



**Daniel Jurgella**  
Director-Reinsurance and  
Corporate Insurance  
E: dan.jurgella@sentry.com  
C: 920-224-3647

April 20, 2021

**Delivered via 1<sup>st</sup> Class Mail**

[Commissioner Name]  
[Address]

Dear [Commissioner]:

**Proposed transfer of Sentry Insurance Company f/k/a Sentry Insurance a Mutual Company (“Sentry”) liabilities within the Excess and Casualty Reinsurance Association (“ECRA”) to National Legacy Insurance Company (“NLIC”)**

Sentry is providing you this letter pursuant to Section 1685(A) of the Oklahoma Insurance Business Transfer Act, and because Sentry’s records indicate that: (1) Sentry holds or has held a certificate of authority in your state; and (2) policies that are part of the insurance business subject to transfer as described herein were issued to cedants that currently reside in your state. As such, I am writing to provide you with important information regarding the proposed transfer of Sentry policies within ECRA business to NLIC, an Oklahoma authorized insurance company.

**The Proposal**

Effective November 1, 2018, the Oklahoma Legislature enacted the Insurance Business Transfer Act (36 O.S. §§ 1681-1688) (the “IBT Act”). The IBT Act enables a book of policies to be completely separated from one insurer and moved to another using an Insurance Business Transfer Plan (the “Plan”). The Plan can only enter into effect with the approval of the District Court of Oklahoma County, State of Oklahoma (the “Court”), following a review of the transaction by an Independent Expert and the Oklahoma Insurance Department (“OID”). The transfer of the above-referenced business from Sentry to NLIC will be carried out under the IBT Act.

The business to be transferred consists of a number of reinsurance contracts written by Sentry through its participation as a member of ECRA, a reinsurance pool that operated from 1959 to 1982, comprising numerous reinsurance members. Underwriting participations in the ECRA pool varied from year to year and over its active life and comprised more than 150 member companies in total. Various casualty and property reinsurance risks were underwritten and managed by its pool manager, Excess and Treaty Management Corporation (“ETMC”), which was acquired by the R&Q Group in October 2010.

Sentry's participation in this pool was limited to January 1, 1972 through January 1, 1982. Sentry's pool member percentage varied each year but never reached 1% in any given year, ranging from 0.369% to 0.593%. Sentry entered into a reinsurance agreement with Accredited Surety and Casualty Company, Inc. ("ASC") in December 2016, at which time full claims handling responsibility for Sentry's liabilities were handled by ASC. The proposed IBT will not alter the handling of claims under the subject business in any way as the same personnel currently handling cedants' claims will continue to do so post transfer.

### **What safeguards are in the process for cedants?**

The approval process for the proposed transfer is designed to help safeguard cedant interests. This process includes:

- Close and regular consultation with the OID, who will also provide a report to the Court outlining the OID's view of the transfer;
- The appointment of an Independent Expert, approved by the OID, to review the transaction and assess the impact of the proposed transfer on cedants; and
- The requirement for the Oklahoma County District Court to approve the Plan for the transfer to go ahead. The Court will consider whether the Plan will adversely affect cedants and whether the proposed transfer is appropriate.

IT IS IMPORTANT TO NOTE THE COURT ENTERED A SCHEDULING ORDER SETTING A DEADLINE FOR COMMENTS, OBJECTIONS, EVIDENCE AND REQUESTS TO APPEAR BEFORE THE COURT AT THE APPROVAL HEARING IF THE PERSON OR ENTITY IS A CEDANT OR CONSIDERS HIMSELF, HERSELF OR ITSELF TO BE ADVERSELY AFFECTED BY THE IBT PLAN. CEDANTS HAVE A RIGHT TO APPEAR AT THE COURT HEARING THAT WILL CONSIDER THE TRANSFER AND ANY PERSON WHO ALLEGES THAT HE OR SHE WOULD BE ADVERSELY AFFECTED BY THE CARRYING OUT OF THE PLAN IS ENTITLED TO BE HEARD. ALL COMMENTS, OBJECTIONS, EVIDENCE AND REQUESTS TO APPEAR MUST BE FILED WITH THE COURT NO LATER THAN JUNE 28, 2021. SUCH CEDANTS OR INTERESTED PARTIES AND THEIR FILINGS MUST CONFORM WITH THE PROCESSES ESTABLISHED BY THE COURT, THE OKLAHOMA STATUTES AND OTHER APPLICABLE RULES AND LAWS, INCLUDING, BUT NOT LIMITED TO, SERVING ALL PARTIES WITH COPIES OF ALL DOCUMENTS FILED WITH THE COURT PURSUANT TO OKLA. STAT. TIT. 12, § 2005. ALL PERSONS OR ENTITIES SHALL BEAR THEIR OWN COSTS AND ATTORNEY FEES.

