit plans established prior to the Closing with respect to Company Employees shall be the responsibility of the Seller, if and to the extent any such Liabilities become due;

(vi) So long as Company Closing Tangible Assets less One Million ($1,000,000) equals or exceeds the aggregate of the accruals or reserves described in this Subsection (v) or (vi) of the Section 9.2(a), any Liability of the Company not paid or fully accrued or reserved by the Company on the Final Closing Balance Sheet attributable to GMAC LLC or any of its Subsidiaries, except pursuant to any of the Transaction Documents;

(vii) Following the termination of any contract or agreement relating to a prepaid asset included in Company Closing Tangible Assets prior to the end of the period to which such prepaid asset relates other than caused solely by the Buyer’s or the Company's act or omission to act after the Closing, the failure of the Company to receive a refund of the portion of such prepaid asset allocable to the remainder of such period; and

(viii) Any matter described on Schedule 9.2(a).

(b) Subject to the provisions of this Agreement, the Buyer agrees to indemnify and hold the Seller and its Affiliates, predecessors, successors and assigns (and their respective officers, directors, employees and agents) harmless from and against and in respect of all Damages, resulting from or relating to:

(i) A breach by the Buyer or any of its Affiliates of any surviving representation or warranty made by the Buyer or any such Affiliate in this Agreement;

(ii) A breach by the Buyer or any of its Affiliates of any covenant or agreement of the Buyer or any such Affiliate in this Agreement and to be performed post-Closing; and

(iii) The conduct by the Buyer or any of its Affiliates of the business of the Company from and after the Closing, but only to the extent that (x) the Seller or one of its Affiliates shall be not obligated to indemnify the Buyer or such Affiliate with respect to Damages resulting from or relating to such conduct of the Buyer or such Affiliate, or (ii) the Seller or any of its Affiliates shall have released the Buyer and such Affiliate from liability with respect to such conduct, under one of the other Transaction Documents.

(c) The Seller's and the Buyer's respective indemnification obligations with respect to Taxes are governed exclusively by Article VIII; provided, however, that the procedures outlined in Section 9.3(d) shall be followed with respect to claims made pursuant to Article VIII.

(d) For purposes of calculating the amount of Damages incurred arising out of or relating to any breach of a representation or warranty by the Seller (but not for purposes of determining if a breach shall have occurred), the references to knowledge Material Adverse Effect or other materiality qualifications shall be disregarded.

Section 9.3. Limitations.

(a) Anything contained in this Agreement to the contrary notwithstanding, (i) the Buyer (on behalf of itself and any of its Affiliates including the Company post-Closing) shall not make any claim for indemnification pursuant to Section 9.2(a)(i) until the aggregate amount of all such claims and claims for indemnification pursuant to Section 9.2(a)(i) exceeds One Million Dollars ($1,000,000) (the "Threshold") and if the Threshold is exceeded, the Seller shall be required to pay only those amounts in excess of the Threshold Amount up to the Maximum Indemnification Amount, and (ii) the Seller shall not be required to make indemnification payments for any claim for indemnification pursuant to Section 9.2(a)(i) to the extent indemnification payments would exceed in the aggregate Twenty Million Dollars ($20,000,000.00) (the "Maximum Indemnification Amount"); provided, however, the Seller's obligation and liability for any and all breaches of the representations and warranties set forth in (i) Section 4.1, 4.2, 4.3(b), 4.5, 4.6, 5.1, 5.2, 5.7(c), or 5.7(d) or as set forth in Article VIII hereof shall not be subject to the Threshold and shall not count toward determining whether the Maximum Indemnification Amount has been reached, and (ii) Section 5.14 shall not be subject to the Threshold. In determining the amount to which the Buyer is entitled to assert a claim for indemnification pursuant to this Article IX, only actual Damages, net of all Tax benefits actually realized by the Buyer in the year of receipt of any indemnity payment. The Seller and the Buyer acknowledge and agree that any event, transaction, circumstance, or liability, whether contingent or accrued, for which adequate reserves by the Company have been established on the Closing Date, shall not be used at any time as the basis of any claim for indemnification under Article VIII or this Article IX, or considered in any way in determining whether the Threshold or the Maximum Indemnification Amount has been reached. In addition, in connection with an alleged breach of the Seller's representations, warranties and covenants under this Agreement, the Buyer's Damages shall be net of all reserves established by the Company as of the Closing Date in connection with the particular item or contingency in dispute.

(b) The obligation of the Seller to indemnify the Buyer under Section 8.1 and Section 9.2(a) above shall expire, with respect to any representation, warranty, covenant or agreement of the Seller, on the date on which the survival of such representation, warranty, covenant or agreement shall expire in accordance with Sections 8.6 and 9.1 above, except with respect to any written claims for indemnification which the Buyer has delivered to the Seller prior to such date.

(c) The obligation of the Buyer to indemnify the Seller under Section 9.2(b) above shall expire, with respect to any representation, warranty, covenant or agreement of the Buyer, on the date on which the survival of such representation, warranty, covenant or agreement shall expire in accordance with Section 9.1 above, except with respect to written claims for indemnification which the Seller has delivered to the Buyer prior to such date.

(d) Promptly after receipt by an indemnified party under this Article IX hereof of notice of any claim or the commencement of any Action, the indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under this Article IX hereof, notify the indemnifying party in writing of the claim or the commencement of that Action stating in reasonable detail the nature and basis of such claim and a good faith estimate of the amount thereof, provided that the failure to notify the indemnifying party shall not relieve it from any liability which it may have to the indemnified party unless and only to the extent such failure materially and adversely prejudices the ability of the indemnifying party to defend against or mitigate damages arising out of such claim. If any claim shall be brought against an indemnified party, it shall notify the indemnifying party thereof and the indemnifying party shall be entitled to participate therein, and to assume the defense thereof with counsel reasonably satisfactory to the indemnified party, and to settle and compromise any such claim or Action; provided, however, that the indemnifying party shall not agree or consent to the application of any equitable relief upon the indemnified party without its written consent. After notice from the indemnifying party to the indemnified party of its election to assume the defense of such claim or Action, the indemnifying party shall not be liable for other expenses subsequently incurred by the indemnified party in connection with the defense thereof; provided, however, that if the indemnifying party elects not to assume such defense, the indemnified party may retain counsel satisfactory to it and to defend, compromise or settle such claim on behalf of and for the account and risk of the indemnifying party, and the indemnifying party shall pay all reasonable fees and expenses of such counsel for the indemnified party promptly as statements therefor are received; and, provided, further, that the indemnified party shall not consent to entry of any judgment or enter into any settlement or compromise without the written consent of the indemnifying party which consent shall not be unreasonably withheld. The Buyer and the Seller each agree to render to each other such assistance as may reasonably be requested in order to insure the proper and adequate defense of any such claim or proceeding. The indemnified party shall also have the right to select its own counsel, at its own expense, to represent the indemnified party and to participate in the defense of such claim, as applicable.

Section 9.4 Remedies Exclusive. Except as otherwise specifically provided in Article II, Section 7.6, Section 7.13 and Article VIII hereof, the remedies provided in this Article IX shall be the exclusive remedies of the parties hereto from and after the Closing in connection with any breach of a representation or warranty, or non-performance, partial or total, of any covenant or agreement contained herein. The provisions of this Article IX shall apply to claims for indemnification asserted as between the parties hereto as well as to third-party claims.

Section 9.5 Mitigation. The parties shall cooperate with each other with respect to resolving any indemnifiable claim, including by making commercially reasonable efforts to mitigate or resolve any such claim or Liability. Each party shall use commercially reasonable efforts to address any claims or Liabilities that may provide a basis for an indemnifiable claim such that each party shall respond to any claims or Liabilities in the same manner it would respond to such claims or Liabilities in the absence of the indemnification provisions of this Agreement.

Section 9.6 Treatment of Payments. All payments made pursuant to this Article IX shall be treated as an adjustment to the Purchase Price.

ARTICLE X

MISCELLANEOUS

Section 10.1 No Third-Party Beneficiaries. This Agreement shall not confer any rights or remedies upon any Person other than the parties and their respective successors and permitted assigns.

Section 10.2 Entire Agreement. This Agreement (including the documents referred to herein) and the Disclosure Schedules and Exhibits hereto constitutes the entire agreement among the parties with respect to the subject matter hereof and there are no other understandings, agreements, or representations by or among the parties, written or oral, related in any way to the subject matter hereof.

Section 10.3 Succession and Assignment. This Agreement shall be binding upon and inure to the benefit of the parties named herein and their respective successors and permitted assigns. No party may assign either this Agreement or any of its rights, interests or obligations hereunder without the prior written approval of the other parties hereto.

Section 10.4 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together will constitute one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other party.

Section 10.5 Headings. The section headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

Section 10.6 Notices. All notices hereunder shall be sufficiently given for all purposes hereunder if in writing and delivered personally, sent by documented overnight delivery service or, to the extent receipt is confirmed, telecopy, telefax or other electronic transmission service to the appropriate address or number as set forth below. Notices to the Buyer and Holdings shall be addressed to:

c/o Maiden Holdings, Ltd.
48 Par-la-Ville Road, Suite 1141
Hamilton HM 11
Bermuda
Attn: Ben Turin
Facsimile No.: 441-292-0471
E-mail: bturin@maiden.bm

with copies to:

Edwards Angell Palmer & Dodge LLP
750 Lexington Avenue
New York, NY 10022
Attention: Geoffrey Etherington
Facsimile No.: 212-308-4844
Email: getherington@eapdlaw.com

or at such other address and to the attention of such other Person as the Seller may designate by written notice to the Buyer. Notices to the Seller shall be addressed to:

GMACI Holdings, LLC
300 Galleria Officentre, Ste 201
M/C: 480-300-200
Southfield, MI 48034-4700
Attn: John J. Dunn, Jr.
Facsimile No.: (248-263-7393)
E Mail: john.j.dunn@gmacfs.com

with copies to:

General Counsel
GMACI Holdings, LLC
300 Galleria Officentre, Ste 201
M/C: 480-300-221
Southfield, MI 48034-4700
Attn: Joseph L. Falik
Facsimile No.: (248-263-4051)
E mail: joseph.l.falik@gm.com

or at such other address and to the attention of such other Person as the Buyer may designate by written notice to the Seller.

Section 10.7 Governing Law, Jurisdiction, Waiver of Jury Trial and Specific Performance.

(a) This Agreement shall be governed by and construed in accordance with the domestic laws of the State of New York without giving effect to any choice or conflict of law provision or rule (whether of the State of New York or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of New York.

(b) Subject to Section 10.8, each of the parties hereto irrevocably and unconditionally submits to the exclusive jurisdiction of the U.S. District Court for the Southern District of New York, sitting in New York, New York, or, if such court does not have jurisdiction, the Supreme Court of the State of New York, County of New York for purposes of enforcing this Agreement. In any such action, suit or other proceeding, each of the parties hereto irrevocably and unconditionally waives and agrees not to assert by way of motion, as a defense or otherwise any claims that it is not subject to the jurisdiction of the above court, that such action or suit is brought in an inconvenient forum or that the venue of such action, suit or other proceeding is improper. Each of the parties hereto also agrees that any final and unappealable judgment against a party hereto in connection with any action, suit or other proceeding shall be conclusive and binding on such party and that such award or judgment may be enforced in any court of competent jurisdiction, either within or outside of the United States. A certified or exemplified copy of such award or judgment shall be conclusive evidence of the fact and amount of such award or judgment. Without limiting the foregoing, each party agrees that service of process on such party by written notice as provided in Section 10.6 shall be deemed effective service of process on such party.

(c) Subject to Section 10.8, each of the Parties hereto hereby irrevocably waives any and all right to trial by jury in any legal proceeding arising out of or related to this Agreement or the Transaction Documents or the transactions contemplated hereby or thereby. The waivers in Section 10.7(b) and in this Section 10.7(c) have been made with the advice of counsel and with a full understanding of the legal consequences thereof and shall survive the termination of this Agreement.

(d) Notwithstanding anything to the contrary contained herein, it is agreed that any party hereto shall be entitled to an injunction or injunctions to prevent breaches of Section 7.6 of this Agreement and to enforce specifically the terms and provisions thereof, this being in addition to any other remedy to which they are entitled hereunder or otherwise.

Section 10.8 Arbitration.

(a) Any disputes, controversies, or claims, arising out of or relating to one or more Arbitrable Agreement, including, without limitation, in respect of the validity, formation, or breach of any such agreement, shall be finally settled by binding arbitration as set forth below.

