



805183

August 10, 2000

Ms. Velma Shepard
Corporate Specialist
Division of Corporation
Amendment Section
509 East Gaines Street
Tallahassee, FL 32399

200003356522--5
-08/15/00--01039--011
*****35.00 *****35.00

**RE: SPECIALTY NATIONAL INSURANCE COMPANY
REDOMESTICATION TO ILLINOIS**

Dear Ms. Shepard:

200003356522--5
-08/15/00--01039--012
*****26.25 *****26.25

Effective June 19, 2000 Specialty National Insurance Company redomiciled from Pennsylvania to Illinois. Specialty National Insurance Company now requests that the Florida State Department revise its records to reflect this change. Specialty National also requests three (3) Certificates of Status.

I have enclosed the following items to support these requests:

1. A check in the amount \$26.25. These funds represent the fee for obtaining three Certificates of Status.
2. A check in the amount of \$35.00 for the filing fee.
3. A completed Application for Amendment.
4. A copy of Pennsylvania's Order Approving Redomestication.
5. Certified Articles of Reorganization.

Please send the certificates to my attention in Corporate Legal, C-3,
One Kemper Drive, Long Grove, Illinois, 60049. Please invoice our Federal Express
#06060803-2.

Thank you for your assistance. Please contact me at 847/320-4799 if you have any problems or questions.

Sincerely,

D. Drue Wax
Senior Counsel
Corporate Legal C-3

Enclosures

Rec'd 8/14

Amend

(847) 320-2000

One Kemper Drive
Long Grove, IL 60049-0001

www.kemperinsurance.com

V. SHEPARD AUG 16 2000

B

FILED
DIVISION OF CORPORATIONS
AUG 14 AM 7:54

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)


FILED
SECRETARY OF STATE
DIVISION OF CORPORATIONS
00 AUG 14 AM 7:54

1. Specialty National Insurance Company
Name of corporation as it appears on the records of the Department of State.
Incorporated- Pennsylvania
Reorganized- Illinois
2. _____
Incorporated under laws of
3. March 11, 1940
Date authorized to do business in Florida

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.
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.
Illinois
New Jurisdiction


Signature
John K. Conway
Typed or printed name

08/10/00
Date
Corporate Secretary
Title

BEFORE THE
INSURANCE COMMISSIONER
OF THE
COMMONWEALTH OF PENNSYLVANIA

In Re:	:	Pursuant to Sections 1977 and
	:	1980 of the Business Corporation
Application of Specialty National	:	Law of 1988, Act of December 21,
Insurance Company for Approval	:	1988, P. L. 1444, <u>as amended</u> ,
to Redomesticate from the	:	15 Pa.C.S. §§ 4161 and 4162, and
Commonwealth of Pennsylvania	:	Sections 205 and 207 of the GAA
to the State of Illinois	:	Amendments Act of 1990, Act of
	:	December 19, 1990, P. L. 834,
	:	15 P. S. §§ 21205 and 21207, and
	:	Section 357 of the Insurance
	:	Company Law, Act of May 17,
	:	1921, P.L. 682, No. 284, 40 P.S. §
	:	477e
	:	
	:	Order No. ID-RC-00-12

ORDER

Upon consideration of the foregoing, the Commissioner hereby makes the following ORDER:

An approving determination for the redomestication of Specialty National Insurance Company ("Specialty National") to the State of Illinois and the issuance of a Certificate of Authority to Specialty National as a foreign stock fire insurance corporation as set forth in the Application, subject to this Order and the following conditions:

1. Specialty National shall obtain approval of the redomestication from the Illinois Department of Insurance. A certified copy of the approval issued by the Illinois Director of Insurance shall be provided to the Commissioner within three (3) business days of receipt by Specialty National.

Commonwealth of Pennsylvania



INSURANCE DEPARTMENT

I, M. Diane Koken, Insurance Commissioner of the Commonwealth of Pennsylvania, do hereby certify that the

attached is a full, true and correct copy of the Order No. ID-RC-0012 RE: Application of Specialty National Insurance Company for Approval to Redomesticate from the Commonwealth of Pennsylvania to the State of Illinois, as the same appears of record and remains on file with this Department.

In Witness Whereof, I have hereunto set my hand, and affixed the Official Seal of this Department at the City of Harrisburg this 3rd day of August, 2000.