The Court hearing is due to take place on August 26, 2021 at 9:00 AM CDT before the Judge presiding over case number CJ-2020-5754 at the District Court of Oklahoma County, 321 Park Avenue, Oklahoma City, OK 73102.

For additional information regarding the date, time or location of the hearing, please check <https://www.oscn.net/dockets/GetCaseInformation.aspx?db=oklahoma&number=CJ-2020-5754> for the docket information or call the Oklahoma County Court Clerk, Civil Department, at (405) 713-1705.

The Court will only approve the transfer if it is satisfied that the proposed plan is fair to all cedants and meet all legal and regulatory requirements. In arriving at a judgement, the Court will take into account the opinion of the OID, the Independent Expert and any representations made by cedants and other stakeholders.

As stated above, parties affected by the Plan have the right to attend the Court hearing and present any concerns directly at the Court hearing or appoint legal counsel to attend on your behalf. If you would prefer to put comments to us in writing, we will put them before the Court at the hearing. If you decide to write to us, you are kindly requested to do so as soon as possible and preferably by no later than June 28, 2021.

### **What does the transfer mean for cedants?**

If the proposed transfer is approved by the Oklahoma County District Court, it is expected to take effect on August 26, 2021.

Once the Plan comes into effect, NLIC will replace Sentry as the reinsurer under each transferring contract for which Sentry is currently the reinsurer. Apart from this, the terms of such contracts will not change.

From the date of the transfer, the same staff that currently administers the Sentry policies will continue to administer the transferred business.

Once the transfer is approved, cedants shall not have the opportunity to opt out of the transfer and court approval of the Plan shall extinguish all rights of the transferring cedants against Sentry.

### **What information was sent to the cedants?**

We also enclose with this letter the materials that will be sent to the cedants informing them of the proposed transfer, which consists of the following:

- A document with common “Questions and Answers” about the proposed transfer, which supplements and adds to some of the topics identified in the notice letter;
- A summary of the Independent Expert’s Report; and
- A copy of the Legal Notice setting out the details of the Court hearing.

## How to make your views known.

If you do not have any issues with the proposed transfer, the information contained in this letter, or the materials sent to the cedants, you do not need to take any further action.

However, should you need any further information or have any questions or concerns, or if you believe that cedants residing in your state may be adversely affected then you may attend the Court hearing as described above, or you may contact us. You can contact us by using any of the methods provided below; however, given the current state of the COVID-19 pandemic and remote working, we encourage you to contact us via email to help ensure a timely response.

- Call us at:
  - NLIC: (877) 514-3542
  - Sentry: (877) 788-4011
- Preferably, email us at: [sentry-ibt@rqih.com](mailto:sentry-ibt@rqih.com)

For your convenience, the information included with this letter is also available on a website at <http://www.rqih.com/news/sentry-ibt/> together with full copies of the Independent Expert's Report and the Plan. Any updates during the process will also be posted on the website.

Very truly yours,

Daniel Jurgella  
Director-Reinsurance and Corporate Insurance

## Questions and Answers Relating to the Insurance Business Transfer

***Q: What is an Insurance Business Transfer?***

A: Effective November 1, 2018, the Oklahoma Legislature enacted the Insurance Business Transfer Act (36 O.S. §§ 1681-1688) (the “IBT Act”). The IBT Act sets out a basis and procedure for the statutory transfer of policies and/or contracts from a transferring insurer to an assuming insurer. In other words, the IBT Act enables a book of policies/contracts to be completely separated from one insurer and moved to another using an Insurance Business Transfer (“IBT”) Plan (the “Plan”) without requiring the affirmative consent of the policyholders/cedants. The Plan can only enter into effect with the approval of the Oklahoma County District Court (the “Court”), following a review of the transaction by an Independent Expert and the Oklahoma Insurance Department (“OID”).

