

P15813

Florida Department of State
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COR AMND/RESTATE/CORRECT OR O/D RESIGN
U.S. SPECIALTY INSURANCE COMPANY

Certificate of Status	1
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Page Count	17
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Amend
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August 5, 2011

FLORIDA DEPARTMENT OF STATE
Division of Corporations

U.S. SPECIALTY INSURANCE COMPANY
13403 NORTHWEST FREEWAY
ATTN: LEGAL DEPT
HOUSTON, TX 77040-6094US

SUBJECT: U.S. SPECIALTY INSURANCE COMPANY
REF: P15813

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We received your electronically transmitted document. However, the document has not been filed. Please make the following corrections and refax the complete document, including the electronic filing cover sheet.

A FOREIGN INSURANCE COMPANY QUALIFIED IN FLORIDA THAT CHANGES ITS JURISDICTION FROM ONE STATE TO ANOTHER MUST SUBMIT CERTIFICATION EVIDENCING THE CHANGE. IT CAN BE AMENDED AND RESTATED ARTICLES, A MERGER DOCUMENT MENTIONING THE REDOMESTICATION, A CERTIFICATE EVIDENCING THE REDOMESTICATION, AN ORDER OR REDOMESTICATION, ETC.

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Irene Albritton
Regulatory Specialist II

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PROFIT CORPORATION
APPLICATION BY FOREIGN PROFIT CORPORATION TO FILE AMENDMENT TO
APPLICATION FOR AUTHORIZATION TO TRANSACT BUSINESS IN FLORIDA
(Pursuant to s. 607.1504, F.S.)

SECTION I
(1-3 MUST BE COMPLETED)

P15813

(Document number of corporation (if known))

1. U.S. Specialty Insurance Company

(Name of corporation as it appears on the records of the Department of State)

2. Maryland

(Incorporated under laws of)

3. September 3, 1987

(Date authorized to do business in Florida)

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DIVISION OF CORPORATIONS
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SECTION II
(4-7 COMPLETE ONLY THE APPLICABLE CHANGES)

4. If the amendment changes the name of the corporation, when was the change effected under the laws of its jurisdiction of incorporation? N/A

5. N/A

(Name of corporation after the amendment, adding suffix "corporation," "company," or "incorporated," or appropriate abbreviation, if not contained in new name of the corporation)

N/A

(If new name is unavailable in Florida, enter alternate corporate name adopted for the purpose of transacting business in Florida)

6. If the amendment changes the period of duration, indicate new period of duration.

N/A

(New duration)

7. If the amendment changes the jurisdiction of incorporation, indicate new jurisdiction.

Texas

(New jurisdiction)

8. Attached is a certificate or document of similar import, evidencing the amendment, authenticated not more than 90 days prior to delivery of the application to the Department of State, by the Secretary of State or other official having custody of corporate records in the jurisdiction under the laws of which it is incorporated.



(Signature of a director, president or other officer - if in the hands of a receiver or other court appointed fiduciary, by that fiduciary)

Debra M. Green

(Typed or printed name of person signing)

Assistant Secretary

(Title of person signing)

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Texas Department of Insurance

Financial, Company Licensing & Registration, Mail Code 305-2C
333 Guadalupe • P. O. Box 149104, Austin, Texas 78714-9104

STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

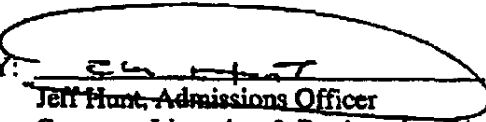
The Commissioner of Insurance, as the chief administrative and executive officer and custodian of records of the Texas Department of Insurance has delegated to the undersigned the authority to certify the authenticity of documents filed with or maintained by or within the custodial authority of the Company Licensing & Registration Division of the Texas Department of Insurance.

Therefore, I hereby certify that the attached documents are true and correct copies of the documents described below. I further certify that the documents described below are filed with or maintained by or within the custodial authority of the Company Licensing & Registration Division of the Texas Department of Insurance.

Amendment and Restatement to the Articles of Incorporation for the Redomestication of U.S. SPECIALTY INSURANCE COMPANY, Frederick, Maryland to Houston, Texas altogether consisting of thirteen (13) pages.

IN TESTIMONY WHEREOF, witness my hand and seal of office at Austin, Texas, this 10th day of August.

