

840028

(Requestor's Name)

(Address)

(Address)

(City/State/Zip/Phone #)

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PICK-UP

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MAIL

(Business Entity Name)

(Document Number)

Certified Copies _____

Certificates of Status _____

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*wants all made a
part of file*



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FILED

03 APR 29 PM 3:33

SECRETARY OF STATE
TALLAHASSEE, FLORIDA

*Amend +
PIC
sf*



TRISHA ROBERE

Senior Paralegal
301 North Lake Avenue Suite 1100
P.O. Box 7073
Pasadena, CA 91109-7073
Telephone: (626) 432-4900 Ext. 423
Fax: (626) 432-4914

Via UPS

April 25, 2003

Amendment Section
Florida Division of Corporations
409 East Gaines Street
Tallahassee FL 32399

Re: **Atlas Assurance Company of America** redomestication and name change to
Peerless Indemnity Insurance Company
NAIC: 0111-18333 FEIN: 13-2919779 Document: 840028

Dear Sir or Madam:

Enclosed are the following documents relating to Atlas Assurance Company of America's redomestication and name change to Peerless Indemnity Insurance Company. Atlas Assurance was domiciled in New York. It has redomiciled to Illinois by merger with Peerless Indemnity. Peerless Indemnity is the survivor.

- Application by Foreign Corporation for Withdrawal of Authority, with Transmittal.
- Application by Foreign Corporation to File Amendment, with Transmittal.
- Check for \$70.00 (\$35 for withdrawal of Atlas Assurance and Certificate of Status, plus \$35 for Peerless Indemnity's Amendment to Authorization to transact business in Florida.)
- Peerless Indemnity Articles of Incorporation.
- Action by Unanimous Consent by the Peerless Indemnity Board of Directors.
- Agreement and Plan of Merger.
- Certificate of Merger.

If you have any questions regarding the filing please email me at trisha.robere@libertymutual.com or call me at 626-432-4900 x423.

Thank you.

Very truly yours,

Trisha Robere

Trisha Robere

Liberty Mutual Group
Helping People Live Safer, More Secure Lives

*Amend
NIC
SF*

DIVISION OF CORPORATIONS

63 APR 29 AM 11:49

RECEIVED

TRANSMITTAL LETTER

TO: Amendment Section
Division of Corporations

SUBJECT: Atlas Assurance Company of America (now Peerless Indemnity Insurance Company)
(Name of corporation)

DOCUMENT NUMBER: 840028

The enclosed Amendment and fee are submitted for filing.

Please return all correspondence concerning this matter to the following:

Trisha Robere

(Name of person)

Liberty Mutual Group

(Name of firm/company)

301 North Lake Ave. Suite 1100

(Address)

Pasadena, CA 91101

(City/state and zip code)

For further information concerning this matter, please call:

Trisha Robere

(Name of person)

at (626) 432-4900 x423

(Area code & daytime telephone number)

Enclosed is a check for the following amount:



\$35.00 Filing Fee



\$43.75 Filing Fee &
Certificate of Status



\$43.75 Filing Fee &
Certified Copy
(Additional copy is
enclosed)



\$52.50 Filing Fee,
Certificate of Status &
Certified Copy
(Additional copy is
enclosed)

Mailing Address:

Amendment Section
Division of Corporations
P.O. Box 6327
Tallahassee, FL 32314

Street Address:

Amendment Section
Division of Corporations
409 E. Gaines Street
Tallahassee, FL 32399

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)

840028

(Document number of corporation (if known))

1. ATLAS ASSURANCE COMPANY OF AMERICA
(Name of corporation as it appears on the records of the Department of State)
2. New York 3. 12/15/78
(Incorporated under laws of) (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? 12/31/02
5. PEERLESS INDEMNITY INSURANCE COMPANY
(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.
same (In Perpetuity)
(New duration)
7. If the amendment changes the jurisdiction of incorporation, indicate new jurisdiction.
Illinois
(New jurisdiction)

Michael J. DiRusso
(Signature of the chairman or vice chairman of the board, president, or any officer, or if the corporation is in the hands of a receiver, trustee, or other court-appointed fiduciary, by that fiduciary)

Michael J. DiRusso
(Typed or printed name)

April 25, 2003
(Date)

Vice-President, General Counsel & Secretary
(Title)

FILED
03 APR 29 PM 3:33
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

**ARTICLES OF INCORPORATION
OF
PEERLESS INDEMNITY INSURANCE COMPANY**

ARTICLE ONE

The name of the Company is Peerless Indemnity Insurance Company.