***Q: What is being transferred under the Insurance Business Transfer process?***

A: The business to be transferred consists of a number of reinsurance contracts written by Sentry Insurance Company f/k/a Sentry Insurance a Mutual Company (“Sentry”) through its participation as a member of Excess and Casualty Reinsurance Association (“ECRA”), a reinsurance pool operating from 1959 to 1982, comprising numerous reinsurance members of which Sentry was only one.

Various casualty and property reinsurance risks were underwritten and managed for ECRA by its pool manager, Excess and Treaty Management Corporation (“ETMC”), which was acquired by the R&Q Group in October 2010.

The business is to be transferred from Sentry to an authorized Oklahoma company, National Legacy Insurance Company Limited (“NLIC”), a member company of the R&Q Group.

It is important to note that, throughout this process, business should continue to be conducted in the usual course.

***Q: What is an Independent Expert?***

A: The Independent Expert is not an advisor to any party to the proposed transfer but a person independent of the parties involved whom the OID considers has the necessary skills to assess the effect of the transfer. The OID selected and approved of the Independent Expert from a list of potential Independent Experts provided by Sentry and NLIC.

***Q: What did the Independent Expert do in this case?***

A: The Independent Expert reviewed the terms of the proposed transfer and the actuarial models prepared in respect of the transferring business to determine the likely effects on cedants and other key stakeholders. After completing that review, the Independent Expert prepared a report for the Court, in a form approved by the OID, setting out conclusions regarding the effects of the transfer on cedants and other key stakeholders.

***Q: To whom does the Independent Expert have duties to?***

A: The Independent Expert's duties are to the OID and to the Court.

***Q: Why is this Insurance Business Transfer taking place?***

A: Sentry and Accredited Surety and Casualty Company, Inc., ("ASC") a member of the R&Q group, executed a reinsurance contract reinsuring Sentry's assumed position in the ECRA pool in December 2016. This agreement included ASC taking over full claims handling responsibility of your reinsurance claims as of 2017. Completing the planned IBT will result in NLIC taking full legal responsibility for all of the reinsurance previously provided by Sentry to the pool, which will simplify administration of the business and place ultimate legal responsibility for it with R&Q, where the financial responsibility for that business already rests by virtue of the ASC reinsurance agreement.

***Q: What safeguards are there in the process for cedants?***

A: The legal and regulatory framework around the IBT process has been designed to protect the interests of cedants and other interested parties. The protections can be summarized as follows:

1. As mentioned earlier, the OID, in conjunction with Sentry and NLIC, approved the appointment of an Independent Expert, Melissa Holt, an actuary and Director of PricewaterhouseCoopers. Ms. Holt has prepared an impartial report for the OID and the Court on the likely effects of the transfer, a summary of which has been delivered to cedants. The Independent Expert has concluded that cedants will not be materially adversely affected by the transfer.
2. There has been close consultation throughout the process with the OID, who will also provide a report to the Court setting out the OID's view on the transfer. This report is not expected to identify any material concerns or potential adverse effects on cedants.
3. The Court has entered a scheduling order setting a deadline for comments, objections, evidence and requests to appear before the Court at the Approval Hearing if the person or entity is a cedant, or considers himself, herself or itself to be adversely affected by the IBT Plan. While the Court will consider such filings or appearances, this invitation does not confer standing on any person or entity. Cedants and interested parties affected by the Plan have the right to attend the Court hearing and present any concerns directly at the Court hearing or appoint legal counsel to attend on their behalf. These cedants or interested parties and their filings must conform with the processes established by the Court, the Oklahoma Statutes and other applicable rules and laws, including, but not limited to, serving all parties with copies of all documents filed with the Court pursuant to OKLA. STAT. TIT. 12, § 2005. All persons or entities shall bear their own costs and attorney fees. Methods of communicating issues and concerns are set out later in this document. The Court will only approve the transfer if it is satisfied

that the proposed changes are fair to all cedants and meet all legal and regulatory requirements.