COMMISSIONER OF INSURANCE

BY: 
Jeff Hunt, Admissions Officer
Company Licensing & Registration Division
Commissioner's Order No. 10-1106

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**EXPLANATION OF REASONS
FOR REDOMESTICATION OF
U.S. SPECIALTY INSURANCE COMPANY
TO TEXAS**

HCC Insurance Holdings, Inc. ("HCC") acquired AVEMCO Corporation ("AVEMCO") as a wholly-owned subsidiary on June 17, 1997, through a statutory merger of AVEMCO with a subsidiary of HCC (the "Merger"). Prior to the Merger, U.S. Specialty Insurance Company ("USSIC") was a subsidiary of AVEMCO Insurance Company, a wholly-owned subsidiary of AVEMCO also organized as a Maryland insurer ("AIC").

On December 31, 1997, with the approval of the Maryland Insurance Commissioner, AIC distributed all of the outstanding stock of USSIC to its parent, AVEMCO. HCC then acquired the USSIC stock from AVEMCO, and contributed additional surplus funds to USSIC to bring its total capital and surplus to approximately \$50.0 million, and then contributed USSIC to its wholly-owned subsidiary, Houston Casualty Company, a Texas property and casualty insurer ("HC").

For several years prior to the Merger, USSIC maintained its books and records and a significant executive office presence in St. Peters, Missouri. The fact that USSIC was incorporated in Maryland but maintained its books and records in Missouri had been a source of controversy between USSIC and the Maryland Insurance Administration. In its Form A Statement filed with the Maryland Insurance Commissioner on March 11, 1997 seeking approval of the change of control of USSIC, HCC expressed an intention to either move the administrative operations of USSIC to Maryland or to redomesticate USSIC to Texas, where both HCC and HC are located.

Both USSIC and AIC are involved in the underwriting of specialized property and casualty insurance risks, particularly in the general aviation markets. AIC writes aviation insurance on a direct basis; USSIC's operations are conducted through an independent agent distribution system. Therefore, while there is some similarity in the lines of business written by both insurers in the general aviation markets, USSIC's operations are significantly different from AIC's. The operations of other insurers of the HCC group are also conducted through independent agents and surplus lines brokers. Accordingly, after review of the operations of USSIC and AIC, HCC determined that it would be more efficient to manage the operations of USSIC from its Texas location, and decided to relocate the home and executive office operations of USSIC to Houston, Texas. In addition, there are business reasons for separating direct writing operations from agency-oriented operations, since agents typically fear that a direct writer will attempt to attack "their" business, and cut out the commission to the agents.

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I hereby certify that the above is a true and correct copy of the original document and I acknowledge the same for and on behalf of the company. Dated this 15th day of June, 1998.

U.S. SPECIALTY INSURANCE COMPANY

By: 
Peter Hillary Bennett Smith, Jr., President

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06/15/98
087:15901-3

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ARTICLE IX

All of the Company's directors and officers and former directors and officers and all persons who may have served at the Company's request as a director or officer of another corporation in which the Company owned shares of capital stock or of which the Company is a creditor (herein referred to as the "Indemnitees"), shall be indemnified against expenses actually and necessarily incurred by any of the Indemnitees in connection with the defense of any action, suit or proceeding in which the Indemnitees, or any of them, are made a party by reason of being or having been a director or officer of the Company, or of such other corporation, except in relation to matters as to which any such Indemnitee shall be adjudged in such action, suit or proceeding to be liable for negligence or misconduct in performance of a duty. The foregoing right to indemnify shall include reimbursement of the amounts and expenses paid or incurred in connection with a settlement of any such action, suit or proceeding or in connection with a plea of nolo contendere (or other plea of substantially the same import and effect) which, in the opinion of counsel for the Company, appears to be in the interest of the Company. Such indemnification shall not be deemed exclusive of any other rights to which the Indemnitees may be entitled by law or under any bylaws, agreements, votes of shareholders, or otherwise.

Expenses (including attorneys' fees) incurred by an officer or director in defending or settling any civil, criminal, administrative or investigative action, suit or proceeding shall be paid by the Company in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such director or officer to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the Company as authorized in this Article. Such expenses incurred by other employees and agents may be so paid upon such terms and conditions, if any, as the Board of Directors deems appropriate.

ARTICLE X

No director of the Company shall be liable to the Company or its shareholders for an act or omission in such director's capacity as a director, except for liability resulting from:

1. A breach of a director's duty of loyalty to the Company or its shareholders;
2. An act or omission not in good faith that involves intentional misconduct or a knowing violation of the law;
3. A transaction from which a director received an improper benefit, whether or not the benefit resulted from an action taken within the scope of the director's office;
4. An act or omission for which the liability of a director is expressly provided for by statute; or an act related to an unlawful stock repurchase or payment of a dividend.