(b) The Arbitrable Agreement Parties intend to provide for a single forum for the resolution of any disputes between or among them within paragraph (a) above. Each Arbitrable Agreement Party, by virtue of executing such agreement containing a clause providing for arbitration under the arbitration provisions of this Agreement, shall be deemed to have irrevocably agreed, for itself and any other party that claims under such Arbitrable Agreement by or through such Arbitrable Agreement Party, to submit to binding arbitration hereunder. Without prejudice to whether or not assignment or delegation is otherwise permissible under an Arbitrable Agreement, each Arbitrable Agreement Party hereby covenants (i) not to assign any of its rights, or delegate or contract for third-party performance of any of its obligations, under any Arbitrable Agreement to or with any party that is not an Arbitrable Agreement Party unless such other party agrees in writing to submit to arbitration hereunder; and (ii) to indemnify any other Arbitrable Agreement Party for any additional costs of arbitration, or any inability of such other Arbitrable Agreement Party to prove its case in arbitration, or obtain an adequate remedy, that the arbitration panel determines likely resulted from a failure to comply with (i). If a party obligated to arbitrate by virtue of having executed the written agreement specified in (i) above is an Affiliate of the original Arbitrable Agreement Party, such party shall for all other purposes of an arbitration hereunder be deemed to be an Arbitrable Agreement Party. Otherwise, such a party shall be deemed to be an "Arbitration Joinder Party." In any event, the trustee under the Trust Agreement shall be deemed to be an Arbitration Joinder Party.

(c) Each Arbitrable Agreement Party hereby appoints the Buyer or the Seller (or their respective successors), as the case may be, as its exclusive agent and attorney in fact to demand arbitration, to appoint an arbitrator, to receive notices relating to arbitration, and to conduct arbitration on its behalf. The Buyer shall be such agent for all Arbitrable Agreement Parties that are Affiliates of the Buyer at the time the arbitration is demanded, and all such Arbitration Agreement Parties, together with the Buyer, shall constitute the "Buyer Parties." The Seller shall be such agent and attorney in fact for all Arbitrable Agreement Parties that are Affiliates of the Seller at the time the arbitration is demanded, and all such Arbitration Agreement Parties, together with the Seller, shall constitute the "Seller Parties." The Buyer Parties shall constitute a single party for purposes of the arbitration, and shall jointly file any brief or other submission to the arbitration panel, and the arbitration panel shall have the power to order discovery from, and award relief against, any of them regardless of whether they otherwise participate in the arbitration. The Seller Parties shall constitute a single party for purposes of the arbitration, and shall jointly file any brief or other submission to the arbitration panel, and the arbitration panel shall have the power to order discovery from, and award relief against, any of them regardless of whether they otherwise participate in the arbitration. Any Arbitration Joinder Party against whom arbitration is demanded shall be deemed to have joined in the arbitrator appointment made on behalf of the Arbitrable Agreement Party that assigned to, delegated to, or contracted with, it for purposes paragraph (b) above, or, in the case of the trustee under the Trust Agreement, in the appointment made on behalf of the Buyer Parties. Such Arbitration Joinder Party shall have the right, however, to submit separate briefs and other submissions to the arbitration panel, and any award made by the arbitration panel against it shall be stated separately within the award.

(d) The Seller or the Buyer may commence arbitration by written demand to the other (and, if arbitration is against sought an Arbitration Joinder Party, to such Arbitration Joinder Party), specifying: (i) the general nature of the disputes, controversies or claims; (ii) the Arbitrable Agreements under which they arise; (iii) the Arbitrable Agreement Parties on whose behalf arbitration is demanded; (iv) the Arbitrable Agreement Parties and Arbitration Joinder Parties against whom arbitration is sought; and (vi) whether the demanding party contends that the disputes, controversies or claims are principally under this Agreement or under the Insurer SPAs. Whichever of the Buyer or the Seller receives such demand may, within ten (10) business days of receipt, respond with a counter-claim demand providing the same information and/or by disputing whether the disputes, controversies or claims are principally under this Agreement or under the Insurer SPAs.

(e) If the Seller and the Buyer agree that the disputes, controversies or claims to be arbitrated are principally under this Agreement or under the Insurer SPAs, or if the demand so asserted and was not timely disputed, then the arbitration shall be administered by the American Arbitration Association (the "AAA") in accordance with its Commercial Arbitration Rules then in effect, including its Procedures for Large, Complex Commercial Disputes, as modified herein (the "AAA Rules"). In addition, if there is a timely-asserted dispute as to whether the disputes, controversies or claims to be arbitrated are principally under this Agreement or under the Insurer SPAs, then the arbitration shall be administered by the AAA in accordance with the AAA Rules, provided that, if the arbitration panel determines that the disputes, controversies or claims to be arbitrated are not principally under this Agreement or under the Insurer SPAs, it shall award to the party that disputed such contention (i.e., the contention by the other party that the disputes, controversies or claims to be arbitrated were principally under this Agreement or under the Insurer SPAs) its share of any additional costs by virtue of administration by the AAA and under the AAA Rules, including the costs and expenses of any expert witness that would not have otherwise been required. In all other cases, arbitration shall proceed under the then-most recent ARIAS-US Practical Guide to Reinsurance Arbitration Procedures, as modified herein ("ARIAS Rules").

(f) Arbitration shall be before a panel of three disinterested arbitrators, one selected by the Seller on behalf of the Seller Parties, one selected by the Buyer on behalf of the Buyer Parties, and an umpire selected by the two arbitrators so selected. No arbitrator may be appointed until after expiration of the time period for determining whether the arbitration is to proceed under the AAA Rules or under the ARIAS Rules. For all arbitrations proceeding under the ARIAS Rules, the arbitrators and umpire shall be either present or former executives or officers of insurance or reinsurance companies, or arbitrators certified by ARIAS-US. After expiration of the time period for determining whether the arbitration is to proceed under the AAA Rules or under the ARIAS Rules, either party may issue a written demand sent to the other by overnight courier requiring that both parties name their respective arbitrator on a specified business day no less than thirty (30) days after the date of the naming demand. If either party fails to appoint its arbitrator by such deadline, the other party may appoint a neutral arbitrator for it. Should the two arbitrators fail to choose an umpire within thirty (30) days of the appointment of the second arbitrator, the umpire shall be selected in accordance with the AAA Rules or the ARIAS-US Umpire Selection Procedure, as the case may be.

(g) The arbitration procedures shall be as follows:

(i) The seat of arbitration shall be New York, New York, but the arbitration panel may order that the hearings be held elsewhere.

(ii) The parties may, by agreement, suspend any deadline hereunder or under the AAA Rules or the ARIAS Rules for the purpose of meeting and conferring in an attempt in good faith to agree upon a resolution of such dispute.

(iii) The arbitration panel shall allow such discovery as the panel determines is appropriate under the circumstances. Any dispute regarding discovery shall be determined by the arbitration panel.

(iv) The arbitration panel shall not be obligated to follow the strict rules of law or evidence. In addition, while the arbitration panel shall interpret all of the Arbitrable Agreements in accordance with their intent, it shall also specifically apply to such agreements, where applicable, the custom and practice of the insurance and reinsurance industry with a view to effecting the general purpose of such agreements.

(v) The arbitration panel may award full or partial summary judgment under the same circumstances as a United States federal district court. In addition, where the arbitration panel determines that full and final relief can be given with respect to less than all of disputes, claims or controversies asserted in the arbitration, it may issue a final partial award, on which judgment may be entered to the same extent as if a full final award.

(vi) Any award shall be in writing and shall set forth the reasons for the disposition of any claim, and the arbitration panel shall have thirty (30) days thereafter to reconsider and modify such decision if any party so requests within ten (10) days after the decision.

(vii) The majority decisions of the arbitration panel shall be final, binding, and non-appealable with respect to all persons, including (without limitation) persons who have failed or refused to participate in the arbitration process.

(viii) The arbitrator panel shall have authority to award relief under legal or equitable principles, including interim or preliminary relief, and to allocate responsibility for the costs of the arbitration and to award recovery of reasonable attorneys' fees and expenses in such manner as is determined to be appropriate by the arbitration panel, except as provided above. The arbitration panel shall have no authority to award exemplary, special, or punitive damages.

(ix) Judgment upon the award rendered by the arbitrator(s) may be entered in any court having personal and subject matter jurisdiction. The Buyer and the Seller each hereby submit to the personal jurisdiction of the Federal and State courts of New York for the purpose of confirming any such award and entering judgment thereon in accordance with the Federal Arbitration Act, notwithstanding any other choice of law provision in any Arbitrable Agreement.

(x) All arbitration proceedings hereunder, and all evidence given or discovered pursuant hereto, shall be maintained in confidence by all parties and by the arbitration panel, except as necessary to enforce any award or in any subsequent dispute between the parties.

(xi) The fact that the arbitration procedures hereunder shall have been or may be invoked shall not excuse any party from performing its obligations under this Agreement or any Transaction Document, and during the pendency of any such procedure all parties shall continue to perform their respective obligations in good faith.

(xii) All applicable statutes of limitation shall be tolled while the procedures hereunder are pending. The parties will take such action, if any, required to effectuate such tolling.

Section 10.9 Amendments and Waivers. This Agreement may not be modified or amended except by an instrument or instruments in writing signed by the party against whom enforcement of any such modification or amendment is sought. Either party hereto may, only by an instrument in writing, waive compliance by the other party hereto with any term or provision of this Agreement on the part of such other party hereto to be performed or complied with. The waiver by any party hereto of a breach of any term or provision of this Agreement shall not be construed as a waiver of any subsequent breach.

Section 10.10 Severability. Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction.

Section 10.11 Expenses. Except as otherwise provided herein, whether or not the transactions contemplated hereby are consummated, each of the parties hereto will bear its own costs and expenses (including legal fees and expenses) incurred in connection with this Agreement and the transactions contemplated hereby.

Section 10.12 Construction. The parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement. Any reference to any federal, state, local, or foreign statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise.

Section 10.13 Incorporation of Exhibits and Disclosure Schedules and Confidentiality Agreement. The Exhibits, and Disclosure Schedules and Confidentiality Agreement identified in this Agreement are incorporated herein by reference and made a part hereof.

[Signature page follows]

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

GMACI HOLDINGS LLC

By: _____

Title: _____

MAIDEN HOLDINGS NORTH AMERICA, LTD.

By: _____

Title: _____

MAIDEN HOLDINGS, LTD.

By: _____

Title: _____

SECURITIES PURCHASE AGREEMENT

BETWEEN

GMACI LLC

AND

MAIDEN HOLDINGS NORTH AMERICA, LTD.

MAIDEN HOLDINGS, LTD.

RELATING TO THE PURCHASE AND SALE OF ALL OF
THE OUTSTANDING EQUITY INTERESTS
OF GMAC RE LLC

DATED OCTOBER 31, 2008

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SCHEDULE 3.2(A)(I)

ASSIGNMENT OF MEMBERSHIP INTEREST

This Assignment of Membership Interest ("Assignment") is entered into as of the ___ day of October 2008 by the GMACI Holdings LLC, a Delaware limited liability company ("Assignor"), in favor of Maiden Holdings North America, Ltd., a Delaware corporation ("Assignee").

RECITALS:

A. Assignor owns a 100% of the membership interest (the "Membership Interest") in GMAC Re LLC ("Company"), a Delaware limited liability company.
B. Pursuant to that certain Security Purchase Agreement by and between Assignee and Assignor dated October _____, 2008, Assignor has agreed to transfer and assign to Assignee all of Assignor's interest in Company.

ASSIGNMENT:

FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which is hereby acknowledged, Assignor hereby conveys, transfers and assigns to the Assignee, its successors and assigns, effective as of the date hereof, all of Assignor's right, title, and interest in Assignor's Membership Interest.

IN WITNESS WHEREOF, Assignor has executed this instrument as of the date first above written.

ASSIGNOR

GMACI HOLDINGS LLC

By: _____

Name: _____

Title: _____

SCHEDULE 9.2(a)

OTHER SELLER INDEMNIFICATIONS

Liabilities arising in connection with the USAgencies class action lawsuit described on Section 5.13 of Seller's Disclosure Schedule to the extent such liabilities are not accrued or reserved by Motors in the reserves transferred to Maiden pursuant to the Reinsurance Agreement.

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PORTFOLIO TRANSFER AND
QUOTA SHARE REINSURANCE AGREEMENT

BY AND BETWEEN

MAIDEN INSURANCE COMPANY, LTD.

AND

MOTORS INSURANCE CORPORATION

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PORTFOLIO TRANSFER AND
QUOTA SHARE REINSURANCE AGREEMENT

THIS PORTFOLIO TRANSFER AND QUOTA SHARE REINSURANCE AGREEMENT (this "Agreement") is entered into as of October 31, 2008, by and between Motors Insurance Corporation, a Michigan domiciled insurance company (the "Company"), and Maiden Insurance Company, Ltd., an insurance company organized under the laws of Bermuda (the "Reinsurer") (collectively, the "Parties").

