

American Guarantee and Liability Insurance Company
American Zurich Insurance Company
Assurance Company of America
Colonial American Casualty and Surety Company
Empire Fire and Marine Insurance Company
Empire Indemnity Insurance Company
Fidelity and Deposit Company of Maryland
Maine Bonding and Casualty Company
Maryland Casualty Company
Maryland Insurance Company
National Standard Insurance Company
Northern Insurance Company of New York

Steadfast Insurance Company
Universal Underwriters Insurance Company
Universal Underwriters of Texas Insurance Company
Valiant Insurance Company
Zurich American Insurance Company
Zurich American Insurance Company of Illinois
Zurich Financial Services
Zurich International (Bermuda) Ltd. (ZIB)
Zurich Insurance Bermuda Branch (ZIBB)
Zurich Specialties London, Ltd. (ZSL)

The term “Zurich” is used throughout this Court-Ordered Legal Notice to include some or all of these entities, depending on the context in which it is used.

The other insurers involved in the action (the “**Insurer Defendants**”) are

ACE American Insurance Co.	CNA Financial Corp.	National Surety Corp.
ACE INA Holdings, Inc.	Commerce and Industry Insurance Co.	National Union Fire Insurance Co. of Louisiana
ACE Limited	Continental Casualty Co.	National Union Fire Insurance Co. of Pittsburgh, Pa.
ACE USA, Inc.	Crum & Forster Holdings Corp.	New Hampshire Insurance Co.
AIU Insurance Co.	Executive Risk Indemnity Inc.	Nutmeg Insurance Co.
American Alternative Insurance Corp.	Federal Insurance Co.	Pacific Insurance Co., Ltd
American Casualty Co. of Reading, PA	Fireman's Fund Insurance Co.	RLI Corporation
American Home Assurance Co.	General Re Corporation	RLI Insurance Co.
American International Group, Inc.	General Reinsurance Corp.	St. Paul Fire & Marine Insurance Co.
American International Insurance Co.	Greenwich Insurance Co.	St. Paul Mercury Insurance Co.
American International Specialty Lines Insurance Co.	Gulf Insurance Co.	St. Paul Travelers Companies, Inc.
American Re Corporation	Hartford Fire Insurance Co.	The Chubb Corporation
American Re-Insurance Co.	Hartford Steam Boiler Inspection and Insurance Co.	The Continental Insurance Corp.
Athena Assurance Co.	Illinois Union Insurance Co.	The Hartford Fidelity & Bonding Co.
AXIS Reinsurance Company	Indemnity Insurance Co. of North America	The Hartford Financial Services Group, Inc.
AXIS Specialty Insurance Company	Indian Harbor Insurance Co.	The Insurance Company of the State of Pennsylvania
AXIS Surplus Insurance Company	Lexington Insurance Company	Travelers Casualty & Surety Co. of America
Berkshire Hathaway, Inc.	Liberty Mutual Fire Insurance Co.	Travelers Indemnity Company
Berkshire Hathaway Insurance Group	Liberty Mutual Holding Company, Inc.	Twin City Fire Insurance Co.
Birmingham Fire Insurance Co. of Pennsylvania	Liberty Mutual Insurance Co.	United States Fire Insurance Co.
Chicago Insurance Co.	Mt. Hawley Insurance Co.	Vigilant Insurance Co.
	Munich Reinsurance Co.	Wausau Underwriters Insurance Co.
	Munich-American Risk Partners, Inc.	Westchester Surplus Lines Insurance Co.
		XL Capital Ltd.

The brokers involved in the Action (the “**Broker Defendants**”) are:

Acordia, Inc.	Aon Risk Services of Texas, Inc.	Marsh Inc.
Affinity Insurance Services, Inc.	Aon Services Group, Inc.	Marsh USA, Inc. Marsh USA Inc. (Connecticut)
Aon Broker Services, Inc.	Arthur J. Gallagher & Co.	Seabury & Smith, Inc
Aon Corporation	Arthur J. Gallagher Risk Management Services, Inc.	Stewart Smith Group
Aon Group Inc.	BB&T Corporation	Summit Global Partners of Florida, Inc.
Aon Re, Inc.	BB&T Insurance Services, Inc.	U.S.I. Holdings Corporation
Aon Re Worldwide, Inc.	Branch Banking and Trust Company	USI Insurance Services of Florida, Inc. (d/b/a USI Florida)
Aon Risk Services Companies, Inc.	Brown & Brown, Inc.	Wells Fargo & Company
Aon Risk Services, Inc. of Louisiana	Hilb, Rogal & Hobbs Company	Willis Group Holdings Limited
Aon Risk Services, Inc. of Maryland	Hub International Limited	Willis Group Limited
Aon Risk Services, Inc. of Michigan	Marsh & McLennan Companies, Inc.	Willis North America, Inc.
Aon Risk Services Inc. U.S.		Willis of New York, Inc.
		Willis Re Inc.