***Q: When and where is the Court hearing?***

A: The hearing to consider and, if appropriate, approve the IBT has been fixed August 26, 2021 at 9:00 AM CDT before the Judge presiding over case number CJ-2020-5754 at the District Court of Oklahoma County, 321 Park Avenue, Oklahoma City, OK 73102. Please check the NLIC website noted below regularly for any updates on timing.

Additionally, you can check the following website for the docket information

<https://www.oscn.net/dockets/GetCaseInformation.aspx?db=oklahoma&number=CJ-2020-5754> or call the Oklahoma County Court Clerk, Civil Department, at (405) 713-1705.

***Q: What will happen at the hearing?***

A: At the hearing, legal counsel for the transferor will set out the transfer proposals to the Court, inform the Court of when and how it notified interested parties and what responses or comments it has been required to put before the Court. Further, the transferor will inform the Court as to why the Court should find that there is no material adverse impact to cedants affected by the transfer. The Court will also consider the report and conclusions of the Independent Expert together with the report from the OID setting out its view on the transfer, before deciding whether to approve the transfer. The Court will also want to be satisfied that the current domestic regulator of Sentry does not object to the transfer.

If approved, cedants will not have the opportunity to opt out of the transfer and court approval of the Plan shall extinguish all rights of the transferring cedant against Sentry.

The Court's final decision will be posted on the NLIC website.



***Q: What happens after the transfer is approved?***

A: The Court Order will provide for a statutory transfer of all reinsurance contracts subject to the IBT from Sentry to NLIC as if NLIC, and not Sentry, were the original reinsurer on the contracts. Apart from this, the terms of such contracts will not change.

The ceded reinsurance of transferred contracts on the subject business is also transferred as a consequence of the Court's order.

Cedants will not see any difference in the administration of their contract, which will remain the same as it was prior to the transfer. ETMC will continue to manage the pool and all claims will be handled in the same manner since the reinsurance contract was signed in December of 2016.

***Q: What do I do next?***

Please carefully read the information we have included with this letter. As well as this Question and Answer document, we have also enclosed the following:

- A summary of the Independent Expert's Report; and
- A copy of the Legal Notice setting out the details of the Court hearing.

**If you have no issues with the proposed transfer and the information contained in this pack, you do not need to take any further action.**

If you would like to make any representations concerning the transfer, they can be made by using any of the methods provided below; however, given the current state of the COVID-19 pandemic and remote working, we encourage you to contact us via email to help ensure a timely response.

- Call the toll free number at:
  - NLIC: (877) 514-3542 (U.S.) or 0808 196 5091 (U.K.)
  - Sentry: (877) 788-4011
- Preferably, email the following address: [sentry-ibt@rqih.com](mailto:sentry-ibt@rqih.com)

As previously mentioned, parties affected by the Plan also have the right to attend the Court hearing and present any concerns directly at the Court hearing or appoint legal counsel to attend on your behalf. If you would prefer to put comments to us in writing, we will put them before the Court at the hearing. If you decide to write to us, you are kindly requested to do so as soon as possible and **preferably by no later than June 28, 2021**. While we would prefer to receive written comments by email, you can also send written comment to either address:

- Sentry Insurance Company  
1800 North Point Drive  
Stevens Point, WI 54481
- National Legacy Insurance Company  
Two Logan Square  
Suite 600  
Philadelphia, PA 19103

***Q: Where can I find out more information?***

A: The website contains copies of all documents sent to interested parties and also contains a link to the full Independent Expert Report. If you would like to request free copies of the report, you can contact us using one of the methods outlined above.

For any updates throughout the process, please regularly check the website, <http://www.rqih/news/sentry-ibt/>.

***Q: Does the reorganization of Sentry affect the Insurance Business Transfer?***

A: No. Effective January 1, 2021, Sentry Insurance a Mutual Company converted from a mutual insurance company to a stock insurance company, and was renamed Sentry Insurance Company under the provisions of Chapter 644 of the Wisconsin Statutes. Thus, the name has changed, but the legal entity substantively remains the same.