WHEREAS, this Agreement is being entered into in connection with (a) that certain Securities Purchase Agreement (the "LLC SPA") dated of even date herewith, between GMACI Holdings LLC and Maiden Holdings North America, Ltd., a Delaware corporation (the "Buyer") pursuant to which, among other things, the Buyer is acquiring all of the outstanding ownership interests of GMAC Re LLC, a Delaware limited liability company ("GMAC Re"); and (b) that certain Fronting Agreement of even date herewith (as amended, the "Fronting Agreement") among the Company, Integon Specialty Insurance Company ("Integon"), Integon Preferred Insurance Company, MIC Property & Casualty Insurance Corporation, Integon National Insurance Company (collectively, the "Fronting Companies") and the Buyer pursuant to which the Fronting Companies have agreed to a temporary fronting arrangement with the Buyer;

WHEREAS, as more particularly set forth herein, in connection with the Fronting Agreement and the LLC SPA, the Company and the Reinsurer wish to enter into a quota share reinsurance agreement pursuant to which, among other things, the Reinsurer will reinsure (i) all of the Existing Contracts (as defined below) written by the Company pursuant, in part, to a loss portfolio transfer, and (ii) all of the Fronted Contracts (as defined below) as more particularly set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual and several promises and undertakings herein contained, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties agree as follows:

ARTICLE 1

DEFINITIONS

Section 1.1 **Defined Terms.**

The following terms shall have the respective meanings specified below throughout this Agreement.

"Actual Loss Reserve Figures" has the meaning set forth in Section 2.2(b).

"Actual UPR Transfer Amount" has the meaning set forth in Section 3.1(a)(iii).

"Administration Agreement" means that certain Administration Agreement of even date herewith among the Fronting Companies, GMAC Re, the Reinsurer and Maiden.

"Agreement" has the meaning set forth in the first paragraph.

"Affiliate" (and, with a correlative meaning, "Affiliated") means, with respect to any Person, any other Person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such first Person. As used in this definition, "control" (including, with correlative meanings, "controlled by" and "under common control with") shall mean possession, directly or indirectly, of power to direct or cause the direction of management or policies (whether through ownership of securities or partnership or other ownership interests, by contract, as trustee or executor, or otherwise). For purposes of this Agreement, (i) GMAC Re shall be considered an affiliate of the Company for all periods prior to the Effective Time, and an affiliate of the Reinsurer for all periods on or after the Effective Time, and (ii) Integon shall be considered an affiliate of the Company for all periods prior to the closing of the transactions contemplated under the Integon SPA (as defined in the Fronting Agreement) and an affiliate of the Reinsurer for all periods on or after the closing of the transactions contemplated under the Integon SPA.

"Alternative Accountants" has the meaning set forth in Section 3.1(a)(iv).

"Applicable Law" has the meaning set forth in the LLC SPA.

"Buyer" has the meaning set forth in the recitals.

"Ceding Commission" means an amount equal to the Unearned Acquisition Costs and the Unearned Existing Inuring Reinsurance Costs with respect to Existing Policies and the Fronting Acquisition Costs and Fronting Inuring Reinsurance Costs with respect to Fronted Policies, in each case subject to any applicable commission or brokerage adjustments pursuant to the underlying terms and conditions of any Reinsurance Contract, which adjustments shall be accounted for and settled as between the Parties as part of the monthly reporting pursuant to Section 3.4.

"Claim" and "Claims" means any and all claims, requests, demands or notices made by or on behalf of policyholders, reinsureds, beneficiaries or third party claimants for the payment of Losses and any other amounts due or alleged to be due under or in connection with the Reinsured Contracts.

"Closing Date" has the meaning set forth in the LLC SPA.

"Company" has the meaning set forth in the first paragraph.

"Effective Time" means 12:01 a.m. Eastern Time on the Closing Date.

"Existing Contracts" means (i) all reinsurance contracts, treaties, slips, covers or other agreements of reinsurance, including all supplements, riders and endorsements issued or written in connection therewith and extensions thereto, whether or not in-force, constituting Reinsurance Business, in each case that were entered into prior to the Closing Date and placed by either GMAC Re or GMAC Re Corp. in the name of the Company, but not including any reinsurance relating to the HomeSite program, and (ii) all reinsurance agreements, whether or not in-force, as of the date hereof between the Company and any of the other Fronting Companies but only to the extent such reinsurance agreements involve cessions of the SRS Business and Tri-State Business.

"FMV" means, with respect to any asset or security held in a Pre-Existing Trust Account or the QSA Trust the fair market value of such asset or security determined as set forth in Schedule D.

"Fronted Contracts" means all reinsurance contracts, treaties, slips, covers or other agreements of reinsurance, including all supplements, riders and endorsements issued or written in connection therewith and extensions thereto constituting Reinsurance Business, in each case that are entered into on or after the Closing Date

"Fronting Agreement" has the meaning set forth in the recitals.

"Fronting Authority" means the authority conferred upon the Buyer, GMAC Re and the Reinsurer under the Fronting Agreement and Administration Agreement to write Fronted Contracts.

"Fronting Companies" has the meaning set forth in the recitals.

"Fronting Period" has the meaning set forth in the Fronting Agreement.

"Funds Withheld Amount" shall mean as of any date an amount equal to the aggregate sum of cash and the FMV of the assets and securities maintained in the Pre-Existing Trust Accounts as of such date.

"GMAC Re" has the meaning set forth in the recitals.

"Governmental Entity" has the meaning set forth in the LLC SPA.

"IBNR" has the meaning set forth in the definition for the term Loss Reserves.

"Initial UPR Transfer Amount" has the meaning set forth in Section 3.1(a)(ii).

"Integon" has the meaning set forth in the recitals.

"Inuring Reinsurance" means all reinsurance agreements, treaties and contracts listed in Schedule B, including any renewals or extensions thereof, to the extent such reinsurance agreements, treaties and contracts provide reinsurance coverage for the Existing Contracts or Fronted Contracts.

"LLC SPA" has the meaning set forth in the recitals.

"Loss Reserve Transfer Adjustment" has the meaning set forth in Section 2.2(d).

"Loss Reserve True Up Report" has the meaning set forth in Section 2.2(b).

"Loss Reserves" shall mean as of any date the amount recorded on the books of the Company, without taking into account the reinsurance retroceded to the Reinsurer hereunder, on account of its actual or potential obligations for unpaid Losses as of such date, including, without limitation, amounts for incurred but not reported Losses ("IBNR"), calculated consistent with the established actuarial practices applied by the Company in respect of the Existing Contracts as of June 30, 2008, but in all cases consistent with the reserve requirements, statutory accounting rules and actuarial principles applicable to the Company under Applicable Law as of the date at issue, but excluding any documented estimate in excess of the actuarial estimate, referred to as risk load, included in IBNR as of such date.

"Losses" shall mean, regardless of whether incurred prior to or after the Effective Time, liabilities and obligations to make payments to policyholders, reinsureds and beneficiaries and/or other third party claimants under the Existing Contracts and Fronted Contracts (including, without limitation, liabilities or assessments arising from the Company's participation, if any, in any voluntary or involuntary pools, guaranty funds, or other types of government-sponsored or government-organized insurance funds) and all loss adjustment expenses and defense costs, including, without limitation, (i) all expenses reinsured or incurred by or on behalf of the Company related to the investigation, appraisal, adjustment, litigation, defense or appeal of claims under or covered by the Existing Contracts, Fronted Contracts and/or coverage actions under or covered by the Existing Contracts or Fronted Contracts, (ii) all liabilities for consequential, exemplary, punitive or similar extra contractual damages, or for statutory or regulatory fines or penalties, or for any loss in excess of the limits arising under or covered by any Existing Contract or Fronted Contract, and (iii) court costs accrued prior to final judgment, prejudgment interest or delayed damages and interest accrued after final judgment. Notwithstanding the foregoing, "Losses" shall not include any liabilities or obligations incurred by or on behalf of the Company as a result of any fraudulent and/or criminal act by the Company or any of its Affiliates or any of their respective officers, directors, employees or agents. Losses shall be net of all Inuring Reinsurance, whether collectible or not, unless such non-collectibility is due to any negligent, erroneous, fraudulent or criminal act or omission to the extent attributable to the Reinsurer or any of its Affiliates or any of their respective officers, directors, employees or agents acting in such respective capacities in which case the Reinsurer's obligations hereunder shall be expanded to include payment for the portion of any such Losses that are not covered by Inuring Reinsurance that shall be non-collectible due to such an act or omission; provided that the Company shall have used commercially reasonable efforts, at its expense, to pursue collection of such Inuring Reinsurance and the failure to collect such Inuring Reinsurance shall have been primarily the result of such negligent, erroneous, fraudulent or criminal act or omission .

"Material Adverse Effect" means (a) with respect to the Company, any change, effect, event or occurrence resulting in a material adverse effect on (i) the business, financial condition or results of operations of the Company, taken as a whole, or (ii) the ability of the Company to consummate the transactions contemplated hereby on a timely basis and perform its obligations hereunder; and (b) with respect to the Reinsurer, any change, effect, event or occurrence resulting in a material adverse effect on (i) the business, financial condition or results of operations of the Reinsurer, taken as a whole or (ii) the ability of the Reinsurer to consummate the transactions contemplated hereby on a timely basis and perform its obligations hereunder.

"Parties" has the meaning set forth in the first paragraph.

“Person” shall mean any individual, corporation, partnership, firm, joint venture, association, joint-stock company, limited liability company, trust, estate, unincorporated organization, Government Entity or other entity.

“Pre-Existing Trust Accounts” means the trust accounts described on Schedule C as well as any new trust accounts established on or after the Effective Time for purposes of securing the obligations of the Company under any Fronted Contracts.

“Pre-Existing Trust Agreement” means with respect to any Pre-Existing Trust Account the trust or other agreement pursuant to which such Pre-Existing Trust Account was established.

“Pre-Existing Trust Asset FMV” has the meaning set forth in Section 2.2(a)(i).

“Premium(s)” means all gross written premium(s), considerations, deposits, premium adjustments, fees and similar amounts related to the Existing Contracts and Fronted Contracts, less cancellation and return premiums.

“QSA Trust” means the trust established pursuant to the Trust Agreement.

“QSA Trustee” means JPMorgan Chase N.A.

“Reinsurance Business” has the meaning set forth in the Fronting Agreement.

“Reinsurance Contracts” means the Existing Contracts and the Fronted Contracts.

“Reinsurer” has the meaning set forth in the first paragraph.

“Secured Obligations” means an amount, as of any specified date, equal to (i) the Loss Reserves attributable to the Reinsurance Contracts, (ii) the portion of Premiums payable hereunder to the Reinsurer representing the unexpired portion of the Reinsurance Contracts, whether collected or not, calculated using the daily pro rata method, ; and (iii) any other obligations or amounts that are unpaid or payable by the Reinsurer pursuant to the terms of this Agreement, including without limitation, the Reinsurer’s obligation to remit any Premiums collected on behalf of the Company pursuant to Section 3.7.

“Security Facility” has the meaning set forth in Section 3.6(b).

“SRS Business” has the meaning set forth in the Fronting Agreement.

“Taxes” (or “Tax” as the context may require) means all United States federal, state, county, local, foreign and other taxes (including, without limitation, income taxes, payroll and employee withholding taxes, unemployment insurance, social security taxes, premium taxes, excise taxes, sales taxes, use taxes, gross receipts taxes, franchise taxes, ad valorem taxes, severance taxes, capital property taxes and import duties), and includes interest, additions to tax and penalties with respect thereto, whether disputed or not.

“Transaction Documents” has the meaning set forth in the LLC SPA.

"Tri-State Business" has the meaning set forth in the Fronting Agreement.

"Trust Agreement" means the Trust Agreement of even date herewith among the Company, the Reinsurer and the QSA Trustee in the form attached as Exhibit A hereto, which Trust Agreement the Reinsurer agrees to amend at such times as requested by the Company and in such manner as to permit the Company to take full reserve credit on its statutory financial statements for the reinsurance ceded to Reinsurer under this Agreement, and to comply with Regulation 114 under the New York Insurance Law, and where more stringent, to Applicable Laws relating to the Company's ability to take such full reserve credit.

"Uncollected Premium Schedule" has the meaning set forth in Section 3.1(a)(ii).

"Uncollected Premium" means the uncollected Premium as of the Closing Date reflected on the final Uncollected Premium Schedule determined pursuant to Section 3.1(a)(iv).

"Unearned Acquisition Costs" means an amount equal to the actual out-of-pocket expenses incurred by the Company for amounts paid or payable by, or on behalf of (other than amounts paid by the Reinsurer or one of its Affiliates using funds of the Reinsurer or its Affiliates), the Company to persons who are not Affiliates of the Company to acquire that portion of the Existing Contracts associated with the Unearned Premium Reserve, including all commissions and brokerage payments and any adjustments thereto.