ARTICLE TWO

The principal office of the Company is to be located in the City of Lisle, County of DuPage, in the State of Illinois.

ARTICLE THREE

The duration of the Company shall be perpetual.

ARTICLE FOUR

The purpose of the Company is to transact the kinds of insurance business specified in Class 2 and Class 3 of Section 4 of the Illinois Insurance Code as follows:

Class 2. Casualty, Fidelity and Surety.

(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.

(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, co-partnership 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, co-partnership 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 Section 4 of the Illinois Insurance Code) 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 of Section 4 of the Illinois Insurance Code, which may lawfully be the subject of insurance and may properly be classified under Class 2 thereof.

(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. Fire and marine, etc.

(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, windstorms, 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 flywheels 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, trans-shipment, 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 of Section 4 of the Illinois Insurance Code, which may lawfully be the subject of insurance and may properly be classified under Class 3 thereof.

(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).

With respect to the kinds of insurance business set forth in this Article, the Company shall be authorized and empowered to effect reinsurance of all risks taken by it and to assume reinsurance of risks taken by other insurers and reinsurers and to do any and all acts and things necessary, convenient or expedient to transact any or all of the kinds of insurance and reinsurance set forth herein.

ARTICLE FIVE

1. The business of the Company shall be managed by a Board of Directors consisting of not less than three nor more than twenty-one natural persons as fixed from

time to time in the Company's by-laws. Directors shall be shareholders except where the Company is a wholly-owned subsidiary, and who are at least eighteen years of age, and at least three of whom shall be residents and citizens of the State of Illinois.

2. The full Board of Directors shall be elected annually by the shareholders at a duly held meeting. Any vacancy in the Board may be filled by election at a special meeting of shareholders called for that purpose. All directors elected by the shareholders shall hold office until the annual meeting of shareholders next succeeding their election and until their successors are elected and qualified.

3. In all elections for directors, every shareholder shall have the right to vote, in person or by proxy, for the number of shares owned by him, for as many persons as there are directors to be elected, or to cumulate said shares, and give one candidate as many votes as the number of directors multiplied by the number of his shares shall equal, or to distribute them on the same principle among as many candidates as he shall think fit.

4. The Board of Directors shall have the sole power to make, alter, amend or repeal by-laws for the government and regulation of the Company's affairs.

ARTICLE SIX

The Company's authorized capital is fifty million dollars (\$50,000,000). The total number of shares of common stock which the Company shall have authority to issue is five hundred thousand (500,000) and the par value of each of such shares shall be one hundred dollars (\$100.00). The number of shares of common stock to be issued and sold as paid-up capital prior to the issuance of a Certificate of Authority to the Company shall be ten thousand (10,000).

The initial ten thousand (10,000) shares of the one hundred dollar (\$100.00) par value common stock will be sold for two hundred dollars (\$200.00) per share to provide paid-up capital of one million dollars (\$1,000,000) and paid-in surplus of one million dollars (\$1,000,000) prior to the issuance of a Certificate of Authority to the Company.

The Board of Directors shall have the power, by appropriate resolution, to authorize the issuance or sale, from time to time, of the whole or any part of the Company's four hundred and ninety thousand (490,000) authorized but unissued shares of common stock in accordance with the provisions of the Illinois Insurance Code as additions to paid-up capital and paid-in surplus, pursuant to one or more permits issued from time to time by the Director of Insurance of the State of Illinois.

ARTICLE SEVEN

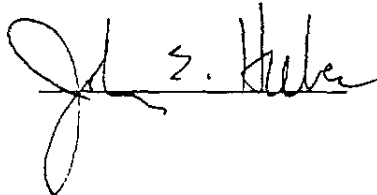
No shareholder of the Company shall have any preemptive right to purchase, subscribe for or otherwise acquire any new or additional shares of the Company of any class, or any options or warrants to purchase, subscribe for or otherwise acquire any such new or additional shares, or any shares, bonds, notes, debentures or other securities convertible into or carrying options or warrants to purchase, subscribe for or otherwise acquire any such new or additional shares.