# Summary of the Independent Expert's Report on the Transfer from Sentry to NLIC

## 1.1 Transfer Summary and Purpose

Sentry Insurance a Mutual Company (Sentry) is proposing the transfer of its unpaid claims liabilities that were assumed through reinsurance of the Excess Casualty Reinsurance Association (ECRA) pool to National Legacy Insurance Company (NLIC). NLIC, a part of R&Q Group, is an Oklahoma domiciled company established in 2019 with no policyholders prior to the proposed transaction. The transfer is planned to be effective during fall 2020. ECRA is a reinsurance pool that underwrote property and casualty risks between 1959 and 1982. The pool is comprised of numerous insurance and reinsurance companies, who collectively reinsured a variety of commercial risks, originally insured under policies issued by ceding insurers (who may or may not be members of ECRA assuming reinsurance from the pool). At this time, the majority of the pool's unpaid losses are expected to relate to asbestos, pollution/environmental, and other mass tort liabilities. Sentry's assumed reinsurance participation in the pool was approximately \$2.9 million of loss and loss adjustment expense reserves at December 31, 2019. These liabilities have been reinsured by Accredited Surety and Casualty (ASC), an NLIC affiliate, since 2016. In the proposed transfer, Sentry's assumed reinsurance liabilities from the ECRA pool will be transferred to NLIC, terminating Sentry's liability for the exposure, and the reinsurance provided by the NLIC affiliate will be commuted immediately thereafter.

R&Q Group plans to utilize the Act to consolidate certain run-off portfolio acquisitions using NLIC as a vehicle for a series of transactions involving legacy exposures. By consolidating such portfolios, R&Q Group can more efficiently manage these run-off portfolios by focusing management expertise and appropriate functions for the run-off exposure into one entity. From Sentry's perspective, the proposed transfer would reduce reserving uncertainty gross of reinsurance by removing long-term claims from Sentry's portfolio and would streamline administration by eliminating management of this segment that is not part of Sentry's core businesses.

## 1.2 The Independent Expert and the Independent Expert's Report

Melissa Holt, a Director in the Actuarial Services practice of PwC, has been appointed by the Commissioner to serve as the Independent Expert (IE) for the proposed transfer between Sentry and NLIC. She is a Fellow of the Casualty Actuarial Society and Member of the American Academy of Actuaries.

The IE is charged with assisting the Commissioner and the Court with assessing the relevant facts and circumstances surrounding the proposed IBT and provides an opinion on whether the transfer will have a material adverse impact on policyholders. In support of this charge, the IE provides a report which describes the proposed transfer, describes the analysis performed by the IE, and conveys the IE's conclusions on the transfer's potential impact on policyholders, including the effect of the transfer on the security of policyholders and the level of administrative service provided to policyholders by the respective insurance companies.

This summary highlights the key elements of the IE's review and conclusions. For greater detail on the

transaction, the IE's work, and the IE's conclusions, please refer to the complete report which can be found on the R&Q Group website at <http://www.rqih.com/news/sentry-ibt/>. The materiality and professional standards guiding the complete report as well as other terms around the purpose, distribution and use, the IE's reliance on data and other provided information, and limitations laid out in the full report also apply to this Summary.

## 1.3 The Independent Expert's Review and Analysis

The IE employed the following approach to develop an opinion on the likely effects of the transfer on claimants and policyholders.

- Understand the impact of the transfer on loss reserves and assess loss reserve adequacy.
- Understand the impact of the transfer on the assets and liabilities for each company.
- Assess the likely effect of the transfer on the security of each group of policyholders impacted by the transfer.
- Consider the planned changes to policy administration and corporate governance, and planned communications to policyholders.

The impact of the proposed transfer was considered separately for the Sentry policyholders who will be transferred under the plan and those that will not be transferred.

Sentry and NLIC provided data and other information supporting the IE review including statutory financial statements, actuarial loss projections and Statements of Actuarial Opinion, balance sheets before and after the transaction, investment plans, RBC analysis, sensitivity testing of capital adequacy, and NLIC's Own Risk and Solvency Assessment (ORSA) reports. The IE reviewed the provided material and held discussions with the companies and their consultants to clarify her understanding of the materials.