M. Diane Koken

Insurance Commissioner





STATE OF ILLINOIS
DEPARTMENT OF INSURANCE
320 WEST WASHINGTON STREET
SPRINGFIELD, ILLINOIS 62767



I, the undersigned, Director of Insurance of the State of Illinois, hereby certify that the document to which this Certification is attached is a true and correct copy of the original now on file in and forming a part of the records of the Department of Insurance.

In witness whereof, I hereto set my hand and cause to be affixed the Seal of my office in Springfield, Illinois.

Date: JUL 05 2000

Nat Shapo
Director of Insurance

ARTICLES OF REORGANIZATION

The undersigned certify that:

1. They are the Vice President and the Secretary, respectively, of SPECIALTY NATIONAL INSURANCE COMPANY.
2. The following Articles of Reorganization were adopted pursuant to action by the Corporation's Board of Directors and Shareholder.
3. The Articles of Reorganization are amended and restated to read as follows:

ARTICLES OF REORGANIZATION OF SPECIALTY NATIONAL INSURANCE COMPANY

Article 1. The name of the corporation shall be Specialty National Insurance Company.

Article 2. The location of the principal office shall be Long Grove, Lake County, State of Illinois.

Article 3. The corporation was organized on April 6, 1925 pursuant to applicable provisions of the Insurance Laws of Pennsylvania.

Article 4. The purpose for which the corporation is formed is to engage in the following kinds of insurance and reinsurance business as defined in Class 2 and Class 3 of Section 4 of the Illinois Insurance Code:

Class 2 of Section 4 of the Illinois Insurance Code

- (a) Accident and health. Insurance against bodily injury, disablement or death by accident and against disablement resulting from sickness or old age and every insurance appertaining thereto, including stop-loss insurance. Stop-loss insurance is insurance against the risk of economic loss issued to a single employer self-funded employee disability benefit plan or an employee welfare benefit plan as described in 29 U.S.C. 1001 et seq.
- (b) Vehicle. Insurance against any loss or liability resulting from or incident to the ownership, maintenance or use of any vehicle (motor or otherwise), draft animal or aircraft. Any policy insuring against any loss or liability on account of the bodily injury or death of any person may contain a provision for payment of disability benefits to injured persons and death benefits to dependents, beneficiaries or personal representatives of persons who are killed, including the named insured, irrespective of legal liability of the insured, if the injury or death for which benefits are provided is caused by accident and sustained while in or upon or while entering into or alighting from or through being struck by a vehicle (motor or otherwise), draft animal or aircraft, and such provision shall not be deemed to be accident insurance.

- (c) Liability. Insurance against the liability of the insured for the death, injury or disability of an employee or other person, and insurance against the liability of the insured for damage to or destruction of another person's property.
- (d) Workers' compensation. Insurance of the obligations accepted by or imposed upon employers under laws for workers' compensation.
- (e) Burglary and forgery. Insurance against loss or damage by burglary, theft, larceny, robbery, forgery, fraud or otherwise; including all householders' personal property floater risks.
- (f) Glass. Insurance against loss or damage to glass including lettering, ornamentation and fittings from any cause.
- (g) Fidelity and surety. Become surety or guarantor for any person, copartnership or corporation in any position or place of trust or as custodian of money or property, public or private; or, becoming a surety or guarantor for the performance of any person, copartnership or corporation of any lawful obligation, undertaking, agreement or contract of any kind, except contracts or policies of insurance; and underwriting blanket bonds. Such obligations shall be known and treated as suretyship obligations and such business shall be known as surety business.

- (h) Miscellaneous. Insurance against loss or damage to property and any liability of the insured caused by accidents to boilers, pipes, pressure containers, machinery and apparatus of any kind and any apparatus connected thereto, or used for creating, transmitting or applying power, light, heat, steam or refrigeration, making inspection of and issuing certificates of inspection upon elevators, boilers, machinery and apparatus of any kind and all mechanical apparatus and appliances appertaining thereto; insurance against loss or damage by water entering through leaks or openings in buildings, or from the breakage or leakage of a sprinkler, pumps, water pipes, plumbing and all tanks, apparatus, conduits and containers designed to bring water into buildings or for its storage or utilization therein, or caused by the falling of a tank, tank platform or supports, or against loss or damage from any cause (other than causes specifically enumerated under Class 3 of this section) to such sprinkler, pumps, water pipes, plumbing, tanks, apparatus, conduits or containers; insurance against loss or damage which may result from the failure of debtors to pay their obligations to the insured; and insurance of the payment of money for personal services under contracts of hiring.
- (i) Other casualty risks. Insurance against any other casualty risk not otherwise specified under Classes 1 or 3, which may lawfully be the subject of insurance and may properly be classified under Class 2.