"Unearned In-Force Inuring Reinsurance Costs" means an amount equal to the unearned portion (calculated using the daily pro rata method) of any premium or premium deposit paid or payable by the Company for Inuring Reinsurance attributable to the Existing Contracts that shall not have been paid by the Reinsurer or one of its Affiliates.

"Unearned Premium Reserves" means the gross liability as of the Effective Time for the amount of Premium corresponding to the unexpired portion of all Existing Contracts, whether or not such Premium has been collected, less the corresponding Unearned Acquisition Costs and Unearned In-Force Inuring Reinsurance Costs, whether or not paid as of the Effective Time, in each case calculated using the daily pro rata method in a manner consistent with the Company's quarterly financial statements dated as of June 30, 2008, prepared in accordance with statutory accounting practices and subject to any applicable Premium, commission or brokerage adjustments prior to or after the Effective Time pursuant to the underlying terms and conditions of any Reinsurance Contract, which adjustments shall be accounted for and settled as between the Parties as part of the monthly reporting pursuant to Section 3.4.

"UPR True Up Report" has the meaning set forth in Section 3.1(a)(iii).

"UPR Adjustment" has the meaning set forth in Section 3.1(a)(v).

Article 2

BASIS OF REINSURANCE AND BUSINESS REINSURED

Section 2.1 **Existing and Fronted Business.**

From and after the Effective Time, the Company hereby cedes, and the Reinsurer hereby assumes, one hundred percent (100%) of all Losses for which the Company is otherwise liable in respect of the Reinsurance Contracts. For the avoidance of doubt, Losses reinsured hereunder and any payments of Claims by the Reinsurer shall be net of Inuring Reinsurance, whether collectible or not, unless such non-collectibility is due to any negligent, erroneous, fraudulent or criminal act or omission to the extent attributable to the Reinsurer or any of its Affiliates or any of their respective officers, directors, employees or agents acting in such capacity, in which case the Reinsurer's obligations hereunder shall be expanded to include payment for the portion of any such Losses that are not covered by Inuring Reinsurance that shall be non-collectible due to such an act or omission; provided that the Company shall have used commercially reasonable efforts, at its expense, to pursue collection of such Inuring Reinsurance and the failure to collect such Inuring Reinsurance shall have been primarily the result of such negligent, erroneous, fraudulent or criminal act or omission .

Section 2.2 **Transfer of Existing Loss Reserves.**

(a) On the Closing Date, the Company shall convey one hundred percent (100%) of the Loss Reserves for the Existing Contracts to the Reinsurer as follows:

(i) cash and securities in an amount equal to the estimate (set forth as item 2 in Schedule A, estimated as of the date set forth as item 1 of Schedule A) of the aggregate sum of cash and the FMV of the assets and securities held in Pre-Existing Trust Accounts (the "Pre-Existing Trust Asset FMV"), which cash and securities shall be retained by the Company on a funds withheld basis (the initial Funds Withheld Amount as of the Closing Date) as security for the Secured Obligations; and

(ii) cash in an amount, if any, by which the estimate of Loss Reserves for the Existing Business (set forth as item 3 in Schedule A, estimated as of the date set forth as item 1 of Schedule A) exceeds the initial Funds Withheld Amount referred to in Section 2.2(a)(i), which amount (the initial "Loss Reserve Transfer Amount," set forth as item 4 in Schedule A) shall be conveyed by the Company to the Reinsurer on the Closing Date by depositing the same by wire transfer of immediately available funds into the QSA Trust.

(b) Within thirty (30) days following the Closing Date, the Reinsurer shall perform a calculation of the actual Funds Withheld Amount (by calculating the actual Pre-Existing Trust Asset FMV), and the actual Loss Reserves, all as of the Closing Date, and, on the basis of those calculations, shall calculate an adjusted Loss Reserve Transfer Amount (all such figures, collectively, the "Actual Loss Reserve Figures"), and, if different from the corresponding figures set forth in Schedule A, the Reinsurer shall send to the Company its computation of the Actual Loss Reserve Figures together with its work papers used to compute the same (the "Loss Reserve True Up Report"). Such actual Loss Reserves shall be calculated utilizing the established actuarial practices as followed by the Company as of June 30, 2008 in respect of the Existing Contracts, as well as the reserve requirements, statutory accounting rules and actuarial principles applicable to the Company as of the Effective Time. Failure of the Reinsurer to deliver the Loss Reserve True Up Report within the time period specified herein shall be deemed acceptance by the Reinsurer of the amounts set forth in Schedule A as the Actual Loss Reserve Figures.

(c) Within ten (10) days following the Company's receipt of the Loss Reserve True-Up Report, the Parties shall confer in good faith with regard to any disputed calculations and an appropriate adjustment shall be made to the Actual Loss Reserve Figures as agreed upon by the Parties. If the Parties are unable to agree on an appropriate adjustment within twenty (20) days of the Loss Reserve True Up Report, the same procedures described in Section 3.1(iv) for the determination and payment of the final "Actual UPR Transfer Amount" shall apply, *mutatis mutandis*, to the determination of the Actual Loss Reserve Figures.

(d) Following final determination of the Actual Loss Reserve Figures: (i) the difference between the initial Loss Reserve Transfer Amount and the actual Loss Reserve Transfer Amount (the "Loss Reserve Transfer Adjustment") shall, if positive, be paid to the Company from the QSA Trust and, if negative, deposited by the Company into the QSA Trust; and (ii) the initial Funds Withheld Amount as of the Closing Date shall be adjusted to the actual Funds Withheld Amount as of the Closing Date .

(e) From and after the Effective Time, the Reinsurer shall maintain as a liability on its statutory financial statements adequate reserves for all liabilities ceded under this Agreement. The Reinsurer shall provide the Company with its periodic reports filed with its insurance regulators and a copy of its audited financial statements along with the audit report thereon within fifteen (15) days of the Reinsurer's filing of such statements and reports with the insurance regulator of its jurisdiction of domicile.

ARTICLE 3

PAYMENTS, OFFSET, AND SECURITY

Section 3.1 Premium.

(a) Unearned Premium Reserves and Premiums.

(i) As full premium for the Existing Contracts ceded under this Agreement, the Company shall transfer to the Reinsurer one hundred percent (100%) of the Unearned Premium Reserves held by the Company relating to such ceded business and one hundred percent of all Premiums collected on account of the Existing Contracts on or after the Closing Date (which Premiums, if any, shall be deposited into the QSA Trust) but only to the extent such Premiums were not reflected in the Unearned Premium Reserves transferred to the Reinsurer pursuant to this Section 3.1. Any Premiums collected on Existing Contracts on or after the Closing Date that were reflected in the Unearned Premium Reserves shall be retained by the Company in accordance with Section 3.7.

(ii) On the Closing Date, the Company shall deposit by wire transfer of immediately available funds into the QSA Trust an amount (the "Initial UPR Transfer Amount") equal to the amount identified in as Item 5 of Schedule A, representing an estimate of the Unearned Premium Reserves for the Existing Contracts as of the Closing Date. On the Closing Date, the Company shall deliver to Reinsurer a schedule of Premiums that shall not have been collected from the applicable ceding company and with respect to which an amount shall be included in the Unearned Premium Reserve transferred as of the Closing Date (the "Uncollected Premium Schedule").

(iii) Within thirty (30) days following the Closing Date, the Reinsurer shall recalculate the amounts specified in Section 3.1(a)(ii) considering the post-Closing Date information available to the Parties (such calculations resulting in the calculation of the "Actual UPR Transfer Amount") and, if different from the Initial UPR Transfer Amount, the Reinsurer shall send to the Company its computation of the Actual UPR Transfer Amount together with its work papers used to compute the same and, if different from the Uncollected Premium Schedule delivered as of the Closing Date, an updated Uncollected Premium Schedule (the "UPR True Up Report"). Failure of the Reinsurer to deliver the UPR True Up Report within the time period specified herein shall be deemed acceptance by the Reinsurer of the Initial UPR Transfer Amount as the Actual UPR Transfer Amount and the initial Uncollected Premium Schedule as the final Uncollected Premium Schedule.

(iv) Within ten (10) days following the Company's receipt of the UPR True Up Report, the Parties shall confer in good faith with regard to the Actual UPR Transfer Amount and, if necessary, an appropriate adjustment shall be made to the amounts due or payable pursuant to this Section 3.1(a) as agreed upon by the Parties and to the Uncollected Premium Schedule. If the Parties are unable to agree on the Actual UPR Transfer Amount or Uncollected Premium Schedule within twenty (20) days of the Company's receipt of the UPR True Up Report, "Alternative Accountants," whose decision on the matter shall be binding on the Parties, shall be designated by agreement between the Company and the Reinsurer. If the Parties fail to agree on the selection of the Alternative Accountants, the Alternative Accountants shall be selected by mutual agreement of each of the Company's and the Reinsurer's outside independent auditors. The Alternative Accountants shall conduct such analysis as they deem appropriate, during a period not to exceed thirty (30) days after they are selected, to determine the amounts which they conclude should have been reflected in the UPR True Up Report or the Uncollected Premium that should have been reflected in the Uncollected Premium Schedule and shall issue their decision (which shall be rendered in writing and shall specify the reasons for the decision) within fifteen (15) days after the conclusion of their analysis. The Alternative Accountants' decision shall include a determination of the Actual UPR Transfer Amount, the amounts which they have determined should be used for the UPR True Up Report and a determination of the UPR Adjustment (as that term is defined in Section 3.1(a)(v)) due to the Reinsurer or the Company, as the case may be, and a determination of the final Uncollected Premium Schedule. Each Party shall make available to the other Party and the Alternative Accountants such work papers as may be reasonably necessary to calculate the Actual UPR Transfer Amount and UPR Adjustment and determine the final Uncollected Premium Schedule under this Section 3.1(a)(iv). No Party shall have any *ex parte* discussions or communications, directly or indirectly, with the Alternative Accountants regarding the subject matter of a dispute arising under this Section 3.1(a)(iv), unless the Party seeking such discussions or communications first obtains the other Party's written consent to such ex parte contact with the Alternative Accountants. For the avoidance of doubt, in the event of any dispute with respect to the UPR True Up Report or the Uncollected Premium Schedule, such dispute shall be governed by this Section 3.1(a)(iv) and the procedures set forth herein, and not by the provisions of Article 7.

(v) On the fifth (5^{th}) business day following the deemed acceptance of, the mutual written agreement of the Company and the Reinsurer to, or the determination by the Alternative Accountants of, the final Actual UPR Transfer Amount, if the premium required under Section 3.1(a)(i) using such final Actual UPR Transfer Amount exceeds the Initial UPR Transfer Amount, the Company shall deposit funds into the QSA equal to the difference, and if the premium so calculated is less than the Initial UPR Transfer Amount, the Company shall be paid such difference with funds from the QSA Trust (the amount so transferred being herein called the "UPR Adjustment").

(b) The Company's Fronted Business; Fronted Contract Premiums and Ceding Commissions. Subject to Section 3.5, as premium for the Fronted Contracts ceded under this Agreement (the "Fronted Premiums"), the Company shall promptly deposit by wire transfer of immediately available funds into the QSA Trust one hundred percent (100%) of the collected Premiums attributable to the Fronted Contracts, net of a ceding commission in an amount equal to the actual out-of-pocket expenses incurred by the Company for amounts paid or payable by, or on behalf of, the Company to persons who are not Affiliates of the Company to acquire the Fronted Contracts, including all commissions and brokerage payments and any adjustments thereto (the "Fronting Acquisition Costs"), and net of any premium or premium deposit paid or payable by the Company for Inuring Reinsurance that shall not have been paid by the Reinsurer or one of its Affiliates (the "Fronted Inuring Reinsurance Costs"). If, during any quarter, the aggregate FMV of the cash and assets retained in the Security Facility equals or exceeds the aggregate amount of the Secured Obligations as calculated as of the end of the prior quarter with adjustments to reflect Claims incurred, Losses paid, reserve adjustments, business written and other matters affecting the amount of the Secured Obligations, then the Company shall transfer directly to the Reinsurer any Fronted Premiums that are collected by the Company during such calendar quarter.

Section 3.2 **Offset Rights.**

Each Party hereto, and each of its respective Affiliates at the time an offset is asserted, shall have, and may exercise at any time and from time to time, the right to offset any balance or balances due to the other Party or any of its Affiliates at the time an offset is asserted, whether arising under this Agreement, any of the Transaction Documents, or any other reinsurance agreement heretofore or hereafter entered into by and between them, and regardless of whether on account of Premiums, Ceding Commissions, or Losses related to or arising under the Existing Contracts or Fronted Contracts or any other amount related to or arising under any of the Transaction Documents or otherwise; provided, however, that in the event of the insolvency of a Party hereto or any of its Affiliates, offsets shall only be allowed in accordance with the provisions of Applicable Law.