She also considered industry benchmarks in assessing the reasonability of key assumptions such as loss payment patterns, reserve ratios, survival ratios, and RBC ratios and performed her own analysis to independently test the impact of various alternate assumptions related to loss reserves and capital adequacy. The primary focus of independent testing was on capital adequacy and understanding the circumstances under which ECRA reinsureds might be adversely affected. The IE considered various scenarios with higher ultimate claim payments, changes to the timing of claim payments, and alternate investment returns as well as performing modeling to assess the likelihood of extremely high claim scenarios.

## 1.4 The Independent Expert's Conclusions

In the Report, the IE concludes as follows:

*"I have considered the proposed transfer and the likely effect of the transfer on the Sentry policyholders who will not be transferred as well as on the ECRA reinsureds whose liabilities will be transferred. As noted elsewhere in the report, there are no current policyholders of NLIC.*

*Based on my review, I have reached the following conclusions:*

- *Reserves to be recorded by NLIC after the transfer for unpaid losses and associated expense for claims handling appear reasonable based on my understanding of the methodologies used in the provided actuarial reserve studies, the reasonability of key assumptions and my review of reserve diagnostics.*
- *The financial condition of Sentry will not be materially changed by the transfer and, therefore, the transfer will have no discernible impact on the policyholders remaining with Sentry.*

- *NLIC is a strongly capitalized but smaller, less diversified insurer than Sentry. Based on testing of a range of adverse outcomes for total claims and investment yields, I am satisfied that the likelihood of ECRA claims going unpaid by NLIC is sufficiently small as to be immaterial and that transferring reinsureds will not be materially adversely impacted by the transfer.*
- *NLIC plans for administration of the ECRA reinsurance claims to remain with ETMC, the entity managing the ECRA pool since 1959. There will be no change to the ECRA transferring reinsureds' policyholder experience as a result of the transfer.*
- *NLIC has an appropriate corporate governance structure to ensure proper board and management oversight. NLIC management has appropriate expertise to manage the transferring ECRA reinsurance business after the transfer.*
- *The strategy to communicate the IBT plan and hearing information to the Sentry policyholders, transferring ECRA reinsureds, and other stakeholders as required by the Act is reasonable and appropriate for the various parties to be notified.*
- *In my opinion, the transfer does not materially, adversely impact the Sentry policyholders or the reinsureds in the business being transferred."*

## **NOTICE BY PUBLICATION OF INSURANCE BUSINESS TRANSFER**

Case No. CJ-2020-5754

In the District Court of Oklahoma County, State of Oklahoma

PLEASE TAKE NOTICE. Sentry Insurance Company f/k/a Sentry Insurance a Mutual Company ("Sentry" or "Transferring Insurer"), a Wisconsin company, has filed a Petition for court approval to implement a plan to transfer all of its reinsurance liabilities underwritten by Sentry as a participant to the Excess and Casualty Reinsurance ("ECRA") Pool to National Legacy Insurance Company ("NLIC" or "Assuming Insurer"), an Oklahoma domestic insurance company, pursuant to the State of Oklahoma's Insurance Business Transfer ("IBT") Act, OKLA. STAT. TIT. 36, §§ 1681, *et seq.* This notice by publication is provided pursuant to the IBT Act.

On October 2, 2020, Sentry, in conjunction with NLIC (individually an "Insurer" and together the "Insurers"), initiated this process by filing an IBT Plan with the Insurance Commissioner of the State of Oklahoma ("Commissioner") (individually a "Party" and together with the Insurers the "Parties"). After evaluating the IBT Plan, the Commissioner, with benefit of the analysis of an Independent Expert, determined the IBT Plan's approval and implementation will not have a material adverse impact on the interests of insurance companies whose policies are reinsured by Sentry as a participant in the ECRA Pool ("Cedants") or claimants of reinsurance agreements to be transferred (the "Subject Business").

