

NOTICE OF INSURANCE BUSINESS TRANSFER

CJ-2023-1025

In the District Court of Cleveland County, State of Oklahoma

Date of Transmittal:

October 20, 2023

PLEASE TAKE NOTICE. You have been identified as a possible holder or beneficiary (“Cedant”) of reinsurance agreements underwritten by The Hanover Insurance Company (“Hanover” or “Transferring Insurer”). National Legacy Insurance Company has filed a Petition for court approval to implement a plan to transfer all of Hanover’s reinsurance agreements underwritten as a participant to the Excess and Casualty Reinsurance Pool to National Legacy Insurance Company, an Oklahoma domestic insurance company (“NLIC” or “Assuming Insurer”), pursuant to the State of Oklahoma’s Insurance Business Transfer Act, OKLA. STAT. TIT. 26 § 1681, et seq. (“IBT Act”). This notice is provided to you pursuant to the IBT Act.

On June 14, 2023, NLIC, in conjunction with Hanover (individually an “Insurer” and together the “Insurers”), initiated this process by filing an IBT Plan with the Insurance Commissioner with the State of Oklahoma (“Commissioner”, and together with the Insurers, the “Parties”). After evaluating the IBT Plan, the Commissioner, with the 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 Cedants or claimants of reinsurance agreements to be transferred (“Subject Business”).

On August 8, 2023, the Commissioner entered an order (“Commissioner’s Order”) memorializing his determination the IBT Plan will not have a material adverse impact on the interests of Cedants or claimants of the Subject Business. The Commissioner’s Order also authorized Hanover to apply to the District Court of Cleveland County, Oklahoma (“Court”), for an Order of Approval and Implementation of the IBT Plan.

On August 25, 2023, NLIC 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 of the Subject Business.

The Court will hold a status conference on:

Date: January 2, 2024

Time: 9:00 a.m. CST

before the Honorable Judge Michael Tupper in the District Court of Cleveland County, Courtroom 4A, Cleveland County Courthouse, 201 S. Jones, Norman, OK 73069. During this Status Conference, a trial date (“Approval Hearing”) will be set to consider approval and implementation of the IBT Plan.

The IBT Act allows entities to file comments, objections, evidence and requests to appear before the Court at the Approval Hearing if the 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 entity. All comments, objections, evidence or requests to appear must be filed with the Court no later than December 19, 2023. Such entities and their filings must conform with the processes established by the Court, the Oklahoma Statutes and other applicable rules and laws, including, but are not limited to, serving all Parties with copies of all documents filed with the Court pursuant to OKLA. STAT. TIT. 12, § 2005. All 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, including the underlying reinsurance agreements. 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 Cedants to the same extent as Hanover immediately prior to the Effective Date. Consequently, the Cedants’ respective obligations with Hanover will be extinguished. Except for substituting Hanover 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, a common “Questions and Answers” about the IBT Plan, a summary of the Independent Expert Report, a summary of the legal document setting out the terms of the Plan, and the Commissioner’s Order is available at:

<https://www.rqih.com/ecra-hanover-insurance-company-insurance-business-transfer/>

The website will be updated periodically. Upon the request by a Cedant which is unable to readily access electronic copies of the IBT Plan or other documents posted on the website, NLIC 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:

Assuming Insurer:

National Legacy Insurance Company
One Logan Square, Suite 320
Philadelphia, PA 19103
Telephone: 267-675-3400
Toll Free: US- 877-514-3542
UK- 0808 196 5091
Email: hanover-ibt@rqih.com

Transferring Insurer:

The Hanover Insurance Group Inc.
440 Lincoln Street
Worcester, MA 01653
Telephone: (508) 855-1000
(800) 446-8379 (toll free)
<https://www.hanover.com>

Oklahoma Insurance Commissioner:

Oklahoma Department of Insurance
400 NE 50th St.
Oklahoma City, OK 73105
Telephone: 405-521-2828
Toll Free – OK: 800-522-0071
oid.ok.gov

IN WITNESS WHEREOF, NLIC has caused the Notice to be executed by the President as of the 20th day of October, 2023.

NATIONAL LEGACY INSURANCE COMPANY



By: Christopher W. Reichow
Title: President