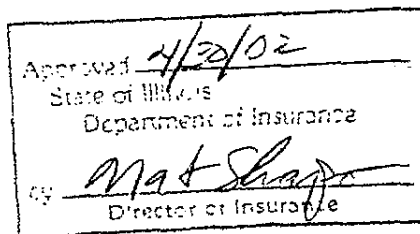
ARTICLE EIGHT

The name and address of the Incorporator is as follows:

John E. Hrebec
LORD, BISSELL & BROOK
115 S. LaSalle Street
Chicago, Illinois 60603

INCORPORATOR:







J.P. "RICK" CARNEY

Du Page County Recorder
421 N. County Farm Road
Wheaton, IL 60187

(630) 682-7200

J.P. "RICK" CARNEY

DUPAGE COUNTY RECORDER

MAY 17, 2002

2:57 PM

OTHER

007 PAGES R2002-132797

Recording Cover Page

☐ DEED

☒ OTHER

☐ UCC

☐ PLAT

☐ RE-RECORD

☐ RE- RE-RECORD

☐ RE- RE-RE-RECORD

Remarks: _____

Receipt For Payment



J. P. "RICK" CARNEY

Du Page County Recorder

421 North County Farm Road - Wheaton IL 60187
(630) 682-7200

RECORDING RECEIPT 00001 051702

OPER: MAH RECORDING DATE: 051702 RECEIPT NUMBER: 200205170186

NAME: LORD BISSELL & BROOK

RECORDINGS: 14.00

DSS: 3.00

GIS: 3.00

TRANSFER STAMPS:

TOTAL DUE: 20.00

PAID BY CHECK: 20.00

TOTAL PAID: 20.00

DOCUMENT NUMBER(S) ASSIGNED: R2002-132797

ID:

*** END OF RECEIPT ***

PEERLESS INDEMNITY INSURANCE COMPANY
Action by the Unanimous Consent of the Board of Directors
in Lieu of a Meeting
August 1, 2002

The undersigned, being all the directors of Peerless Indemnity Insurance Company, an Illinois corporation (the "Company"), acting pursuant to Illinois Business Corporation Law 805 § 5/8.45, do hereby consent to the following action(s) and adopt the following vote(s):

VOTED that the bylaws attached to this consent are adopted as the bylaws of the Company.

VOTED that the following persons be elected officers, each to hold office, unless removed, until the first meeting of the Board of Directors following the next annual meeting of the shareholders or until his or her successor is elected or qualified:

President and Chief Executive Officer	Michael R. Christiansen
Secretary	Jane F. Taylor
Treasurer	Stephen D. Powell

VOTED that the form of stock certificate attached to this consent is adopted.

VOTED that all of the Company's authorized shares of common stock be issued and sold to Liberty USA Corporation for a consideration of \$1 million in money paid.

VOTED that the Company adopts the investment management agreement currently in effect between Atlas Assurance Company of America and Liberty Mutual Investment Advisors LLC.

VOTED that the Company adopts the Investment Plan ("the Plan") currently in effect between Atlas Assurance Company of America and Liberty Mutual Insurance Company. In accordance with Illinois law the Board of Directors or a Committee thereof will review the Plan to determine that the investment activity of the Company is consistent with the Plan and revise the Plan when appropriate.

VOTED that the Chief Executive Officer and his designees either jointly or severally are authorized to execute on behalf of the Company, (1) a management services agreement with Liberty Mutual Insurance Company or any other affiliate thereof, whereby that company shall undertake to perform various services on behalf of the Company; and (2) a federal tax sharing agreement with Liberty Mutual Insurance Company whereby the parties to the agreement file a consolidated federal income tax return.

△ VOTED that the redomestication of Atlas Assurance Company of America ("Atlas") from New York to Illinois by merging with and into Peerless Indemnity Insurance Company, ("the Company") is hereby authorized, approved, confirmed and ratified.

△ VOTED that the result of such merger is that the Company will be the surviving entity and shall assume all assets and liabilities of Atlas as of the effective date of the merger and shall succeed to Atlas' place in the Peerless Insurance Company reinsurance pool.

△ VOTED that the company is hereby authorized to take all actions necessary to become licensed in all jurisdictions and for all

lines of business for which Atlas was licensed prior to the merger, and to take any actions necessary to effect and implement the redomestication going forward.

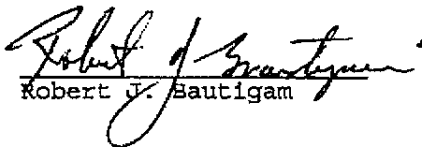
- VOTED that the Company will not engage in any insurance business in contravention of the provisions of Article 11, Section 1106 of the New York Insurance Law or not authorized by its charter.
- VOTED that CT Corporation be named as the Company's Agent for Service of Process in all licensed states that authorize the appointment of an Agent for Service of Process.
- VOTED that the Commissioner or Director of Insurance be named as the Company's Agent of Service of Process in all licensed states in which it is required.
- VOTED that CT Corporation be authorized to receive all forwarded service of process from the Commissioner or Director of Insurance in all licensed states where regulations allow.
- VOTED that the Company's officers are hereby authorized to take all steps necessary to implement the change to CT Corporation as agent for Service of Process.