On November 23, 2020, the Commissioner entered an order ("Commissioner's Order") memorializing his determination that the IBT Plan will not have a material adverse impact on the interests of Cedants of the Subject Business. The Commissioner's Order also authorized Sentry to apply to the District Court of Oklahoma County, Oklahoma ("Court"), for an Order of Approval and Implementation of the IBT Plan.

On December 2, 2020, Sentry filed a Petition with the Court applying for an Order of Approval and Implementation of the IBT Plan. If the Court enters such an order, Cedants of the Subject Business will not have the option to opt out of or reject the transfer and novation.

The hearing to consider approval and implementation of the IBT Plan ("Approval Hearing") will occur on:

Date: August 26, 2021,  
Time: 9:00 AM CDT,

before the Judge presiding over case number CJ-2020-5754 at the District Court of Oklahoma County, 321 Park Avenue, Oklahoma City, OK 73102. For additional information regarding the date, time or location of the hearing, please check <https://www.oscn.net/dockets/GetCaseInformation.aspx?db=oklahoma&number=CJ-2020-5754> for the docket information or call the Oklahoma County Court Clerk, Civil Department, at (405) 713-1705.

The IBT Act allows persons or entities to file comments, objections, evidence and requests to appear before the Court at the Approval Hearing if the person or entity is a Cedant, or considers himself, herself or itself to be adversely affected by the IBT Plan. However, such filings or appearances shall not confer standing on any person or entity. Cedants and interested parties affected by the IBT Plan have the right to attend the Court hearing and present any concerns directly at the Court hearing or appoint legal counsel to attend on their behalf. All comments, objections, evidence or requests to appear must be filed with the Court no later than June 28, 2021. Such Cedants or interested parties and their filings must conform with the processes established by the Court, the Oklahoma Statutes and other applicable rules and laws, including,

but not limited to, serving all Parties with copies of all documents filed with the Court pursuant to OKLA. STAT. TIT. 12, § 2005. All persons or entities shall bear their own costs and attorney fees.

If the Court grants the relief requested in the Petition, it will establish a date or dates ("Effective Date") upon which NLIC will assume all of the respective obligations of the Subject Business. Upon the Effective Date, NLIC will also be responsible for the administration and payment of all claims and benefits of its assumed obligations.

Upon the Effective Date, NLIC will be directly liable to the Cedants to the same extent as Sentry immediately prior to the Effective Date. Consequently, the Cedants' respective obligations with Sentry will be extinguished. Except for substituting Sentry with NLIC, the respective obligations stated in the Cedants' reinsurance agreements will not change as a result of the IBT Plan.

An electronic copy of the IBT Plan is available at <http://www.rqih.com/news/sentry-ibt/>. Upon the request by a Cedant which is unable to readily access electronic copies of the IBT Plan, Sentry will provide a hard copy via the United States Postal Service, First Class postage prepaid.

Additional information concerning the IBT Plan may be obtained by contacting:

<u>Transferring Insurer:</u>	<u>Assuming Insurer:</u>	<u>Oklahoma Insurance Commissioner:</u>
Sentry Insurance Company 1800 North Point Drive Stevens Point, WI 54481 Telephone: (715) 346-6251 Toll Free: (877) 788-4011 <a href="mailto:OklahomaIBT@sentry.com">OklahomaIBT@sentry.com</a>	National Legacy Insurance Company Two Logan Square Suite 600 Philadelphia, PA 19103 Telephone: (267) 675-3400 Toll Free: US - (877) 514-3542 UK - 0808 196 5091 <a href="mailto:sentry-ibt@rqih.com">sentry-ibt@rqih.com</a>	Oklahoma Department of Insurance 400 NE 50 <sup>th</sup> Street Oklahoma City, OK 73105 Telephone: (405) 521-2828 Toll Free: OK - (800) 522-0071 <a href="http://www.ok.gov">www.ok.gov</a>

**IN WITNESS WHEREOF**, SENTRY INSURANCE COMPANY has caused this Notice to be executed by its Director-Reinsurance and Corporate Insurance, as of the 20th day of April, 2021.

**SENTRY INSURANCE COMPANY**

By: Daniel Jurgella  
Title: Director-Reinsurance and Corporate Insurance