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which any such Indemnitee shall be adjudged in such action, suit or proceeding to be liable for negligence or misconduct in performance of duty. The foregoing right to indemnify shall include reimbursement of the amounts and expenses paid or incurred in connection with a settlement of any such action, suit or proceeding, or in connection with a plea of nolo contendere (or other plea of substantially the same import and effect) which, in the opinion of counsel for the Company, appears to be in the interest of the Company. Such indemnification shall not be deemed exclusive of any other rights to which the Indemnitees may be entitled by law or under any bylaws, agreements, votes of shareholders, or otherwise.

Expenses (including attorneys' fees) incurred by an officer or director in defending or settling any civil, criminal, administrative or investigative action, suit or proceeding shall be paid by the Company in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such director or officer to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the Company as authorized in this Article. Such expenses incurred by other employees and agents may be so paid upon such terms and conditions, if any, as the Board of Directors deems appropriate.

ARTICLE VIII

No director of the Company shall be liable to the Company or its shareholders for an act or omission in such director's capacity as a director, except for liability resulting from:

1. A breach of a director's duty of loyalty to the Company or its shareholders;
2. An act or omission not in good faith that involves intentional misconduct or a knowing violation of the law;
3. A transaction from which a director received an improper benefit, whether or not the benefit resulted from an action taken within the scope of the director's office;
4. An act or omission for which the liability of a director is expressly provided for by statute; or an act related to an unlawful stock repurchase or payment of a dividend.

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ARTICLE III

The address of the principal office of the Company is Houston, Texas.

ARTICLE IV

The total authorized capital stock of the Company is \$4,000,000 divided into 400,000 shares each of the par value of \$10.00. The total paid-in and contributed surplus of the Company is \$43,378,887.

ARTICLE V

The number of directors constituting the Board of Directors shall be the number prescribed in the bylaws, which number may be increased or decreased from time to time in the manner provided in the bylaws provided that it shall not be fewer than seven (7). The number of directors constituting the present Board of Directors is nine (9) and the names and addresses of the persons who are presently serving as directors until the next annual meeting of the shareholders or until their successors are elected and have qualified, are:

Name	Address
Frank Joseph Bramanti	13707 Cottrell Court, Houston, Texas 77077
Mark Alan Buechler	3507 McKean, Houston, Texas 77080
Edward Hardin Ellis, Jr.	1826 Castlerock, Houston, Texas 77090
Christopher Lyn Martin	1510 Woodhead, Houston, Texas 77019
John Niels Molbeck, Jr.	3424 Ella Lee, Houston, Texas 77027
Rence Jean Montgomery	4505 Holt, Bellairs, Texas 77041
Peter Hillary Bennett Smith, Jr.	3123 Georgetown, Houston, Texas 77005
Louis Edward Tuffly	2209 Robinhood, Houston, Texas 77005
Stephen Lyndon Way	10 East Bend Lane, Houston, Texas 77007

ARTICLE VI

The duration of the Company is perpetual.

ARTICLE VII

All of the Company's directors and officers and former directors and officers and all persons who may have served at the Company's request as a director or officer of another corporation in which the Company owned shares of capital stock or of which the Company is a creditor (herein referred to as the "Indemnitees"), shall be indemnified against expenses actually and necessarily incurred by any of the Indemnitees in connection with the defense of any action, suit or proceeding in which the Indemnitees, or any of them, are made a party by reason of being or having been a director or officer of the Company, or of such other corporation, except in relation to matters as to

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- (i) To insure persons, associations, or corporations against loss or damage by reason of giving or extending of credit;
- (j) To insure against loss or damage on account of circumstances upon, or defects in the title to, real estate, and against loss by reason of the nonpayment of the principal or interest of bonds, mortgages or other evidences of indebtedness;
- (k) To write marine insurance in which may be included the hazards and perils incident to war; and
- (l) To insure against any other casualty or insurance risk which may be lawfully made the subject of insurance and insured by this Company, excepting life insurance.

2. To insure against the following risks specifically enumerated in Article 6.03 of the Insurance Code of the State of Texas:

To insure houses, buildings, and all other kinds of property against loss or damage by fire; to take all kinds of insurance on goods, merchandise, or other property in the course of transportation, whether on land or water, or any vessel afloat, wherever the same may be; to lend money on bottomry or respondentia; to cause itself to be insured against any loss or risk it may have incurred in the course of its business and upon the interest which it may have in any property by means of any loan or loans which it may have on bottomry or respondentia; and generally to do and perform all other matters and things proper to promote the above objects; to insure automobiles or other motor vehicles, whether stationary or being operated under their own power, against all or any of the risks of fire, lightning, wind storms, hail storms, tornadoes, cyclones, explosions, transportation by land or water, theft and collisions.