Section 3.3 **Premiums for Reinsurance Contracts and Inuring Reinsurance**

(a) The Reinsurer is authorized to collect Premiums for the Existing Contracts and Fronted Contracts from reinsureds of the Company and shall promptly deposit such Premiums into the QSA Trust, net of the applicable Ceding Commission, provided that if, during any quarter, the aggregate amount of cash and assets retained in the Security Facility equals or exceeds the aggregate amount of the Secured Obligations as calculated as of the end of the prior quarter with adjustments to reflect Claims incurred, Losses paid, reserve adjustments, business written and other matters affecting the amount of the Secured Obligations, then the Reinsurer may retain any net Premiums collected during such calendar quarter for its own benefit. To the extent any Premiums are collected directly by the Company, the Company shall so advise the Reinsurer and, depending on whether the aggregate amount of cash and assets retained in the Security Facility equals or exceeds the aggregate amount of the Reinsurer's Secured Obligations, shall promptly deposit them into the QSA Trust or remit them to the Reinsurer as the case may be, net of the applicable Ceding Commission which shall be retained by the Company. The Reinsurer and the Company agree to maintain accounting and operational records and books in adequate detail so as to identify the specific Existing Contracts, Fronted Contracts and reinsureds of the Company with respect to all collected Premiums.

(b) The Reinsurer shall: (i) timely pay any return premium coming due under the Existing Contracts or Fronted Contracts payable on or after the Closing Date; or (ii) promptly reimburse the Company for any of the foregoing amounts that are instead paid by the Company.

Section 3.4 **Reports and Remittances.**

(a) Except as to the Security Facility which shall be settled quarterly, the Parties shall conduct monthly settlements based upon monthly bordereaux to be provided by or on behalf of the Reinsurer evidencing the amount due or to be due in a form, and containing such detail, as is agreed to by the Parties. Such settlements shall take into account and fully settle any profit commission, return commission, loss corridor payment, or other similar premium or commission adjustments payable to or by the Company pursuant to the terms of any Reinsurance Contract, which adjustments, whether positive or negative, shall be credited to or charged against the Reinsurer, as the case may be. Each Party shall pay or credit in cash or its equivalent to the other all net amounts for which it may be liable under the terms and conditions of this Agreement within thirty (30) days after receipt of each monthly bordereau.

(b) The Company and the Reinsurer shall furnish each other with such records, reports and information with respect to the Losses, Claims, Inuring Reinsurance, Unearned Premium Reserve, the Security Facility, or the reinsurance contemplated hereby as may be reasonably required by the other Party to comply with any internal reporting requirements or reporting requirements of any Governmental Authority or to prepare and complete such Party's quarterly and annual financial statements that are, in the case of reports to be provided by the Reinsurer, consistent with records, reports or information currently provided by GMAC Re to the Company, subject to any changes to Applicable Law. In addition, the Reinsurer shall provide the Company with (i) monthly reports within thirty (30) days following the end of each month and in such form as agreed by the Parties, (A) identifying all Claims in excess of Ten Million Dollars ($10,000,000) or involving consequential, exemplary, punitive or similar extra contractual damages, or any loss in excess of the limits arising under or covered by any Existing Contract or Fronted Contract, and (B) identifying all adjustments to Premiums or applicable Ceding Commissions, including any adjustments to ceding companies, third-party commissions or brokerage payments pursuant to the underlying terms of the Reinsurance Contracts, which adjustments, once settled through the settlement process provided for under the applicable Reinsurance Contract or paid to or collected from, the applicable third-party or broker through a disbursement from or deposit to the applicable Pre-Existing Trust Account, shall automatically increase or decrease the Funds Withheld Amount by amounts equivalent to the settlements, as the case may be, which monthly reports under this subsection (i) shall be consistent with reports currently provided by GMAC Re to the Company (ii) quarterly reports within thirty (30) days following the end of each quarter setting forth the Funds Withheld Amount and adjustments thereto during such quarter and the FMV of the assets held in the QSA Trust as of the end of such quarter, and (iii) such additional information as may be reasonably requested by the Company with respect to any such reports, which requested additional information shall be consistent with additional information requests currently made by the Company of GMAC Re, subject to any changes in Applicable Law.

(c) If the Company or the Reinsurer receives notice of, or otherwise becomes aware of, any inquiry, investigation, proceeding, from or at the direction of a Governmental Entity, or is served or threatened with a demand for litigation, arbitration, mediation or any other similar proceeding relating to the Reinsurance Contracts, the Company or the Reinsurer, as applicable, shall promptly notify the other party thereof, whereupon the parties shall cooperate in good faith and use their respective commercially reasonable efforts to resolve such matter in a mutually satisfactory manner in light of all the relevant business, regulatory and legal facts and circumstances.

(d) Each Party shall have the right, through authorized representatives and upon reasonable advance notice during normal business hours, to periodically audit and inspect all books, records, and papers of the other Party solely in connection with the Reinsurance Contracts, the Inuring Reinsurance and any reinsurance hereunder or claims in connection therewith. Each Party shall treat the other Party's books, records, and papers in confidence. A Party shall be permitted to conduct such audits no more frequently than semi-annually unless the Reinsurer's A.M. Best rating at any time falls below A-, in which case the Company shall be permitted to audit the Reinsurer on a quarterly basis. In addition, if the Reinsurer's A.M. Best rating falls below A-, the Company may place, at its expense, one or more employees or other authorized representatives on-site at the Reinsurer's office facilities, including the office facilities of GMAC Re, for the purpose of monitoring the Reinsurer's performance under this Agreement. The Reinsurer shall provide such employee(s) or representative(s) with reasonable office accommodations and access to the Reinsurer's officers, employees, books, records, and reports related to the Reinsurance Business to enable meaningful and proper oversight and monitoring of the Reinsurer's performance and duties hereunder.

Section 3.5 **Funding of Pre-Existing Trusts and Adjustment to Funds Withheld Amount.**

(a) In the event the Company is required to fund any Pre-Existing Trust Account established on or after the Effective Time, the Company shall deposit by wire transfer of immediately available funds into such Pre-Existing Trust Account one hundred percent (100%) of the collected Premiums attributable to the Fronted Contract(s) secured thereunder (or such lesser amount as may be required pursuant to the terms of the Fronted Contract(s)), net of the applicable Ceding Commission. In the event collected Premiums are insufficient to timely satisfy the collateral obligations under any Fronted Contract, the Company shall withdraw funds from the QSA Trust equal to the shortfall and deposit such funds into the Pre-Existing Trust Account, provided that if any such withdrawal would cause the QSA Trust to be underfunded pursuant to the terms of the Trust Agreement, then the Reinsurer shall deposit its own funds into the Pre-Existing Trust Account to cover such shortfall. All funds deposited into a Pre-Existing Trust Account shall increase the Funds Withheld Amount by an equivalent amount.

(b) To the extent the Company is required to add additional funds to a Pre-Existing Trust Account under the terms thereof or under the terms of any of the Reinsurance Contracts, the Company shall withdraw such funds from the QSA Trust and deposit such funds into the Pre-Existing Trust Account, and the Funds Withheld Amount shall be increased by an equivalent amount.

(c) Without limiting the authority granted to the Reinsurer pursuant to Article 4(b), to the extent the Company is entitled to withdraw, and does withdraw, funds from a Pre-Existing Trust Account under the terms of the applicable Pre-Existing Trust Agreement, such amount shall be payable by the Company to the applicable ceding company under a Reinsurance Contract to pay Claims or the Company shall (i) pay any such amount directly to the Reinsurer only if and to the extent the Company is satisfied that, in the absence of such deposit, the QSA Trust will remain fully funded as provided in Section 3.6(b), after accounting for such withdrawal from the Pre-Existing Trust Account, or (ii) in all other cases, deposit such equivalent amount into the QSA Trust.

(d) Notwithstanding anything to the contrary in this Agreement, the assets in the Pre-Existing Trust Accounts will be used as collateral only in respect of the Company’s obligations under the Reinsurance Contracts to which those accounts are related.

(e) Subject to the last sentence of Section 3.6(b) and to any monthly adjustments to the Funds Withheld Amount as reflected by the reports delivered to the Company pursuant to Section 3.4(b), the Funds Withheld Amount shall automatically be adjusted to reflect (i) actual deposits by the Company of funds provided by the Reinsurer into the Pre-Existing Trust Accounts; and (ii) actual withdrawals from the Pre-Existing Trust Accounts.

(f) In the event the Company shall be entitled to withdraw any amount held in a Pre-Existing Trust Account for its own benefit, promptly following receiving notice of such withdrawal right, it shall, whether or not requested to do so by the Reinsurer, immediately cause such amount to be withdrawn and, subject in all cases to Section 3.5(c), upon receipt thereof deliver the amount of such withdrawal to the Reinsurer.

Section 3.6 **Credit for Reinsurance and Security Facility.**

(a) The Reinsurer agrees that so long as this Agreement shall be in force, it will have capital and surplus of not less than the amount necessary to comply with the Applicable Laws of its domiciliary jurisdiction. The Reinsurer agrees to maintain reserves consistent with the Applicable Laws of any jurisdiction having regulatory authority over Reinsurer.

(b)

(i) To assure that the Company can take full reserve credit on its statutory financial statements for the reinsurance ceded to the Reinsurer under this Agreement, the Reinsurer's liabilities under this Agreement shall be fully secured by assets maintained in a "Security Facility."

(ii) Such Security Facility shall consist of (i) the Funds Withheld Amount, as such amount is adjusted each calendar quarter to an amount equal to the FMV of the cash and assets held in the Pre-Existing Trust Accounts as of the end of such calendar quarter, and (ii) the QSA Trust, which the Reinsurer shall fund in accordance with Section 3.6(d). The Company shall have the option, at its sole discretion, to deposit, at any time, the Funds Withheld Amount in the QSA Trust.

(c) Subject to the applicable Pre-Existing Trust Agreements, the Company shall have the unfettered and unconditional right to reimburse itself, in whole or in part, for any amounts owed to the Company by the Reinsurer under this Agreement, and otherwise unpaid, out of the Funds Withheld Amount, assets held in the Pre-Existing Trust Account, or by withdrawal from the QSA Trust.

(d) No later than thirty (30) days following the end of each calendar quarter other than the fourth quarter of each year, the Reinsurer shall deliver a report to the Company setting forth the Reinsurer's calculation of the Secured Obligations as of the end of such quarter for the sole purpose of evaluating the adequacy of funds in the QSA Trust. The Parties shall confer in good faith with regard to any disputes regarding the calculation or amount of Secured Obligations. If the Parties are unable to agree on an appropriate adjustment to the calculations of the Secured Obligations within twenty (20) days of the Company's receipt of such calculation, the same procedures described in Section 3.1(iv) for the determination and payment of the final "Actual UPR Transfer Amount" shall apply, *mutatis mutandis*, to the calculation of Secured Obligations for the calendar quarter at issue. If the final calculation shows that the amount of Secured Obligations exceeds one hundred percent (100%) of the sum of the Funds Withheld Amount and the FMV of assets held in the QSA Trust, in each case as of the end of the quarter at issue, the Reinsurer shall, within ten (10) days after the final calculation is agreed to, secure delivery to the Company or the QSA Trustee of an increase in cash and eligible securities held in the QSA Trust in an amount equal to such shortfall for deposit to the QSA Trust. If, however, the final calculation shows that such sum as of the report date exceeds one hundred two (102%) of the Secured Obligations, the Company shall instruct, within ten (10) days after receipt of written request from the Reinsurer, the QSA Trustee to release such excess funds from the QSA Trust to the Reinsurer. In the event the Reinsurer's A.M. Best rating at any time falls below A-, then the Parties shall calculate the Reinsurer's Secured Obligations, and make any corresponding adjustments to the Reinsurer's collateral obligations, as set forth herein, on a monthly basis rather than a quarterly basis. For purposes of calculating the Secured Obligations with respect to the fourth quarter of each year, the Reinsurer shall deliver a report to the Company no later than sixty (60) days prior to year-end setting forth the Reinsurer's calculation of the estimated Secured Obligations as of the end of such year. Any disputes between the Parties regarding such calculation shall be resolved in accordance with the procedures outlined in this Section 3.6(d). If pursuant to the calculation described in the preceding sentence, the Reinsurer shall be obligated to deliver additional cash or eligible securities for deposit to the QSA Trust, the Reinsurer shall deliver such cash or eligible securities no later than ten (10) days prior to the year-end at issue to ensure the Company is able to receive full reserve credit on its statutory financial statements for the reinsurance ceded to the Reinsurer under this Agreement.