In addition to policy purchases and renewals through Broker Defendants, purchases and renewals of policies issued by Zurich through any other broker – even if such broker is not named as a defendant in this Class Action – may also be covered by the Zurich Settlement if the policies were purchased or renewed within the Class Period.

If the Zurich Settlement is finally approved by the Court, a settlement fund with at least \$121,800,000 (plus applicable interest) will be created by Zurich and will be distributed to those policyholders who fit within the description of the settlement class that is described above (“Settlement Class Members”). In addition to this settlement relief of \$121,800,000, Zurich will also pay a Court-approved award of attorneys’ fees and expenses and *all* administrative costs incurred to implement the Zurich Settlement – including the cost of establishing a toll-free telephone center to respond to Settlement Class Members’ inquiries. *None of these costs will be deducted from the settlement relief.*

If you are a Settlement Class Member and you do not wish to participate in the Zurich Settlement, you must request exclusion from the Settlement Class by no later than _____.

If you think that you might be a Settlement Class Member, you can obtain more information – including a copy of the Notice which provides additional detail – by calling the Court-approved Administrator at 1-XXX-XXX-XXXX, by e-mailing the Administrator at _____ or by visiting www._____.com.

WHAT DOES THE ZURICH SETTLEMENT PROVIDE?

At least \$121,800,000 will be distributed in connection with the Zurich Settlement – with a possibility under certain circumstances (described below) that Zurich will be required to fund an additional \$29,900,000 in connection with the Zurich Settlement.

- Zurich has already funded \$70,100,000 of this amount into an escrow account set up under the Zurich Settlement Agreement (the “Class Action Escrow Account”).

- In addition, under a settlement agreement that Zurich entered into with the Office of the Attorney General of the States of California, Florida, Hawaii, Maryland, Oregon, Texas and West Virginia and the Commonwealths of Massachusetts, Pennsylvania and Virginia, the Chief Financial Officer of the State of Florida and the Office of Insurance Regulation of the State of Florida, and parallel settlement agreements with certain departments of insurance, including (to date) the Departments of Insurance for the States of California, Oklahoma, Delaware, Nebraska, Iowa, Nevada, Arkansas, Missouri, Montana, Illinois, Connecticut, Indiana and Oregon and for the Commonwealths of Pennsylvania and Massachusetts (collectively, the “Multi-State Agreement”), Zurich has agreed to fund, and has already deposited, an additional \$51,700,000 into the Class Action Escrow Account in conjunction with the settlement relief provided for under the Zurich Settlement Agreement.
- If the Zurich Settlement is finally approved, the amount that has already been deposited into the Class Action Escrow Account – \$121,800,000 (plus applicable interest) – will be distributed to Settlement Class Members (after deductions for any limited expenses (if any) relating to tax liabilities or the maintenance of the Class Action Escrow Account) – pursuant to a Court-approved Plan of Allocation.
- In addition, under the Zurich Settlement Agreement, Zurich will be required to fund *up to* an additional \$29,900,000 into the Class Action Escrow Account if *less* than that amount is distributed through a settlement agreement that Zurich has executed with the Office of the Attorney General of the States of New York, Connecticut and Illinois and with the Superintendent of Insurance for the State of New York (collectively, the “Three-State Agreement”).
- In other words, Zurich will be required to pay into the Class Action Escrow Account the difference between what is distributed under the Three-State Agreement and \$29,900,000 if the amount that is distributed under the Three-State Agreement is less than \$29,900,000. Thus, for example, if only \$27,000,000 is distributed under the Three-State Agreement, Zurich will be required to pay an additional \$2,900,000 into the Class Action Escrow Account. If, on the other hand, \$41,000,000 is distributed under the Three-State Agreement, Zurich will not be required to pay any portion of the \$29,900,000 into the Class Action Escrow Account. Neither the Plaintiffs nor Zurich are able to predict at this point whether Zurich will end up paying any portion of the additional \$29,900,000 into the Class Action Escrow Account.

Under the terms of the Zurich Settlement Agreement and the Multi-State Agreement, Zurich has already funded a total of \$121,800,000 into the Class Action Escrow Account – with the possibility of being required to fund up to an additional \$29,900,000 under the conditions described above.

Finally, Zurich must pay certain additional amounts – the amount awarded to cover attorneys’ fees and expenses for Plaintiffs’ counsel and the amount required to pay the administrative costs associated with administering the Zurich Settlement (including the costs of providing this Court-Ordered Notice to you) – in addition to providing the settlement relief described above. Thus, ***such administrative costs will not be paid out of the settlement relief.***

WILL PARTICIPATION IN THE ZURICH SETTLEMENT AFFECT PARTICIPATION IN OTHER SETTLEMENTS?