01/17/03 FRI 18:43 FAX

NETHERLANDS-LEGAL

004

This writing shall be filed with the records of the meetings of the Board of Directors of the Corporation and shall for all purposes be treated as a vote taken at a meeting.


Robert J. Bautigam

Forrest H. Johnson

Mark A. Butler

Kevin P. Kower

Michael R. Christiansen

Dennis J. Langwell

J. Paul Condrin, III

Amy J. Leddy

Honore J. Fallon

William G. Mersch

Mark E. Fiebrink

Charles B. Ruzicka

Roger L. Jean

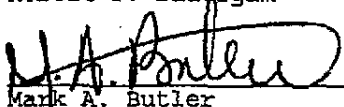
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NETHERLANDS-LEGAL

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Robert J. Baughman


Mark A. Butler

Michael R. Christiansen

J. Paul Condrin, III

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NETHERLANDS-LEGAL

006

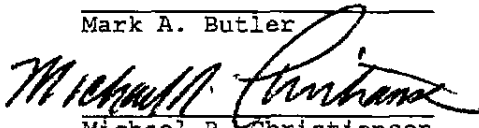
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01/17/03 FRI 18:44 FAX

NETHERLANDS-LEGAL

007

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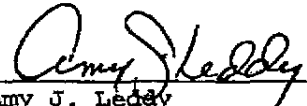
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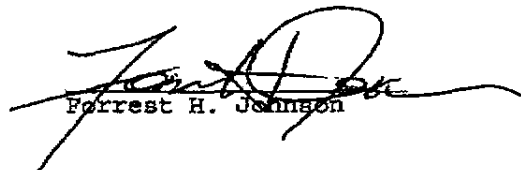
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01/17/03 FRI 18:45 FAX

NETHERLANDS-LEGAL

011

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Robert J. Bautigam

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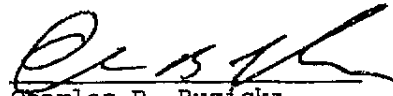
J. Paul Condrin, III

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Honore J. Fallon

William G. Mersch

Mark E. Fiebrink



Charles B. Ruzicka

Roger L. Jean

PEERLESS INDEMNITY INSURANCE COMPANY
Action by Unanimous Consent of the Sole Shareholder
In Lieu of a Meeting
December 3, 2002

Pursuant to 805 Illinois Compiled Statutes Annotated 5/7,10, the undersigned, being the sole shareholder of Peerless Indemnity Insurance Company, an Illinois corporation (the "Company"), hereby consents to the following action(s) and adopts the following vote(s):

WHEREAS the Company was formed for the purpose of effecting a redomestication of Atlas Assurance Company of America ("Atlas") from the State of New York to the State of Illinois via merger with Atlas; and

WHEREAS the sole shareholder has reviewed the proposed Agreement and Plan of Merger.

VOTED that the Agreement and Plan of Merger is hereby approved, and all acts of the Company incident to the redomestication and merger of the Company are ratified, adopted and approved.

This writing shall be filed with the records of the meetings of the shareholders of the Company and shall for all purposes be treated as a vote taken at a meeting.

LIBERTY-USA CORPORATION

BY:


J. Paul Condren, III

PEERLESS INDEMNITY INSURANCE COMPANY
Consent of Sole Shareholder to
Action in Lieu of Organizational Meeting
July 31, 2002

The undersigned, being the sole shareholder of Peerless Indemnity Insurance Company, an Illinois company (the "Company"), hereby waives all notice of an organizational meeting of the shareholders of the Company and consents to the taking of the following actions without an organizational meeting:

WHEREAS, the Company's Articles of Incorporation were approved by the Illinois Director of Insurance on May 1, 2002. The Articles were filed with the DuPage County Recorder on May 17, 2002 in accordance with Section 19 of the Illinois Insurance Code and assigned document number R2002-13297;

WHEREAS, the Illinois Director of Insurance issued a Permit on April 30, 2002, authorizing the Company to solicit subscriptions to 10,000 shares of its common stock, \$100 par value, at an offering price of \$200 per share;

