

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

NOTICE OF FILING OF PROPOSED REHABILITATION PLAN

BENJAMIN M. LAWSKY, the Superintendent of Financial Services of the State of New York, in his capacity as Rehabilitator (the "Rehabilitator") of Frontier Insurance Company ("Frontier") hereby gives you notice that the Supreme Court of the State of New York, County of Albany, has issued an Order to Show Cause dated January 13, 2012, requiring that any interested person or his, her or their attorneys, show cause before the Court at the Albany County Courthouse, 16 Eagle Street, Albany, New York, on the 6th day of April, 2012, at 9:30 in the forenoon of that day, or as soon thereafter as counsel can be heard, why an Order should not be made (i) granting the Verified Petition of the Rehabilitator for an Order approving his Plan of Rehabilitation for Frontier; and (ii) allowing the Rehabilitator such other and further relief as the Court may deem just and proper.

Please take notice:

1. That the Order to Show Cause and the papers upon which it is granted are posted on the website maintained by the New York Liquidation Bureau at <http://nylb.org>;
2. That the proposed Plan would authorize the Rehabilitator to continue to settle and pay claims under policies in his sole discretion;
3. That, because of Frontier's limited funds, the proposed Plan would require the Rehabilitator to obtain Court approval as a condition to settlement and payment of any surety or other claim against Frontier;
4. That objections to the Order to Show Cause and relief sought by the Rehabilitator therein shall be served on or before March 16, 2012; and
5. That the Rehabilitator may reply to any objection or other submission by papers served on or before March 30, 2012.

All objections should be served to the following addresses:

Frontier Insurance Company in Rehabilitation
Attn: Al Escobar, Chief Executive Officer
195 Lake Louise Marie Road
Rock Hill, New York 12775
aescobar@ftrins.com

and

William F. Costigan, Esq.
Dornbush Schaeffer Strongin & Venaglia, LLP
747 Third Avenue
New York, New York 10017
costigan@dssvllaw.com

Requests for further information or questions should be directed to Frontier Insurance Company in Rehabilitation at (845) 807-5250. Copies of the Order to Show Cause, the Verified Petition on which it was granted and the proposed Plan of Rehabilitation have been posted on the internet site maintained by the New York Liquidation Bureau at <http://nylb.org>.

BENJAMIN M. LAWSKY
Superintendent of Financial Services
of the State of New York, as Rehabilitator
of Frontier Insurance Company