If you participate in the Zurich Settlement, you will also participate in the Multi-State Agreement. The settlement amounts paid in both of these settlements will be aggregated and distributed through the Court-approved Plan of Allocation.

However, if you purchased or renewed excess casualty insurance policies issued by Zurich (other than excess workers' compensation policies) through Marsh & McLennan Companies, Inc. or Marsh Inc. (collectively, "Marsh") during the period from January 1, 2000 through September 30, 2004, you are eligible to receive settlement relief under the Three-State Agreement. Under that agreement, Zurich has set up a \$88,000,000 settlement fund. If you are eligible to receive settlement relief under the Three-State Agreement, you will have to determine whether you want to receive settlement relief under the Three-State Agreement or under the Zurich Settlement Agreement for those particular policies. You will not be allowed to receive relief under both the Zurich Settlement Agreement and the Three-State Agreement for such policies (though you might be able to receive settlement relief under the Zurich Settlement Agreement even if you receive relief under the Three-State Agreement if you have policies that are covered by the Zurich Settlement Agreement but not by the Three-State Agreement). The Notice provides additional details (at paragraph 17) regarding your options for policies covered by the Three-State Agreement.

WHO IS PAYING THE ATTORNEYS' FEES AND EXPENSES THAT ARE BEING SOUGHT?

After Plaintiffs and Zurich agreed on all other terms of the Zurich Settlement Agreement, counsel for Plaintiffs ("Class Counsel") and Zurich negotiated the amount of attorneys' fees and expenses that Zurich will, subject to Court approval, pay to Class Counsel. Class Counsel will seek an award of attorneys' fees and expenses of no more than \$29,950,000. Zurich has agreed that it will not object to paying fees and expenses up to that amount. The award of attorneys' fees and expenses to Class Counsel is subject to Court approval. Class Counsel intends to apply to the Court for permission to pay up to ten thousand (\$10,000) to each class representative Plaintiff from the amount of attorneys' fees and expenses awarded by the Court based upon the effort that each class representative Plaintiff has devoted to this litigation. Zurich will pay attorneys' fees and expenses in addition to the other amounts it is required to pay under the Zurich Settlement Agreement. Thus, *you will not be responsible for any of Class Counsel's fees or expenses, and none of those fees or expenses will be deducted from the settlement relief.*

WHAT ARE THE LEGAL EFFECTS OF PARTICIPATING IN THE ZURICH SETTLEMENT?

If the Court approves the Zurich Settlement, Plaintiffs and Zurich will seek the entry of a Judgment and an Order Approving Settlement that, among other things, will:

- find that the settlement is fair, reasonable and adequate;
- finally certify the class for settlement purposes;
- dismiss the Class Action with prejudice as to Zurich, meaning that no Settlement Class Member – including you (unless you timely exclude yourself) – will be able to bring another lawsuit or

proceeding against any of the Releasees (as that term is defined in the Zurich Settlement Agreement) based upon the claims that have been raised or that could have been raised in the Class Action;

- incorporate the Release that is found in the Zurich Settlement Agreement as part of the Order Approving Settlement;
- permanently bar Settlement Class Members from filing or participating in any lawsuit or other legal action against any or all Releasees arising from or relating to any and all claims that have been raised or that could have been raised in this Class Action;
- enter a bar order that will:
 - prevent any person or entity from commencing, prosecuting or asserting any claim (including any claim for indemnification or contribution) against any Releasee where the alleged injury to the barred person or entity is based upon that person's or entity's alleged liability to the Settlement Class or a Settlement Class Member, and
 - prevent any Releasee from commencing, prosecuting or asserting any claim (including any claim for indemnification or contribution) against any person or entity where the Releasee's alleged injury is based upon the Releasee's alleged liability to the Settlement Class or a Settlement Class Member;
- award attorneys' fees and expenses to Class Counsel; and
- retain jurisdiction over all matters relating to the administration, enforcement and interpretation of the settlement.

As noted, if the Court approves the Zurich Settlement, the Release that is found in the Zurich Settlement Agreement will be incorporated into the Court's Order Approving Settlement. The Release describes the claims that Settlement Class Members will give up, as well as the identity of the Releasees – *i.e.*, the people and entities that will be released. As discussed below, you can obtain a copy of the Release (including the definition of Releasees) from the Court-approved Administrator or from the websites of certain Class Counsel.

HOW WILL SETTLEMENT PAYMENTS BE MADE IF YOU PURCHASED A ZURICH POLICY?

If the Zurich Settlement is approved and you are a Settlement Class Member who purchased or renewed one or more insurance policies issued by Zurich, you will *not* have to do anything to receive the benefits under the Zurich Settlement Agreement regarding your Zurich policies. A check in the amount of settlement relief due to you under the Plan of Allocation will be mailed to you at your last-known address. If your address has changed since you purchased or renewed your Zurich policy, please contact the Administrator as set out below.