WHEREAS, the Illinois Department of Insurance determined on July 15, 2002 that \$2,000,000 in cash or securities had been paid to the Company pursuant to the terms of a subscription agreement between the sole Incorporator of the Company by Liberty-USA Corporation and that such funds were on deposit in escrow account number 080006516000 at U.S. Bank, N.A.;

WHEREAS, pursuant to the terms of the Escrow Agreement dated May 16, 2002 between the Incorporator and U.S. Bank, N.A., and pursuant to Section 26 of the Illinois Insurance Code, the Escrow Agent transmitted United States securities in the amount of \$1,600,000 to the Illinois Director of Insurance; and

WHEREAS, the Illinois Director of Insurance issued a certificate of authority to the Company on August 20, 2002 authorizing the Company to transact the kinds of insurance set forth in its Articles of Incorporation.

VOTED that the Articles of Incorporation, Bylaws and any and all other documents signed, executed or adopted by the sole Incorporator in connection with the organization of Peerless Indemnity Insurance Company and all acts of the Incorporator incident to the organization of the Company are ratified, adopted and approved.

VOTED

that the following persons are elected to be directors of the Company, to serve until the next annual meeting of shareholders or until their successors are elected and have qualified:

Robert J. Brautigam
Mark A. Butler
Michael R. Christiansen
J. Paul Condryn, III
Honore J. Fallon
Mark E. Fiebrink
Roger L. Jean
Forrest E. Johnson
Kevin P. Kowar
Dennis J. Langwell
Amy J. Leddy
William G. Mersch
Charles B. Ruzicka

The original of this Consent, after execution by the undersigned sole shareholder, shall be filed with the records of the meetings of the sole shareholders of the Company.

LIBERTY-USA CORPORATION

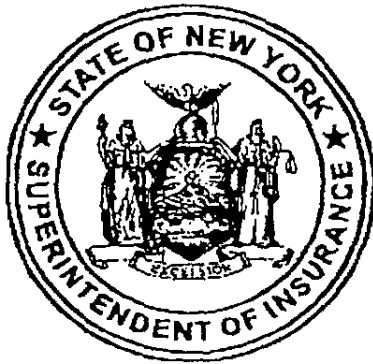
By: 

Short Certificate

**STATE OF NEW YORK
INSURANCE DEPARTMENT**

It is hereby certified that the annexed copy of Agreement and Plan of Merger between ATLAS ASSURANCE COMPANY OF AMERICA, of New York, New York, and PEERLESS INDEMNITY INSURANCE COMPANY, of Lisle, Illinois, (surviving corporation), as approved by this Department December 24, 2002, to be effective December 31, 2002, pursuant to Section 7105 of the New York Insurance Law

Has been compared with the original on file in this Department and that it is a correct transcript therefrom and of the whole of said original.



In Witness Whereof, I have here-
unto set my hand and affixed
the official seal of this Department
at the City of Albany, this
24th day of December, 2002

Special Deputy Superintendent

Julianne L. Heston

AGREEMENT AND PLAN OF MERGER

This Agreement and Plan of Merger dated December 17, 2002 (the "Agreement") is entered into by and between PEERLESS INDEMNITY INSURANCE COMPANY, an Illinois insurance company ("PEERLESS"), and ATLAS ASSURANCE COMPANY OF AMERICA, a New York insurance company ("ATLAS").

WITNESSETH:

WHEREAS, PEERLESS is a corporation duly organized and existing under the laws of the State of Illinois under Article II of the Illinois Insurance Code; and

WHEREAS, ATLAS is a corporation duly organized and existing under the laws of the State of New York, having been incorporated on October 10, 1977; and

WHEREAS, PEERLESS has authorized capital consisting of 10,000 shares of common stock with a par value of \$100.00 each, which are duly issued and outstanding and are owned by Liberty-USA Corporation, a Delaware corporation; and

WHEREAS, ATLAS has authorized capital consisting of 50,000 shares of common stock of the par value of \$70.00 each, 50,000 of which are duly issued and outstanding and are owned by Liberty-USA Corporation, a Delaware corporation; and

WHEREAS, each of PEERLESS and ATLAS is authorized under the laws of the State of Illinois to transact the business of property and casualty insurance; and

WHEREAS, Liberty-USA Corporation, the sole shareholder of PEERLESS and ATLAS ("Liberty"), desires to merge ATLAS and PEERLESS; and

WHEREAS, the boards of directors of each of PEERLESS and ATLAS (hereinafter collectively referred to as the "Constituent Corporations"), at meetings duly called and held or by unanimous written consent, have by resolution declared it advisable that the merger of ATLAS be effectuated by merging ATLAS with and into PEERLESS, with PEERLESS surviving; and

WHEREAS, the consideration for the merger consists of cash and/or other property; and

NOW, THEREFORE, in consideration of the premises and of the mutual agreements, provisions, covenants, and grants herein contained, the parties hereby agree as follows:

ARTICLE I

The name of the corporation to survive the merger (hereinafter called the "Surviving Corporation") is Peerless Indemnity Insurance Company.