3. To act in the capacities and perform the following functions:

To act as surety and guarantor of the fidelity of employees, trustees, executors, administrators, guardians or others appointed to, or assuming the performance of any trust, public or private, under appointment of any court or tribunal, or under contract between private individuals or corporations, or upon any bond or bonds that may be required of any state official, district official, county official or other official of any school district or any municipality, or that may be required to be filed in any judicial proceeding; to guarantee any contract or undertaking between individuals or private corporations, and the state and municipal corporations or counties or between corporations and individuals.

**RESTATED ARTICLES OF INCORPORATION
OF U.S. SPECIALTY INSURANCE COMPANY**

ARTICLE I

The name of the Company is U.S. Specialty Insurance Company.

ARTICLE II

The purposes for which the Company is organized is to engage in the business of casualty, fire, marine, surety, fidelity, guaranty insurance, and worker's compensation insurance business, including, but not limited to the following:

1. To insure against the following risks specifically enumerated in Article 8.01 of the Insurance Code of the State of Texas:
 - (a) To insure any person against bodily injury, disablement or death resulting from accident and against disablement resulting from disease;
 - (b) To insure against loss or damage resulting from accident or injury sustained by an employee or other person for which accident or injury the assured is liable;
 - (c) To insure against loss or damage by burglary, theft or housebreaking;
 - (d) To insure glass against breakage;
 - (e) To insure against loss from injury to person or property which results accidentally from steam boilers, elevators, electrical devices, engines and all machinery and appliances used in connection therewith or operated thereby; and to insure boilers, elevators, electrical devices, engines, machinery and appliances;
 - (f) To insure against loss or damage by water to any goods or premises arising from the breakage or leakage of sprinklers and water pipes;
 - (g) To insure against loss resulting from accidental damage to automobiles or caused accidentally by automobiles;
 - (h) To insure against loss or damages resulting from accident to or injury suffered by any person for which loss or damage the insured is liable; excepting employee's liability insurance as authorized under subdivision 2 of Article 8.01 of the Insurance Code of the State of Texas;

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such action, suit or proceeding or in connection with a plea of nolo contendere (or other plea) submitted to the court, and any other action, suit or proceeding, which, in the opinion of counsel for the Company, appears to be in the interest of the Company. Such indemnification shall not be deemed to constitute or any other rights to which the indemnitees may be entitled by law or under any bylaws, agreements, votes of shareholders, or otherwise.

Expenses (including attorneys' fees) incurred by an officer or director in defending or settling any civil, criminal, administrative or investigative action, suit or proceeding shall be paid by the Company in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such director or officer to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the Company as authorized in this Article. Such expenses incurred by other employees and agents may be so paid upon such terms and conditions, if any, as the Board of Directors deems appropriate."

K. Add the following text, which imposes limits on the liability of directors of the Company as Article VIII, so that Article VIII, as added, reads as follows:

"ARTICLE VIII

No director of the Company shall be liable to the Company or its shareholders for an act or omission in such director's capacity as a director, except for liability resulting from:

1. A breach of a director's duty of loyalty to the Company or its shareholders;
2. An act or omission not in good faith that involves intentional misconduct or a knowing violation of the law;
3. A transaction from which a director received an improper benefit, whether or not the benefit resulted from an action taken within the scope of the director's office;
4. An act or omission for which the liability of a director is expressly provided for by statute; or an act related to an unlawful stock repurchase or payment of a dividend."

ARTICLE III

The Articles of Incorporation and all amendments thereto are hereby superseded by the following restated Articles of Incorporation which accurately copy the entire text thereof.

