



New York Liquidation Bureau Prepares to Sell Midland Insurance

November 3, 2008

As a first step toward a possible sale of Midland Insurance Co. to private investors, the New York Liquidation Bureau (NYLB) has hired the actuarial and consulting firm Milliman, Inc. to conduct a liquidation analysis of the Midland Estate, which is in liquidation with NYLB.

With approximately \$1 billion in assets, the Midland Estate is one of the largest insurance companies under management of the NYLB. Midland Insurance was placed into liquidation on April 3, 1986. Midland's largest coverage area was excess coverage for major Fortune 500 companies. The company also acted as a reinsurer.

The NYLB is the state's receiver of insolvent or impaired insurance companies. It manages more than 60 domestic and non-domestic insurance company estates.

State officials said the liquidation analysis will assist them in estimating the total distribution it would pay to Midland's policyholders if the NYLB were to continue to manage the liquidation. This in turn will enable the NYLB to evaluate bids from private investors, in order to ensure that policyholders are offered a better proposal under the private capital arrangement than under the current liquidation handled by the NYLB, according to officials.

Milliman was chosen through a public Request-for-Proposal (RFP) process.

The NYLB expects to publish a RFPs for the proposed sale of the Midland Estate within the next few months.

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