ARTICLE II

The identity, existence, purposes, powers, franchises, licenses, rights and immunities of PEERLESS shall continue unaffected and unimpaired by the merger, and the corporate identity, existence, purposes, powers, functions, licenses, rights and immunities of ATLAS shall be merged into PEERLESS and PEERLESS shall be fully vested therewith. The separate existence and organization of ATLAS shall cease as soon as this Agreement shall become effective, and thereupon PEERLESS and ATLAS shall become a single corporation, to wit: PEERLESS, which shall survive such merger and shall continue to exist under and be governed by the laws of the State of Illinois. Said Surviving Corporation shall meet the requirements for authorization to engage in the insurance business in the State of Illinois and shall have all of the rights, privileges, immunities and powers and shall be subject to all of the duties and liabilities granted and imposed by the Illinois Insurance Code.

ARTICLE III

The Articles of Incorporation of PEERLESS shall be and continue to be the Articles of Incorporation of the Surviving Corporation, until the same shall be amended and changed as provided by law. The Articles of Incorporation of PEERLESS are hereby appended to this Agreement.

ARTICLE IV

The members of the board of directors and the officers of PEERLESS immediately prior to the Effective Time (as defined below) shall be the members of the board of directors and officers, respectively, of the Surviving Corporation, and they shall continue to hold office until their respective successors shall have been elected and shall qualify pursuant to the By-Laws of the Surviving Corporation.

ARTICLE V

At the Effective Time, each share of common stock of ATLAS issued and outstanding immediately before the Effective Time shall be cancelled.

ARTICLE VI

This Agreement has been submitted to the respective shareholders of the Constituent Corporations in accordance with the applicable laws of the State of Illinois and has been adopted by the votes of shareholders of PEERLESS representing 100% of the total number of shares of its capital stock and by the votes of shareholders of ATLAS representing 100% of the total number

of shares of its capital stock. Such facts shall be duly certified by the respective Secretaries or Assistant Secretaries of the Constituent Corporations, and this agreement, any certificate of approval issued by the Illinois Director of Insurance and an appropriate certificate of merger, or copies thereof, as certified by the Illinois Director of Insurance shall be filed and recorded in accordance with the applicable provisions of the laws of the State of Illinois. This Agreement shall take effect and be deemed and taken to be the agreement and act of merger of the Constituent Corporations, and the merger shall be and become effective, as of the date set forth in a Certificate of Merger issued by the Illinois Director of Insurance (the "Effective Time").

ARTICLE VII

Anything herein or elsewhere to the contrary and notwithstanding, this Agreement may be abandoned at any time prior to the filing and recording thereof by mutual consent of the Constituent Corporations pursuant to authority of said Constituent Corporations' boards of directors.

ARTICLE VIII

At the Effective Time, the Surviving Corporation shall possess all the rights, privileges, immunities, powers and franchises of a public as well as of a private nature of each of the Constituent Corporations. All property, real, personal and mixed, all debts due on whatever account, all choses in action, and all and every other interest of, or belonging to or due to, each of the Constituent Corporations shall be deemed to be transferred to and vested in such Surviving Corporation.

ARTICLE IX

At the Effective Time, the Surviving Corporation shall be responsible and liable for all the liabilities and obligations of each of the Constituent Corporations. Any claim existing or action or proceeding, pending by or against either of the Constituent Corporations may be prosecuted to judgment as if the merger had not taken place, or the Surviving Corporation may be substituted in its place. Neither the rights of creditors nor any liens upon the property of either of the Constituent Corporations shall be impaired by the merger, but such liens shall be limited to the property upon which they were liens immediately prior to the time of such merger.

