

**IN THE MATTER OF THE REHABILITATION OF
FRONTIER INSURANCE COMPANY
SUPREME COURT, ALBANY COUNTY
INDEX No. 97/06**

NOTICE

The Superintendent of Insurance of the State of New York as Rehabilitator (the "Rehabilitator") of Frontier Insurance Company ("Frontier") hereby gives you notice that he has presented to the Supreme Court of the State of New York a Petition and Order to Show Cause seeking approval of settlement between Clarendon Insurance Group, Inc., Clarendon National Insurance Company, Clarendon America Insurance Company, Harbor Specialty Insurance Company and Clarendon Select Insurance Company (collectively "Clarendon") and Frontier as set forth in the petition. A hearing is scheduled on the Order to Show Cause on February 4, 2008 at 9:30 a.m. before the Supreme Court of the State of New York, Albany County at the Court of Claims, 7th Floor West, Justice Building, Albany, New York 12223. If you wish to object to the Petition, you must serve a written statement setting forth your objections and all supporting documentation upon the Rehabilitator at the address appearing at the end of this notice, and the Clerk of the Court, on or before January 30, 2008.

The Petition and exhibits attached thereto are available for inspection at the address appearing at the end of this Notice. The Petition is summarized below. In the event of any discrepancy between the summary herein and the petition, the petition controls.

The Petition

In an Order to Show Cause dated August 27, 2001, the Court appointed the Superintendent of Insurance of the State of New York as temporary Rehabilitator of Frontier. On October 15, 2001, the Superintendent was appointed as Rehabilitator and directed to take possession of Frontier's property, conduct its business and rehabilitate the company. The Rehabilitator discusses, in the Petition, the history of Frontier's 1999 and subsequent relationship (the "business") with Clarendon, the disposition of Trust Funds dedicated to secure the Clarendon business, course of performance and disputes between Clarendon and Frontier, and the history of litigation in this court between Clarendon and Frontier and a proposed settlement between Clarendon and Frontier for which the Rehabilitator seeks approval from the Court.

Requests for further information should be directed to Christopher DuBois, Esq., attorney for the Rehabilitator at (845) 807-5265.

Superintendent of Insurance
of the State of New York as Rehabilitator
of Frontier Insurance Company
195 Lake Louise Marie Road
Rock Hill, New York 12775
Attn: Christopher DuBois, Esq.