HOW WILL SETTLEMENT PAYMENTS BE MADE IF YOU PURCHASED A POLICY FROM AN INSURER DEFENDANT?

If you are a Settlement Class Member who purchased or renewed one or more insurance policies issued by an Insurer Defendant, you will have to fill out a claim form and submit it to the Administrator at _____. You can obtain the claim form by visiting the website of the Court-approved Administrator at www._____.com, by calling 1-XXX-XXX-XXXX, Monday through Friday from 9:00 a.m. to 5:00 p.m. EDT, by writing to _____, or by sending an e-mail to _____.

WHAT OPTIONS ARE AVAILABLE TO SETTLEMENT CLASS MEMBERS?

If you fall within the definition of Settlement Class Member, you may either (i) participate in the Zurich Settlement (and receive settlement relief if the Court approves the Zurich Settlement Agreement) or (ii) request exclusion from the Zurich Settlement.

If you want to participate in the Zurich Settlement, but you object to any term of the Zurich Settlement Agreement, you may submit an objection to the Court. All objections must be filed with the Court and served on Class Counsel, Zurich's counsel and the State Attorneys General who are parties to the Multi-State Agreement by no later than _____. The Notice provides details (at paragraph 24) about how to object.

If you want to exclude yourself from the Zurich Settlement, you must submit a written request to the Clerk of the Court (at the address that is in the Notice). Your request must be postmarked by no later than _____. The Notice provides details (at paragraph 25) about how to exclude yourself.

WILL THE COURT HOLD A HEARING REGARDING THE ZURICH SETTLEMENT?

The Court will hold a hearing in this case on _____, 2006 at _____ E_T in Courtroom _____ in the United States Courthouse located at U.S. Post Office and Courthouse Building, Federal Square, Newark, New Jersey 07101, to consider whether to approve the Zurich Settlement, including, among other things, the Plan of Allocation, and whether to grant Class Counsel's request for fees and expenses. If you file an objection, you may appear at this hearing and ask to be heard by the Court, but you do not need to do so. If you (or an attorney hired at your expense) intends to appear at the hearing, you (or your attorney) must file a notice of intention to appear. The Notice provides details (at paragraph 26) about filing a notice of intention to appear and serving it on Class Counsel, Zurich's counsel and the State Attorneys General who are parties to the Multi-State Agreement by no later than _____.

The Court may choose to change the date and/or time of the hearing without further notice of any kind. If you intend to attend the hearing, you should confirm the date and time with the Class Counsel identified below or the Court-approved Administrator prior to going to the Courthouse.

HOW CAN A SETTLEMENT CLASS MEMBER GET ADDITIONAL INFORMATION?

The Zurich Settlement Agreement sets out the details of the Zurich Settlement, including the terms of the Release by which Settlement Class Members will be bound if the Zurich Settlement is approved. A complete description of the Plan of Allocation and the Release is also attached to the Notice (which is being mailed to the last-known address of Settlement Class Members). Both the Zurich Settlement Agreement and the Notice (which includes the Release and the claim form) are available at the Court-approved Administrator's website, www._____.com, by calling 1-XXX-XXX-XXXX, Monday through Friday from 9:00 a.m. to 5:00 p.m. EDT, by writing to [administrator's address], or by sending an e-mail to [administrator's e-mail address]. The Notice is also available at the following Class Counsel websites: [list Class Counsel websites only] and at Zurich's website, www.zurichna.com.

Additional information regarding this Class Action and the Zurich Settlement may also be obtained by contacting the following Class Counsel or the State Attorneys General who are parties to the Multi-State Agreement:

Edith M. Kallas
Whatley, Drake & Kallas, LLC
75 Rockefeller Plaza, 19th Floor
New York, New York 10019
Telephone: (212) 447-7070
Facsimile: (212) 447-7077
E-mail: EKallas@whatleydrake.com

or

Bryan L. Clobes
Miller Faucher and Cafferty LLP
One Logan Square
18th & Cherry Streets
Philadelphia, PA 19103
Telephone: (215) 864-2800
Facsimile: (215) 864-2810
E-mail: bclobes@millerfaucher.com

or

Mark Tobey, Esq.
Chief, Antitrust and Civil Medicaid Fraud Division
Office of the Attorney General – State of Texas
300 W. 15th Street, 9th Floor
Austin, Texas 78701
Telephone: (512) 463-1262
Facsimile: (512) 320-0975
E-mail: Mark.Tobey@oag.state.tx.us

**PLEASE DO NOT CONTACT THE COURT
OR THE CLERK'S OFFICE FOR INFORMATION**