ARTICLE X

If at any time the Surviving Corporation shall deem or be advised that any further assignment or assurances in law or things are necessary or desirable to vest or to perfect or confirm, of record or otherwise, in the Surviving Corporation the title to any property of ATLAS acquired or to be acquired by reason of or as a result of the merger provided by this Agreement, ATLAS and its proper officers and directors shall and will execute and deliver any and all such proper deeds, assignments and assurances in law and do all things necessary or proper so to vest, perfect or confirm title to such property in the Surviving Corporation and otherwise to carry out the purposes of this Agreement.

ARTICLE XI

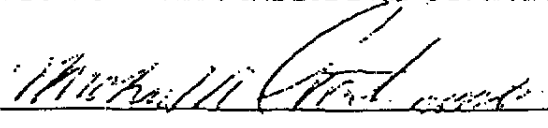
The Surviving Corporation shall pay all the expenses of carrying this Agreement into effect and of accomplishing the merger.

ARTICLE XII

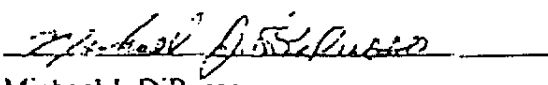
For the convenience of the parties and to facilitate the filing or recording of this Agreement, any number of counterparts thereof may be executed, and each such executed counterpart shall be deemed to be an original instrument.

IN WITNESS WHEREOF, the Constituent Corporations have caused this Agreement to be signed and their respective corporate seals to be hereunto affixed and attested as of the date first above written.

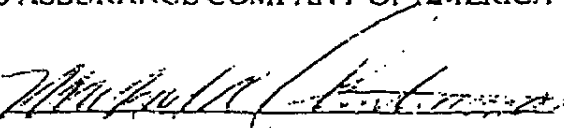
PEERLESS INDEMNITY INSURANCE COMPANY

By: 
Name: Michael R. Christiansen
Title: President


Attest:

By: 
Name: Michael J. DiRusso
Title: Secretary

ATLAS ASSURANCE COMPANY OF AMERICA

By: 
Name: Michael R. Christiansen
Title: President

Attest:

By: 
Name: Michael J. DiRusso
Title: Secretary

ARTICLES OF INCORPORATION
OF
PEERLESS INDEMNITY INSURANCE COMPANY

ARTICLE ONE:

The name of the Company is Peerless Indemnity Insurance Company.

ARTICLE TWO

The principal office of the Company is to be located in the City of Lisle, County of DuPage, in the State of Illinois.

ARTICLE THREE

The duration of the Company shall be perpetual

ARTICLE FOUR

The purpose of the Company is to transact the kinds of insurance business specified in Class 2 and Class 3 of Section 4 of the Illinois Insurance Code as follows:

Class 2 Casualty, Fidelity and Surety

(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.

(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, co-partnership 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, co-partnership 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 Section 4 of the Illinois Insurance Code) 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 of Section 4 of the Illinois Insurance Code, which may lawfully be the subject of insurance and may properly be classified under Class 2 thereof.

(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. Fire and marine, etc.

(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, windstorms, 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 flywheels 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, trans-shipment, 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.

(c) 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 of Section 4 of the Illinois Insurance Code, which may lawfully be the subject of insurance and may properly be classified under Class 3 thereof

(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).

With respect to the kinds of insurance business set forth in this Article, the Company shall be authorized and empowered to effect reinsurance of all risks taken by it and to assume reinsurance of risks taken by other insurers and reinsurers and to do any and all acts and things necessary, convenient or expedient to transact any or all of the kinds of insurance and reinsurance set forth herein

ARTICLE FIVE

1. The business of the Company shall be managed by a Board of Directors consisting of not less than three nor more than twenty-one natural persons as fixed from

time to time in the Company's by-laws. Directors shall be shareholders except where the Company is a wholly-owned subsidiary, and who are at least eighteen years of age, and at least three of whom shall be residents and citizens of the State of Illinois.

2. The full Board of Directors shall be elected annually by the shareholders at a duly held meeting. Any vacancy in the Board may be filled by election at a special meeting of shareholders called for that purpose. All directors elected by the shareholders shall hold office until the annual meeting of shareholders next succeeding their election and until their successors are elected and qualified.

3. In all elections for directors, every shareholder shall have the right to vote, in person or by proxy, for the number of shares owned by him, for as many persons as there are directors to be elected, or to cumulate said shares, and give one candidate as many votes as the number of directors multiplied by the number of his shares shall equal, or to distribute them on the same principle among as many candidates as he shall think fit.

4. The Board of Directors shall have the sole power to make, alter, amend or repeal by-laws for the government and regulation of the Company's affairs.