- (j) Contingent losses. Contingent, consequential and indirect coverages wherein the proximate cause of the loss is attributable to any one of the causes enumerated under Class 2. Such coverages shall, for the purpose of classification, be included in the specific grouping of the kinds of insurance wherein such cause is specified.
- (k) Livestock and domestic animals. Insurance against mortality, accident and health of livestock and domestic animals.
- (l) Legal expense insurance. Insurance against risk resulting from the cost of legal services as defined under Class 1(c).

Class 3 of Section 4 of the Illinois Insurance Code

- (a) Fire. Insurance against loss or damage by fire, smoke and smudge, lightning or other electrical disturbances.
- (b) Elements. Insurance against loss or damage by earthquake, windstorm, cyclone, tornado, tempests, hail, frost, snow, ice, sleet, flood, rain, drought or other weather or climatic conditions including excess or deficiency of moisture, rising of the waters of the ocean or its tributaries.
- (c) War, riot and explosion. Insurance against loss or damage by bombardment, invasion, insurrection, riot, strikes, civil war or commotion, military or usurped

power, or explosion (other than explosion of steam boilers and the breaking of fly wheels on premises owned, controlled, managed, or maintained by the insured.)

- (d) Marine and transportation. Insurance against loss or damage to vessels, craft, aircraft, vehicles of every kind, (excluding vehicles operating under their own power or while in storage not incidental to transportation) as well as all goods, freights, cargoes, merchandise, effects, disbursements, profits, moneys, bullion, precious stones, securities, choses in action, evidences of debt, valuable papers, bottomry and respondentia interests and all other kinds of property and interests therein, in respect to, appertaining to or in connection with any or all risks or perils of navigation, transit, or transportation, including war risks, on or under any seas or other waters, on land or in the air, or while being assembled, packed, crated, baled, compressed or similarly prepared for shipment or while awaiting the same or during any delays, storage, transshipment, or reshipment incident, thereto, including marine builder's risks and all personal property floater risks; and for loss or damage to persons or property in connection with or appertaining to marine, inland marine, transit or transportation insurance, including liability for loss of or damage to either arising out of or in connection with the construction, repair, operation, maintenance, or use of the subject matter of such insurance, (but not including life insurance or surety bonds); but, except as herein specified, shall not mean insurances against loss by reason of bodily injury to the person; and insurance against loss or damage to precious stones, jewels, jewelry, gold, silver and other precious metals whether used in business

or trade or otherwise and whether the same be in course of transportation or otherwise, which shall include jewelers' block insurance; and insurance against loss or damage to bridges, tunnels and other instrumentalities of transportation and communication (excluding buildings, their furniture and furnishings, fixed contents and supplies held in storage) unless fire, tornado, sprinkler leakage, hail, explosion, earthquake, riot and civil commotion are the only hazards to be covered; and to piers, wharves, docks and slips, excluding the risks of fire, tornado, sprinkler leakage, hail, explosion, earthquake, riot and civil commotion; and to other aids to navigation and transportation, including dry docks and marine railways, against all risk.

- (e) Vehicle. Insurance against loss or liability resulting from or incident to the ownership, maintenance or use of any vehicle (motor or otherwise), draft animal or aircraft, excluding the liability of the insured for the death, injury or disability of another person.
- (f) Property damage, sprinkler leakage and crop. Insurance against the liability of the insured for loss or damage to another person's property or property interests from any cause enumerated in this class; insurance against loss or damage by water entering through leaks or openings in buildings, or from the breakage or leakage of a sprinkler, pumps, water pipes, plumbing and all tanks, apparatus, conduits and containers designed to bring water into buildings or for its storage or utilization therein, or caused by the falling of a tank, tank platform or supports

or against loss or damage from any cause to such sprinklers, pumps, water pipes, plumbing, tanks, apparatus, conduits, or containers; insurance against loss or damage from insects, diseases or other causes to trees, crops or other products of the soil.