(e) The investment income on all the funds held in the QSA Trust will be credited to the Reinsurer, and the Reinsurer shall be entitled, subject to the terms of the Trust Agreement, to withdraw such income on a periodic basis. The Company hereby authorizes the Reinsurer to direct the investment of the funds held under the Trust Agreement consistent with the terms and conditions thereof. For the avoidance of doubt, the Company and Reinsurer agree that the investment income earned on funds held in the Pre-Existing Trust Accounts shall be deemed investment income of the Reinsurer on the Funds Withheld Amount.

(f) The Reinsurer's obligations under this Section 3.6 shall remain in effect until the termination, cancellation or expiration of the Reinsurer's obligations under this Agreement.

(g) Following the Effective Time, the Reinsurer shall bear all costs and expenses necessary for the establishment and maintenance of the QSA Trust and the Pre-Existing Trust Accounts and shall reimburse the Company to the extent such costs are paid by the Company.

Section 3.7 **Collection of Premiums.**

Following the Closing Date and as part of its obligations to administer the Reinsurance Contracts pursuant to Article 4, the Reinsurer or its designated Affiliate shall use commercially reasonable efforts to collect any uncollected Premium listed on the final Uncollectible Premium Schedule with respect to which an Unearned Premium Reserve shall have been transferred as of the Closing Date. All such Premiums collected by the Reinsurer or such Affiliate shall be deposited directly into an account (or accounts) designated by, and issued in the name of, the Company, provided that the aggregate Premiums that the Reinsurer shall be required to deposit into the Company's account(s) hereunder shall not exceed the final Unearned Premium Reserve calculated pursuant to Section 3.1. In the event any Premium listed on the Uncollected Premium Schedule shall not have been collected within ninety (90) of the later of the Closing Date or the date such Premium shall be due and payable, following thirty (30) days written notice to the Reinsurer, the Company may take over the collection of all uncollected Premiums reflected in the Unearned Premium Reserve and to pursue any actions deemed appropriate by the Company to collect such Premiums or preserve and protect all of the Company's rights, title and interests therein, including, without limitation, commencing arbitration, litigation or any taking any other legal action, unless the Reinsurer shall elect to pay to the Company the amount of such uncollected Premium. Any premiums collected by the Reinsurer or its designated Affiliate pursuant to this Section 3.7 shall be the sole and exclusive property of the Company and, notwithstanding Section 3.2, shall not be subject to setoff in any form by the Reinsurer or any of its Affiliates. In addition to any other reports provided pursuant to Section 3.4, the Reinsurer shall provide the Company with a monthly report setting forth, for each Reinsurance Contract, the collected and uncollected portion of the Unearned Premium Reserve attributable to such Reinsurance Contract as of the end of each month.

ARTICLE 4

CLAIMS AND CLAIMS UNDERWRITING AND OTHER ADMINISTRATION

(a) On and after the Effective Time, the Company will provide prompt notice to the Reinsurer or its designee of all Claims (but only to the extent such Claims are not otherwise known or reported to the Reinsurer or any of its Affiliates by GMAC Re), and the Reinsurer or its designee will have the obligation to investigate and defend, as applicable, at its own expense, any Claim affecting this Agreement. At the request of the Reinsurer or such designee, the Company will jointly associate with the Reinsurer, at the expense of the Reinsurer, in the defense or control of any Claim, suit or proceeding involving this reinsurance, and the Company shall cooperate with the Reinsurer or such designee in every respect to procure the most favorable disposition of such claim, suit or proceeding. In addition, the Company shall have the right, at its sole option and expense, to monitor and consult with the Reinsurer regarding the defense or administration of any Claim, suit or proceeding involving the Reinsurance Contracts that exceeds or involves more than Ten Million Dollars ($10,000,000.00).

(b) The Company grants to the Reinsurer, or one or more of the Reinsurer's Affiliates designated by the Reinsurer, as of the Effective Time authority in all matters relating to the administration of the Reinsurance Contracts and any Claims thereunder, including the authority (i) to direct trustees of Pre-Existing Trust Accounts or the QSA Trustee to disburse amounts to pay Claims from the Pre-Existing Trust Accounts or the QSA Trust or to disburse funds on behalf of the Company to the Reinsurer but only the extent expressly permitted pursuant to the terms and conditions of the Pre-Existing Trust Agreements or the QSA Trust Agreement, as applicable, (ii) to communicate directly with all other reinsurers of those contracts and to collect on behalf of the Company reinsurance recoverables thereunder that relate solely to the Reinsurance Contracts, and (iii) subject to the Fronting Agreement, to handle the placement, production, underwriting, service and management of the Reinsurance Contracts, including without limitation the authority to (A) solicit, accept and receive submissions for Fronted Contracts or renewals of Insurance Contracts; (B) to secure, at its own expense, reasonable underwriting information through reporting agencies or other appropriate sources relating to each submission; (C) to issue, renew and countersign reinsurance contracts and endorsements relating to Reinsurance Contracts; (D) to collect and receipt for the premiums on Reinsurance Contracts; (v) to adjust and settle claims under the Reinsurance Contracts; (E) set and establish loss reserves for the Reinsurance Contracts; and (F) any and all other acts or duties that would otherwise be performed by the Company necessary and appropriate to the Reinsurance Contracts, to the extent such authority may be granted pursuant to Applicable Law and the Reinsurer, or one or more of the Reinsurer's Affiliates designated by the Reinsurer, shall perform all such functions as outlined herein. In exercising such authorities, the Reinsurer or any such Affiliate may delegate the performance of any duty described above to a third party; provided that no such delegation shall relieve the Reinsurer of its obligations hereunder. Subject to the forgoing limitation, effective as of the Effective Time, the Company hereby appoints the Reinsurer as its attorney-in-fact with respect to the rights, duties and privileges and obligations of the Company in and to the Reinsurance Contracts, with full power and authority to act in the name, place and stead of the Company with respect to such contracts, including without limitation, the power to service such contracts, to adjust, defend, settle and to pay all Claims, to recover salvage and subrogation for any losses incurred and to take such other and further actions as may be necessary or desirable to effect the transactions contemplated by this Agreement, provided, that the Reinsurer covenants to exercise such authority in a professional manner and to use the same level of care as is used in administering the Reinsurer's other reinsurance business. As part of the foregoing, the Company grants full authority to the Reinsurer to adjust, settle or compromise all Losses hereunder, and all such adjustments, settlements and compromises shall be binding on the Company. The Company agrees to cooperate fully with the Reinsurer in the transfer of such administration, and the Reinsurer agrees to be responsible for such administration. To the extent any Claim is satisfied, in whole or in part, by withdrawals from the Pre-Existing Trust Accounts, such withdrawal shall be deemed to have discharged, to that extent, the reinsurance recoverable under this Agreement corresponding to the satisfaction of such Claim.

(c) The Company agrees that so long as (i) the Reinsurer is solvent, and (ii) the Reinsurer or its designee shall not be in material breach of its obligations to service and administer the Reinsurance Contracts or the Claims under this Agreement, the Company will not take action to prevent or limit the Reinsurer or its designee from servicing or administering the Reinsurance Contracts or the Claims as contemplated by this Agreement. If the Reinsurer (i) becomes insolvent, makes an assignment for the benefit of its creditors, or becomes the subject of any voluntary or involuntary supervision, conservation, rehabilitation, liquidation or other similar proceeding, the Reinsurer's authority under this Article 4 shall be automatically revoked and the Company shall handle, or retain a third-party administrator to handle, the administration and runoff of the Reinsurance Business and all reasonable costs and expenses incurred by or on behalf of the Company in taking back and administering the runoff of the Reinsurance Business shall constitute loss adjustment expenses fully reinsured under this Agreement. In all other circumstances, if the Reinsurer fails to cure a material breach of its servicing or other obligations hereunder within thirty (30) days following the Company's written notice to Reinsurer of such breach, which notice shall in reasonable detail describe the nature of such breach or, if such breach shall not be reasonably susceptible to cure within such thirty (30) day period such additional reasonable time not exceeding an additional thirty (30) days as shall be necessary to cure such breach, the Company shall have the right to exercise its remedy options set forth in the last sentence of this paragraph. The remedies available to the Company, without prejudice to any other remedies otherwise available, shall include: (1) the Company shall have the option, at its sole discretion, (i) to revoke the Reinsurer's authority hereunder and handle the administration and runoff of the Reinsurance Business directly or through its designee, or (2) to provide the Reinsurer with a list of three third-party administrators acceptable to the Company, and the Reinsurer shall, within thirty (30) days, contract (at the Reinsurer's expense) with one of such listed third-party administrator to perform all of the Reinsurer's claim-handling duties and all duties under this Article 4, with the terms of such contract subject to the agreement of the Company, which agreement shall not be unreasonably withheld; or (3) should the Reinsurer fail to comply with the foregoing clause (2), the Company shall have the option, at its sole discretion, to revoke all or a portion of the Reinsurer's authority pursuant to this Article 4, and to contract with one of the listed third-party administrators. In all cases, the reasonable expenses incurred by the Company pursuant to this Section 4(c) shall be deemed to constitute loss adjustment expenses fully reinsured under this Agreement.

(d) The Reinsurer shall maintain sufficient resources and adequate staffing levels of personnel with appropriate experience to administer the Reinsurance Business in a professional manner and shall administer the Reinsurance Business in accordance with all Applicable Laws. In addition, the Reinsurer shall substantially retain the existing claims infrastructure and maintain the current claims practices in place as of the Effective Time, provided that the Reinsurer shall be permitted to make reasonable adjustments to the infrastructure and business practices in the ordinary course of business so long as such adjustments do not cause a material diminution in the quality or scope of services provided hereunder.

(e) So long as no obligation not ceded by the Company hereunder or not covered under the Inuring Reinsurance shall be created or increased and the ceding company or trustee party thereto shall have provided any required consent or agreement, the Reinsurer shall be authorized in the name of the Company to (i) modify the terms of any Reinsurance Contract and any related Pre-Existing Trust Agreement so as to terminate the associated Pre-Existing Trust Account, (ii) novate any such Reinsurance Contract with a reinsurer other than the Company or (iii) novate or modify the terms and provisions of such Pre-Existing Trust Agreement, including modifications to permit the substitution of Eligible Trust Assets (as defined in each Pre-Existing Trust Agreement) at least equivalent to assets held in the Pre-Existing Trust Accounts without specific consent of the beneficiaries of such Pre-Existing Trust Accounts.

(f) The Company hereby appoints the Reinsurer or any of its Affiliates, as the Reinsurer shall designate, as the Investment Manager as defined in and under each Pre-Existing Trust Agreement and agrees as of the Effective Time to notify each trustee of the Pre-Existing Trust Accounts of such appointment.

ARTICLE 5

REGULATORY MATTERS

At all times during the term of this Agreement, the Company and the Reinsurer shall hold and maintain all licenses and authorizations required under Applicable Law and otherwise take all actions that may be necessary to perform its obligations hereunder.

ARTICLE 6

DUTY OF COOPERATION & INDEMNITY; INURING REINSURANCE

Section 6.1 **Cooperation.**

Each Party hereto shall cooperate fully with the other in all reasonable respects in order to accomplish the objectives of this Agreement.

Section 6.2 **Indemnity**

This Agreement is an agreement for indemnity reinsurance solely between the Company and the Reinsurer and shall not create any legal relationship whatsoever between the Reinsurer and any Person other than the Company.

Section 6.3 **Inuring Reinsurance**

The Company shall maintain in force, and will not materially modify, all Inuring Reinsurance listed in Schedule B to the extent such Insuring Reinsurance was in-force as of the Closing Date so as to continue to provide reinsurance coverage for the Reinsurance Contracts covered thereunder through scheduled date of expiration or termination of such Inuring Reinsurance. All allocations of reinsurance premiums and reinsurance recoverables under the Company's catastrophe per occurrence and aggregate excess covers as they relate to the Reinsurance Business and Integon's rights and obligations with respect thereto shall be resolved in accordance with the allocation guidelines attached hereto as Schedule E. The Reinsurer shall have no obligation to incur out-of-pocket costs to collect any amount due under the Inuring Reinsurance with respect to Existing Contracts. Enforcement of any obligation of a reinsurer under the Inuring Reinsurance as to Existing Contracts shall be the responsibility of the Company.

ARTICLE 7

RESOLUTION OF DISPUTES

Any disputes, controversies or claims arising out of or relating to this Agreement, including, without limitation, in respect of the validity, formation, or breach hereof, shall be settled pursuant to the procedures provided in Section 10.8 of the LLC SPA.

