
Co-operators General Insurance Company

April 13, 2011

**VIA POSTING ON THE SOVEREIGN GENERAL
INSURANCE COMPANY'S WEBSITE**

To Whom It May Concern:

RE: Blanket Parental Guarantee Letter

This letter confirms that Co-operators General Insurance Company (“CGIC”), as the parent company of The Sovereign General Insurance Company (“SGIC”), subject to the terms and conditions contained herein, guarantees to any person (the “Policyholder”) who holds or held an insurance policy written or participated in by SGIC (the “SGIC Policies”), payment of any claims, losses and return of premiums legally payable by SGIC to a Policyholder under the SGIC Policies in the event that SGIC is unable in whole or in part for financial reasons to make such payment.

CGIC's obligations pursuant to this letter shall automatically terminate, without further action required by CGIC, upon CGIC, or a related party of CGIC, ceasing to control SGIC. Additionally, CGIC may unilaterally terminate its obligations under this letter by providing at least one year of notice of such termination to the Policyholders, which CGIC may, at its option, provide through a posting on SGIC's website which is deemed effective as of the date it is uploaded.

Upon termination of CGIC's obligations pursuant to this letter, CGIC's guarantee contained herein will survive with respect to liabilities incurred on those SGIC Policies incepted prior to such termination.

Nothing herein contained obligates CGIC to make any payment under this guarantee in the event such payment,

- 1) would be contrary to any provision of the *Insurance Companies Act* (Canada) or any regulation or directive made under the authority of or in consequence of that Act; or
- 2) would contravene any order, directive or legal requirement of any court, judicial authority, regulatory body or official including, but not limited to, the Office of the Superintendent of Financial Institutions (Canada) or the Minister of Finance (Canada).

To assert a claim against CGIC's with respect to its obligations pursuant to this letter, a Policyholder should contact:

Co-operators General Insurance Company
130 Macdonell Street
Guelph, Ontario
N1H 6P8
Attention: Chief Executive Officer
Telecopier No.: (519) 824-0599

Any dispute, controversy or claim concerning any matter arising under or related to CGIC's obligations pursuant to this letter, including any question regarding its existence, interpretation, validity, breach or termination or the business relationship created by it, shall be referred to and finally resolved by arbitration under the ADR Chambers Arbitration Rules.

CGIC represents and warrants to Policyholders that, at the time of signing this letter, CGIC has no knowledge of any regulatory or jurisdictional conflicts that would prevent CGIC from entering into this guarantee.

This letter shall be governed by the laws of Canada and is enforceable by each individual Policyholder under the laws of the Canadian Province in which that Policyholder resides.

Yours Truly,

CO-OPERATORS GENERAL INSURANCE COMPANY

Per: Kathy Bardswick c/s
Name: Kathy Bardswick
Title: President and Chief Executive Officer

Per: Bruce West c/s
Name: Bruce West
Title: Executive Vice-President and Chief Financial Officer

Acknowledged and agreed to by:

THE SOVEREIGN GENERAL INSURANCE COMPANY

Per: Kathy Bardswick c/s
Name: Kathy Bardswick
Title: President and Chief Executive Officer

Per: Rob Wesseling c/s
Name: Rob Wesseling
Title: Executive Vice President and Chief Operating Officer