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- (b) To insure against loss or damage resulting from accident or injury sustained by an employee or other person for which accident or injury the assured is liable;
- (c) To insure against loss or damage by burglary, theft or housebreaking;
- (d) To insure glass against breakage;
- (e) To insure against loss from injury to person or property which results accidentally from steam boilers, elevators, electrical devices, engines and all machinery and appliances used in connection therewith or operated thereby; and to insure boilers, elevators, electrical devices, engines, machinery and appliances;
- (f) To insure against loss or damage by water to any goods or premises arising from the breakage or leakage of sprinklers and water pipes;
- (g) To insure against loss resulting from accidental damage to automobiles or caused accidentally by automobiles;
- (h) To insure against loss or damages resulting from accident to or injury suffered by any person for which loss or damage the insured is liable; excepting employer's liability insurance as authorized under subdivision 2 of Article 8.01 of the Insurance Code of the State of Texas;
- (i) To insure persons, associations, or corporations against loss or damage by reason of giving or extending of credit;
- (j) To insure against loss or damage on account of circumstances upon, or defects in the title to, real estate, and against loss by reason of the nonpayment of the principal or interest of bonds, mortgages or other evidences of indebtedness;
- (k) To write marine insurance in which may be included the hazards and perils incident to war; and
- (l) To insure against any other casualty or insurance risk which may be lawfully made the subject of insurance and insured by this Company, excepting life insurance.

2. To insure against the following risks specifically enumerated in Article 6.03 of the Insurance Code of the State of Texas:

To insure houses, buildings, and all other kinds of property against loss or damage by fire; to take all kinds of insurance on goods, merchandise, or other

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**ARTICLES OF AMENDMENT AND
RESTATED ARTICLES OF INCORPORATION
OF U.S. SPECIALTY INSURANCE COMPANY**

The following Articles of Amendment and Restated Articles of Incorporation of U.S. Specialty Insurance Company (the "Company") were adopted by the sole shareholder and the Board of Directors of the Company as set forth below:

ARTICLE I

The Company, for the purpose of redomesticating from the State of Maryland to the State of Texas in accordance with the provisions of Article 1.38 of the Texas Insurance Code, hereby adopts Restated Articles of Incorporation which accurately copy the Articles of Incorporation and all amendments thereto that are in effect to date and as further amended by such Articles of Amendment as hereinafter set forth and which contain no other change in any provision thereof except as provided herein.

ARTICLE II

Each Amendment made by the Articles of Amendment to the Company's Articles of Incorporation, as amended, was adopted by the Unanimous Written Consent, dated June 11, 1998, of Houston Casualty Company, the sole shareholder of the Company. The Articles of Incorporation of the Company are hereby amended as follows:

- A. Delete Article I in its entirety.
- B. Renumber Article II as Article I, so that Article II, as amended, reads as follows:

"ARTICLE I

The name of the Company is U.S. Specialty Insurance Company."

- C. Renumber Article III as Article II, and change the purposes for which the Company is formed so that Article III, as amended, reads as follows:

"ARTICLE II

The purposes for which the Company is organized is to engage in the business of casualty, fire, marine, surety, fidelity, guaranty insurance, and worker's compensation insurance business, including, but not limited to, the following:

- 1. Including, but not limited to, the following risks specifically enumerated in Article 3.01 of the Insurance Code:
 - (a) ...
 - (b) ...

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OFFICIAL ORDER
COMMISSIONER OF INSURANCE
STATE OF TEXAS
AUSTIN, TEXAS

Date: JUL 20 1998

Subject Considered:

U.S. SPECIALTY INSURANCE COMPANY
Frederick, Maryland
TDI No. 08-05208

REDOMESTICATION
AND CERTIFICATE OF AUTHORITY

DOCKET NO. R-98-0601

Remarks and official action taken:


On July 20, 1998, a petition came on for consideration by the Commissioner of Insurance, the
redomestication of U.S. SPECIALTY INSURANCE COMPANY, Frederick, Maryland, to
Houston, Texas and to amend its Certificate of Authority to change its home
office from Frederick, Maryland, to Houston, Texas and to add Reinsurance
business to be authorized to be written on a direct basis insurance.

Under TEX. INS. CODE ANN. art. 1.38, evidence has been submitted that
U.S. SPECIALTY INSURANCE COMPANY has amended its Certificate of
Authority by restatement and changed the home office of the Company
from Frederick, Maryland to Houston, Texas. The Maryland Insurance
Department has submitted a letter no objection to such redomestication.

Based upon the representations made by U.S. SPECIALTY INSURANCE
COMPANY and upon recommendation by staff, the Commissioner of Insurance
finds that the redomestication of U.S. SPECIALTY INSURANCE COMPANY should
be and is hereby approved.

It is ORDERED that the Certificate of Authority No. 10226, dated
August 11, 1993, issued to U.S. SPECIALTY INSURANCE COMPANY, Frederick,
Maryland, be, and the same is hereby canceled and that an amended
Certificate of Authority be issued to U.S. SPECIALTY INSURANCE COMPANY,
Houston, Texas.

ELTON BOMER
COMMISSIONER OF INSURANCE

BY: 
Elton Bommer, Director
Insurance Services
Order 94-0580