ARTICLE 8

INSOLVENCY

In the event of the insolvency of the Company, this reinsurance shall be payable directly to the Company or its liquidator, receiver, conservator or statutory successor on the basis of the amount of the claims allowed in the insolvency proceeding without diminution because of the insolvency of the Company or because the liquidator, receiver, conservator or statutory successor of the Company has failed or is unable to pay all or a portion of a claim, except where (a) this Agreement specifically provides another payee of such reinsurance in the event of the Company's insolvency, provided that this exception shall only apply to the extent that the reinsurance proceeds due such payee are actually paid by the Reinsurer, or (b) the Reinsurer, with the consent of the direct insured or insureds, has assumed such policy obligations of the Company as direct obligations of the Reinsurer to the payees under such policies and in full and complete substitution for the obligations of the Company to such payees. It is agreed, however, that the liquidator, receiver, conservator or statutory successor shall give written notice to the Reinsurer of the pendency of a claim against the Company indicating the Reinsurance Contract reinsured which involves a possible liability on the part of the Reinsurer within reasonable time after such claim is filed in the conservation or liquidation proceeding or in the receivership and that, during the pendency of such claim, the Reinsurer may investigate such claim and interpose, at its own expense, in the proceeding where such claim is to be adjudicated, any defense or defenses that it may deem available to the Company or its liquidator, receiver, conservator or statutory successor. The expenses thus incurred by the Reinsurer shall be chargeable, subject to the Court's approval, against the Company as part of the expense of the conservation or liquidation to the extent of a pro rata share of the benefit that may accrue to the Company solely as a result of the defense undertaken by the Reinsurer.

ARTICLE 9

REGULATORY APPROVALS

The Company and the Reinsurer shall obtain all necessary consents and approvals of regulatory bodies and other parties which may be required under Applicable Law as a result of the transactions contemplated by this Agreement. The Parties agree that where formal approval is required by any insurance regulatory agency, this Agreement shall not be effective as to any and all Reinsurance Contracts to be reinsured hereunder in such jurisdiction until such approval is obtained.

ARTICLE 10

DURATION

This Agreement shall not be subject to termination by any Party except (i) by written agreement between Reinsurer and the Company on the date indicated by such agreement, after receipt of any required approval from Government Entities, or (ii) upon the termination or expiration of the Fronting Authority, the expiration of all liability on all Reinsurance Contracts, and the complete performance by Reinsurer and the Company of all obligations and duties arising under this Agreement.

ARTICLE 11

FOLLOW THE FORTUNES

The Reinsurer's liability shall attach simultaneously with that of the Company and shall be subject in all respects to the same risks, original terms and conditions, interpretations, waivers, and to the same cancellation of the Reinsurance Contracts as the Company is subject to, the true intent of this Agreement being that the Reinsurer shall, in every case to which this Agreement applies, follow the fortunes and follow the settlements of the Company.

ARTICLE 12

SURVIVAL; INDEMNIFICATION

Section 12.1 Survival.

(a) All representations and warranties made by the Company and the Reinsurer in Article 13 of this Agreement and in any certificate or schedule delivered or executed in connection herewith, shall survive for a period of eighteen (18) months (the "Survival Period") after the date hereof, whereupon they shall expire, and all claims for breach of said representations and warranties will be deemed waived unless the non-breaching party notifies the breaching party in writing and with reasonably specificity of the matters constituting the breach prior to the expiration of the Survival Period.

(b) All covenants, undertakings and agreements contained in this Agreement or any document, certificate, schedule or instrument delivered or executed in connection herewith to be performed or complied with after the date hereof shall survive for one (1) year after the date on which such post-Closing covenant or agreement was required to have been performed.

Section 12.2 Indemnification.

(a) Subject to the provisions of this Agreement, the Reinsurer agrees to indemnify and hold the Company and its Affiliates, predecessors, successors and assigns (and their respective officers, directors, employees and agents) harmless from and against and in respect of all Damages resulting from or relating to:

(i) A breach by the Reinsurer of any surviving representation or warranty made by the Reinsurer in this Agreement;

(ii) A breach by the Reinsurer of any covenant or agreement of the Reinsurer in this Agreement and to be performed after the date hereof;

(iii) Any Damages suffered by the Company or any of its Affiliates attributable to any act or omission attributable to the Reinsurer or any of its Affiliates, or any of their respective delegees, in exercising any of the rights, duties and obligations set forth in Article 4, unless such exercise was at the written direction or with the written consent of the Company or resulted or arose from an act or omission of the Company or one of its Affiliates; and

(iv) Any obligation of the Company under the Trust Agreement to indemnify the QSA Trustee unless the matter giving rise to such indemnification obligation arose or resulted from any act or omission attributable to the Company or any of its Affiliates, or any of their respective delegees.

(b) Subject to the provisions of this Agreement, the Company agrees to indemnify and hold the Reinsurer and its Affiliates, predecessors, successors and assigns (and their respective officers, directors, employees and agents) harmless from and against and in respect of all Damages, resulting from or relating to:

(i) A breach by the Company of any surviving representation or warranty made by the Company in this Agreement;

(ii) A breach by the Company or any of its Affiliates of any covenant or agreement of the Company or any such Affiliate in this Agreement and to be performed post-Closing; and

(iii) Any Damages suffered by the Reinsurer or any of its Affiliates that shall arise or result from the exercise of any right, duty or obligation set forth in Article 4 that shall have been at the written direction or with the written consent of the Company or that resulted or arose from an act or omission of the Company or one of its Affiliates.

Section 12.3 Limitations.

(a) There shall be no minimum threshold or cap limiting the amount of any claim for indemnification brought hereunder. The parties acknowledge and agree that any event, transaction, circumstance, or liability, whether contingent or accrued, for which adequate reserves by the indemnified party have been established as of the Closing Date (but excluding Loss Reserves and unearned premium reserves), shall not be used at any time as the basis of any claim for indemnification under this Article 12. In addition, in connection with an alleged breach of the indemnifying party's representations, warranties and covenants under this Agreement, the indemnified party's Damages shall be net of all reserves established by the indemnified party as of the Closing Date (but excluding Loss Reserves and unearned premium reserves) in connection with the particular item or contingency in dispute.

(b) The obligation of either party to indemnify the other party under this Article 12 above shall expire, with respect to any representation, warranty, covenant or agreement of the such party, on the date on which the survival of such representation, warranty, covenant or agreement shall expire in accordance with Section 12.1 above, except with respect to any written claims for indemnification which the indemnified party has delivered to the indemnifying party prior to such date.

(c) Promptly after receipt by an indemnified party under this Article 12 hereof of notice of any claim or the commencement of any Action, the indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under this Article 12 hereof, notify the indemnifying party in writing of the claim or the commencement of that Action stating in reasonable detail the nature and basis of such claim and a good faith estimate of the amount thereof, provided that the failure to notify the indemnifying party shall not relieve it from any liability which it may have to the indemnified party unless and only to the extent such failure materially and adversely prejudices the ability of the indemnifying party to defend against or mitigate damages arising out of such claim. If any claim shall be brought against an indemnified party, it shall notify the indemnifying party thereof and the indemnifying party shall be entitled to participate therein, and to assume the defense thereof with counsel reasonably satisfactory to the indemnified party, and to settle and compromise any such claim or Action; provided, however, that the indemnifying party shall not agree or consent to the application of any equitable relief upon the indemnified party without its written consent. After notice from the indemnifying party to the indemnified party of its election to assume the defense of such claim or Action, the indemnifying party shall not be liable for other expenses subsequently incurred by the indemnified party in connection with the defense thereof; provided, however, that if the indemnifying party elects not to assume such defense, the indemnified party may retain counsel satisfactory to it and to defend, compromise or settle such claim on behalf of and for the account and risk of the indemnifying party, and the indemnifying party shall pay all reasonable fees and expenses of such counsel for the indemnified party promptly as statements therefor are received; and, provided, further, that the indemnified party shall not consent to entry of any judgment or enter into any settlement or compromise without the written consent of the indemnifying party which consent shall not be unreasonably withheld. The parties agree to render to each other such assistance as may reasonably be requested in order to insure the proper and adequate defense of any such claim or proceeding. The indemnified party shall also have the right to select its own counsel, at its own expense, to represent the indemnified party and to participate in the defense of such claim, as applicable.

Section 12.4 Remedies Exclusive.

The remedies provided in this Article 12 shall be the exclusive remedies of the parties hereto from and after the Closing in connection with any breach of a representation or warranty, or non-performance, partial or total, of any covenant or agreement contained herein. The provisions of this Article 12 shall apply to claims for indemnification asserted as between the parties hereto as well as to third-party claims.

ARTICLE 13

MISCELLANEOUS

Section 13.1 Notices.

All notices, requests, demands and other communications hereunder shall be given in writing and shall be: (a) personally delivered; (b) sent by telecopier, facsimile transmission or other electronic means of transmitting written documents; or (c) sent to the Parties at their respective addresses indicated herein by registered or certified U.S. mail, return receipt requested and postage prepaid, or by private overnight mail courier service. The respective addresses to be used for all such notices, demands or requests are as follows:

(a) If to Reinsurer, to:

Maiden Insurance Company, Ltd.
48 Par-la-Ville Road, Suite 1141
Hamilton HM 11
Bermuda
Attention: Ben Turin
Facsimile: (441) 292-0471

(with a copy to)

Edwards Angell Palmer & Dodge LLP
750 Lexington Avenue
New York, NY 10023
Attention: Geoffrey Etherington
Facsimile: 212-308-4844

or to such other person or address as Reinsurer shall furnish to the Company in writing.

(b) If to the Company, to:

GMACI Holdings, LLC
300 Galleria Officentre, Ste 201
M/C: 480-300-200
Southfield, MI 48034-4700
Attn: John J. Dunn, Jr.
Facsimile No.: (248-263-7393)
E Mail: john.j.dunn@gmacfs.com

with copies to:

General Counsel
GMACI Holdings, LLC
300 Galleria Officentre, Ste 201
M/C: 480-300-221
Southfield, MI 48034-4700
Attn: Joseph L. Falik
Facsimile No.: (248-263-4051)
E mail: joseph.l.falik@gm.com

or to such other person or address as the Company shall furnish to Reinsurer in writing.

If personally delivered, such communication shall be deemed delivered upon actual receipt; if electronically transmitted pursuant to this paragraph, such communication shall be deemed delivered the next business day after transmission (and sender shall bear the burden of proof of delivery); if sent by overnight courier pursuant to this paragraph, such communication shall be deemed delivered upon receipt; and if sent by U.S. mail pursuant to this paragraph, such communication shall be deemed delivered as of the date of delivery indicated on the receipt issued by the relevant postal service, or, if the addressee fails or refuses to accept delivery, as of the date of such failure or refusal. Any Party to this Agreement may change its address for the purposes of this Agreement by giving notice thereof in accordance with this Section.

Section 13.2 Assignment; Parties in Interest.

(a) Assignment. Except as expressly provided herein, the rights and obligations of a Party hereunder may not be assigned, transferred or encumbered without the prior written consent of the other Party.

(b) Parties in Interest. This Agreement shall be binding upon, inure to the benefit of, and be enforceable by the Parties and their respective successors and permitted assigns. Except as provided in Section 3.2, nothing contained herein shall be deemed to confer upon any other Person any right or remedy under or by reason of this Agreement.

Section 13.3 Waivers and Amendments; Preservation of Remedies.

This Agreement may be amended, superseded, canceled, renewed or extended, 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. No delay on the part of any Party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of any Party of any right, power, remedy or privilege, nor any single or partial exercise of any such right, power, remedy or privilege, preclude any further exercise thereof or the exercise of any other such right, remedy, power or privilege. The rights and remedies herein provided are cumulative and are not exclusive of any rights or remedies that any Party may otherwise have under Applicable Law or in equity.

Section 13.4 Governing Law; Venue.

This Agreement shall be construed and interpreted according to the internal laws of the State of New York excluding any choice of law rules that may direct the application of the laws of another jurisdiction. Subject to the provisions of Article 7, the Parties hereby stipulate that any action or other legal proceeding arising under or in connection with this Agreement may be commenced and prosecuted in its entirety in the federal or state courts sitting in New York, New York, each Party hereby submitting to the personal jurisdiction thereof, and the Parties agree not to raise the objection that such courts are not a convenient forum. Process and pleadings mailed to a party at the address provided in Section 13.1 shall be deemed properly served and accepted for all purposes.

Section 13.5 Counterparts.

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

Section 13.6 Entire Agreement; Merger.

This Agreement, the Transaction Documents, and any exhibits, schedules and appendices attached hereto and thereto together constitute the final written integrated expression of all of the agreements among the Parties with respect to the subject matter hereof and is a complete and exclusive statement of those terms, and supersede all prior or contemporaneous, written or oral, memoranda, arrangements, contracts and understandings between the Parties relating to the subject matter hereof. Any representations, promises, warranties or statements made by any Party which differ in any way from the terms of this Agreement or any applicable provisions contained in the Transaction Documents shall be given no force or effect. The Parties specifically represent, each to the other, that there are no additional or supplemental agreements or contracts between or among them related in any way to the matters herein contained unless specifically included or referred to in this Agreement or any applicable provisions contained in the Transaction Documents. No addition to or modification of any provision of this Agreement or any applicable provisions of the Transaction Documents shall be binding upon either Party unless embodied in a dated written instrument signed by both Parties.