- (g) Other fire and marine risks. Insurance against any other property risk not otherwise specified under Classes 1 or 2, which may lawfully be the subject of insurance and may properly be classified under Class 3.
- (h) Contingent losses. Contingent, consequential and indirect coverages wherein the proximate cause of the loss is attributable to any of the causes enumerated under Class 3. Such coverages shall, for the purpose of classification, be included in the specific grouping of the kinds of insurance wherein such cause is specified.
- (i) Legal expense insurance. Insurance against risk resulting from the cost of legal services as defined under Class 1(c).

Article 5. The aggregate number of shares which the Company shall have authority to issue is Twenty-Five Thousand (25,000) shares of Common Stock, par value of One Hundred Fifty (\$150.00) Dollars per share, and the stated capital of the Company shall be Three Million Seven Hundred Fifty Thousand and no/100 (\$3,750,000.00) Dollars.

Article 6. The corporate powers shall be exercised by a Board of Directors, not less than three nor more than eight in number, elected by the stockholders of the corporation at the first meeting held following incorporation and thereafter to be elected by the stockholders of the corporation at the annual meeting. The number of directors to be elected within the minimum and maximum limits set forth herein, shall be as provided in the bylaws, and the number of directors may be increased or decreased from time to time by amendment to the bylaws. In all elections for directors each stockholder shall have the right to vote in person or by proxy the number of shares owned by him for as many persons as there are directors to be elected or to cumulate such shares and give one candidate as many votes as the number of directors multiplied by the number of shares of stock shall equal, or to distribute them on the same principle among as many candidates as he may desire. A director shall serve for a term of one year and until his successor is duly elected and qualified except that directors elected by the stockholders at the first meeting following incorporation shall serve until the first annual meeting of stockholders. The stockholders at any regular or special meeting may fill any vacancy in the Board of Directors for the unexpired term. All directors shall be at least eighteen years of age and at least three directors shall be citizens of Illinois.

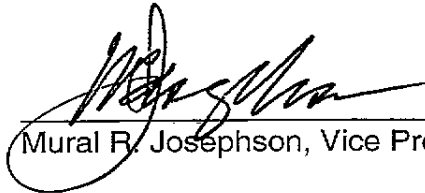
Article 7. The Board of Directors shall adopt bylaws for its own government and for the government of the business of the corporation. The Company may issue both participating and non-participating policies. The Board of Directors shall have power to determine the amount and manner of payment of dividends to the holders of participating policies. Such dividends shall be in accordance with such rates and rules

and applicable to such kind or kinds of insurance as may be determined by the Board of Directors, which shall have power to adopt any bylaws pertaining to such declaration and payment which in the judgment of the said Board of Directors seem necessary or desirable.

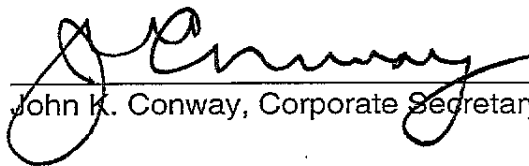
Article 8. The fiscal year shall commence January first and terminate December thirty-first of each year.

Article 9. The duration of the corporation shall be perpetual.

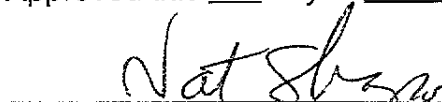
IN WITNESS WHEREOF, we have subscribed our names and caused the seal of the Specialty National Insurance Company to be affixed at Long Grove, Illinois, this 24th day of May, 2000.


Mural R. Josephson, Vice President

(SEAL)


John K. Conway, Corporate Secretary

Approved this 19TH day of JUNE, A.D. 2000.

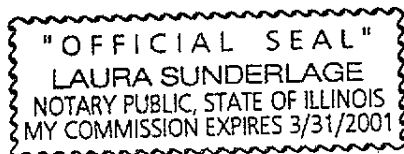

NATHANIEL S. SHAPIRO
DIRECTOR OF INSURANCE

STATE OF ILLINOIS)
) SS.

COUNTY OF LAKE)

I, LAURA SUNDERLAGE a notary public in and for the county and state
aforesaid, do hereby certify that Mural R. Josephson, and John K. Conway, personally
known to me to be the same persons whose names are subscribed to the foregoing
instrument, appeared before me this day in person and acknowledged that they signed
and delivered the said instrument as their free and voluntary acts for the purposes
herein set forth.

Given under my hand and notarial seal this 24th day of May, 2000.



(SEAL)

Laura Sunderlage
Notary Public

My commission expires 3/31/2001