Section 13.7 Exhibits and Schedules.

All exhibits, schedules and appendices are hereby incorporated by reference into this Agreement as if they were set forth at length in the text of this Agreement.

Section 13.8 Headings.

The headings in this Agreement are inserted for convenience only and shall not constitute a part hereof.

Section 13.9 Severability.

If any part of this Agreement is contrary to, prohibited by, or deemed invalid under Applicable Law or regulations, that provision shall not apply and shall be omitted to the extent so contrary, prohibited, or invalid; but the remainder of this Agreement shall not be invalidated and shall be given full force and effect insofar as possible.

Section 13.10 Expenses.

Regardless of whether or not the transactions contemplated in this Agreement are consummated, each of the Parties shall bear their own expenses and the expenses of its counsel and other agents in connection with the transactions contemplated hereby.

Section 13.11 Currency.

The currency of this Agreement and all transactions under this Agreement shall be in United States Dollars.

Section 13.12 Representations and Warranties.

(a) Representations and Warranties of the Company.

The Company hereby represents and warrants to the Reinsurer as of the date hereof as follows:

(i) Attached hereto as Schedule B is a list of the Inuring Reinsurance. All of such reinsurance agreements are in full force and effect and neither the Company nor, to the knowledge of the Company, the reinsurer that is a party thereto is in default thereunder.

(ii) The Company is validly existing and in good standing under the laws of the State of Michigan. The Company is duly authorized to conduct business and is in good standing under the laws of each jurisdiction where such qualification is required, except where the lack of such authorization, qualification or good standing would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company. The Company has the necessary corporate power and authority to carry on the businesses in which it is currently engaged and to own and use the properties currently owned and used by it in the conduct of its respective businesses.

(iii) The Company has the necessary corporate power and authority to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement, the performance by the Company of its obligations hereunder and the consummation of the transactions contemplated hereby have been duly and validly authorized by all necessary corporate action on the part of the Company. No other corporate action or proceeding on the part of the Company is necessary to authorize this Agreement or other documents and instruments to be executed and delivered by the Company to consummate the transactions contemplated hereby. This Agreement and instruments to be executed and delivered by the Company to consummate the transaction contemplated hereby will constitute valid and binding agreements of the Company, enforceable against it in accordance with their respective terms, subject to the effect of receivership, conservatorship and subject to the effect of bankruptcy, insolvency, reorganization, moratorium or similar laws now or hereafter in effect relating to or affecting the enforcement of creditors' rights generally and subject to general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity).

(iv) The execution and the delivery of this Agreement and the consummation of the transactions contemplated hereby will not directly or indirectly (with or without notice, lapse of time or both) (a) violate any injunction, judgment, order, decree, ruling or other restriction of any Governmental Entity to which the Company is subject, (b) violate any provision of the certificate of incorporation or other charter document of the Company or (c) conflict with, result in a breach of, constitute a default under, or result in the acceleration of, create in any party the right to accelerate, terminate, modify or cancel, or require any notice or consent under any agreement, contract, lease, license, instrument, or other arrangement to which the Company is a party or by which it is bound, except where any such violation, conflict, breach, default, acceleration, termination, modification, cancellation or failure to give notice or obtain consent would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company.

(v) In connection with the transactions contemplated hereby, no registrations, filings, applications, notices, consents, approvals, orders, qualifications or waivers are required to be made, filed, given or obtained by the Company, to or from any Governmental Entity, except for those that the failure to make, file, give or obtain would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company.

(vi) Attached hereto as Schedule C is a true and correct listing of the assets held in the Pre-Existing Trust Accounts as of the date hereof.

(vii) As of June 30, 2008, the documented estimate in excess of the actuarial estimate, referred to as risk load, included in the Company's IBNR totaled $51,289,000.

(b) Representations and Warranties of the Reinsurer.

The Reinsurer hereby represents and warrants to the Company as of the date hereof as follows:

(i) The Reinsurer has provided to the Company a true and correct copy of a confirmation from A.M. Best that the Reinsurer's A- rating with stable outlook will not be adversely affected by the transactions contemplated by this Agreement and the Transaction Documents. Such confirmation has not been withdrawn or modified.

(ii) The Reinsurer is validly existing and in good standing under the laws of Bermuda. The Reinsurer is duly authorized to conduct business and is in good standing under the laws of each jurisdiction where such qualification is required, except where the lack of such authorization, qualification or good standing would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Reinsurer. The Reinsurer has the necessary corporate power and authority to carry on the businesses in which it is currently engaged and to own and use the properties currently owned and used by it in the conduct of its respective businesses.

(iii) The Reinsurer has the necessary corporate power and authority to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement, the performance by the Reinsurer of its obligations hereunder and the consummation of the transactions contemplated hereby have been duly and validly authorized by all necessary corporate action on the part of the Reinsurer. No other corporate action or proceeding on the part of the Reinsurer is necessary to authorize this Agreement or other documents and instruments to be executed and delivered by the Reinsurer to consummate the transactions contemplated hereby. This Agreement and instruments to be executed and delivered by the Reinsurer to consummate the transactions contemplated hereby will constitute valid and binding agreements of the Reinsurer, enforceable against it in accordance with their respective terms, subject to the effect of receivership, conservatorship and subject to the effect of bankruptcy, insolvency, reorganization, moratorium or similar laws now or hereafter in effect relating to or affecting the enforcement of creditors' rights generally and subject to general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity).

(iv) The execution and the delivery of this Agreement and the consummation of the transactions contemplated hereby will not directly or indirectly (with or without notice, lapse of time or both) (a) violate any injunction, judgment, order, decree, ruling or other restriction of any Governmental Entity to which the Reinsurer is subject, (b) violate any provision of the certificate of incorporation or other charter document of the Reinsurer or (c) conflict with, result in a breach of, constitute a default under, or result in the acceleration of, create in any party the right to accelerate, terminate, modify or cancel, or require any notice or consent under any agreement, contract, lease, license, instrument, or other arrangement to which the Reinsurer is a party or by which it is bound, except where any such violation, conflict, breach, default, acceleration, termination, modification, cancellation or failure to give notice or obtain consent would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Reinsurer.

(v) In connection with the transactions contemplated hereby, no registrations, filings, applications, notices, consents, approvals, orders, qualifications or waivers are required to be made, filed, given or obtained by the Reinsurer, to or from any Governmental Entity, except for those that the failure to make, file, give or obtain would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Reinsurer.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the day and year first written above to be effective as of the Effective Time.

MAIDEN INSURANCE COMPANY, LTD.

By _____

Title _____

MOTORS INSURANCE CORPORATION

By _____

Title _____

EXHIBIT A

TRUST AGREEMENT

[SEE ATTACHED]

SCHEDULE A

Initial Loss Reserve Transfer Amount

and

Initial UPR Transfer Amount

Item 1 (Date of estimation): September 30, 2008

Item 2 (estimated Pre-Existing Trust Asset FMV, which shall be the initial Funds Withheld Amount as of the Closing Date): $544,734,425

Item 3 (estimated Loss Reserves): $764,753,557

Item 4 (the Initial Loss Reserve Transfer Amount): $220,019,132

Item 5 (the Initial UPR Transfer Amount): $182,622,517

SCHEDULE B

Inuring Reinsurance

[SEE ATTACHED]

SCHEDULE C

Pre-Existing Trust Accounts and Assets

[SEE ATTACHED]

SCHEDULE D

Determination of FMV

The following procedures shall be adhered to in determining FMV for purposes of this Agreement:

(i) if a US Government Bond or non-Asset Backed US Agency Bond traded on a securities exchange, the value shall be deemed to be the closing price of the security on such exchange on the business day prior to the date of determination;

(ii) if a US Agency Asset Backed Bond traded on a securities exchange, the value shall be deemed to be the closing pool specific price of the security on such exchange on the last business day prior to the date of determination;

(iii) if other than a US Government Bond, non-Asset Backed US Agency Bond or US Agency Asset Backed Bond traded on a securities exchange or the NASDAQ Stock Market, the value shall be deemed to be the average of the closing prices of the securities on such exchange or market over the [30-day] period ending three days prior to the closing of the date of determination;

(iv) if actively traded over-the-counter, the value shall be deemed to be the average of the closing bid prices over the [30-day] period ending three days prior to the closing of determination; or

(v) if there is no public market, the value shall be the fair market value thereof, as determined in good faith by the Reinsurer;

provided that, if the Company shall object to any determination of the FMV of an asset by the Reinsurer, the Company may notify the Reinsurer in writing of its reasonable basis for such objection within ten (10) days of receipt by the Company of written notice of such determination. In the event of such a written objection, the Parties shall confer in good faith with regard to any disputed determination of FMV and an appropriate adjustment shall be made to such FMV as agreed upon by the Parties. If the Parties are unable to agree on an appropriate adjustment within twenty (20) days of such objection, the same procedures described in Section 3.1(iv) for the determination and payment of the final “Actual UPR Transfer Amount” shall apply, *mutatis mutandis*, to the determination of such FMV, except that the Parties or their accountants shall select an investment banker to determine such FMV.

SCHEDULE E

Allocation of Reinsurance Premium
4/1/2008 Catastrophe Per Occurrence and Aggregate Excess Covers

Premium Allocation

Recommended Premium Allocation for Percent Placed

Structure	Treatment of Assumed	Caps	CommLines	PersLines	MEEMIC	SRS	Assumed	Can Auto	Total
85Mxs40M PerOcc	Excluded		40.90%	13.75%	17.68%	27.42%	0.00%	0.25%	100.00%
25xs100M Cat Aggreg XS	Excluded	40M per occ	69.61%	11.36%	9.95%	8.83%	0.00%	0.25%	100.00%
75xs125M Cat Aggreg XS	Ltd to 30M Contrib	40M per occ	56.03%	9.10%	8.44%	8.47%	17.71%	0.25%	100.00%
Total of All Layers			46.68%	12.43%	14.85%	21.42%	4.37%	0.25%	100.00%

Associated Allocated Premium for Percent Placed:

Structure	Treatment of Assumed	Caps	CommLines	PersLines	MEEMIC	SRS	Assumed	Can Auto	Total
85Mxs40M PerOcc	Excluded		4,305,911	1,447,527	1,860,984	2,886,604	0	26,318	10,527,344
25xs100M Cat Aggreg XS	Excluded	40M per occ	764,749	124,826	109,294	97,010	0	2,747	1,098,625
75xs125M Cat Aggreg XS	Ltd to 30M Contrib	40M per occ	2,134,067	346,616	321,413	322,565	674,567	9,522	3,808,750
Total of All Layers			7,204,727	1,918,969	2,291,691	3,306,178	674,567	38,587	15,434,719

The distributions broken out into the detailed layers are:

Final Selected Distributions by Contract

Business Unit/Contract	100% of 60M xs 40M Occ	97.75% of 25M xs 100M Occ	18.5% of 10M xs 100M Agg	33.5% of 15M xs 110M Agg	51.25% of 25M xs 125M Agg	63.75% of 25M xs 150M Agg	53.00% of 25M xs 175M Agg	Total
CAN PPA	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
Commercial	41.83%	35.41%	69.71%	69.56%	57.40%	55.41%	53.15%	46.68%
MEEMIC	17.61%	18.09%	10.04%	9.90%	8.18%	8.55%	8.99%	14.85%
Personal	13.63%	14.47%	11.49%	11.30%	8.94%	9.14%	9.49%	12.43%
SRS	26.68%	31.78%	8.51%	8.99%	7.74%	8.83%	9.92%	21.42%
Assumed	0.00%	0.00%	0.00%	0.00%	17.48%	17.81%	18.20%	4.37%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Loss Allocation

The allocations above are for use in allocating losses. A reindexing process will be needed by contract to prevent negative net loss to any business unit.

Reinstatement Premium Allocation

Reinstatement premium for the per occurrence layers should be consistent with the final result of the loss allocation after reindexing for all events that have taken place in the year.

Premium Adjustment

Premium adjustments shall be allocated as per actual written premium following each contract year. For example, the termination of the Lehman Re participation reduced the percentage placements shown above. In the event of a loss, the allocations will be revised to reflect this change.

Percent of Layer Placed

These allocations are specifically for the percent placed itemized below:

Layer	Percent Placed
60Mxs40M Per Occ	100.00%
25Mxs100M Per Occ	97.75%
10xs100M Aggreg XS	18.50%
15xs110M Aggreg XS	33.50%
25xs125M Aggreg XS	51.25%
25xs150M Aggreg XS	63.75%
25xs175M Aggreg XS	53.00%

Important: Should the placement percentages above change, the allocations may need to be recalibrated depending on the magnitude of change.