ARTICLE SIX

The Company's authorized capital is fifty million dollars (\$50,000,000). The total number of shares of common stock which the Company shall have authority to issue is five hundred thousand (500,000) and the par value of each of such shares shall be one hundred dollars (\$100.00). The number of shares of common stock to be issued and sold as paid-up capital prior to the issuance of a Certificate of Authority to the Company shall be ten thousand (10,000).

The initial ten thousand (10,000) shares of the one hundred dollar (\$100.00) par value common stock will be sold for two hundred dollars (\$200.00) per share to provide paid-up capital of one million dollars (\$1,000,000) and paid-in surplus of one million dollars (\$1,000,000) prior to the issuance of a Certificate of Authority to the Company.

The Board of Directors shall have the power, by appropriate resolution, to authorize the issuance or sale, from time to time, of the whole or any part of the Company's four hundred and ninety thousand (490,000) authorized but unissued shares of common stock in accordance with the provisions of the Illinois Insurance Code as additions to paid-up capital and paid-in surplus, pursuant to one or more permits issued from time to time by the Director of Insurance of the State of Illinois.

ARTICLE SEVEN

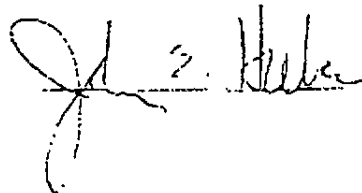
No shareholder of the Company shall have any preemptive right to purchase, subscribe for or otherwise acquire any new or additional shares of the Company of any class, or any options or warrants to purchase, subscribe for or otherwise acquire any such new or additional shares, or any shares, bonds, notes, debentures or other securities convertible into or carrying options or warrants to purchase, subscribe for or otherwise acquire any such new or additional shares.

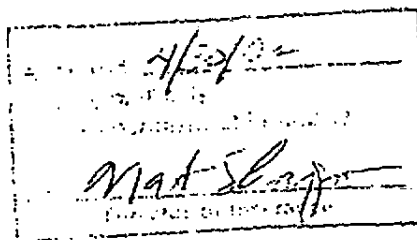
ARTICLE EIGHT

The name and address of the Incorporator is as follows:

John E. Hrebec
LORD, BISSELL & BROOK
115 S. LaSalle Street
Chicago, Illinois 60603

INCORPORATOR.





STATE OF ILLINOIS

DEPARTMENT OF INSURANCE



CERTIFICATE OF MERGER

WHEREAS, certain Agreement of Merger entered into on December 17, 2002 by and between Peerless Indemnity Insurance Company a company organized and existing under and by virtue of the laws of the State of Illinois and the ATLAS ASSURANCE COMPANY OF AMERICA, a company organized and existing under and by virtue of the laws of the State of NEW YORK, whereby the said ATLAS ASSURANCE COMPANY OF AMERICA has been merged into the Peerless Indemnity Insurance Company, the surviving company, has been presented to the Director of Insurance of the State of Illinois for approval.

And it appearing from the documents filed with the Director of Insurance of the State of Illinois that the said parties to said Agreement of Merger have in all respects complied with the laws of the State of Illinois and with all applicable provisions of an Act of the General Assembly of the State of Illinois, entitled: The "Illinois Insurance Code," approved June 29, 1937, as amended, and that said Agreement is in accordance with the provisions of Article X of the said "Illinois Insurance Code" and is not inconsistent with the laws or constitution of the State of Illinois or of the United States, and the undersigned Director of Insurance of the State of Illinois being satisfied that no reasonable objection exists thereto.

NOW, THEREFORE, I, Director of Insurance of the State of Illinois, by virtue of the powers vested in me by law do hereby issue this Certificate of Merger, to be effective December 31, 2002.

IN TESTIMONY WHEREOF, I hereto set my hand and cause to be affixed the Seal of my office.

Done at the City of Springfield, this 3rd
day of January, A. D. 2003.

Neil Strayer

STATE OF ILLINOIS

DEPARTMENT OF INSURANCE



This is to certify that Peerless Indemnity Insurance Company was incorporated in Illinois on April 30, 2002 and received a Certificate of Authority on August 20, 2002, the purpose of which was to effect the redomestication of Atlas Assurance Company of America from New York to Illinois. The Agreement and Plan of Merger has been tentatively approved and pending New York's approval, will be formally approved with Peerless Indemnity Insurance Company being the survivor in Illinois.

IN TESTIMONY WHEREOF, I hereto
set my hand and cause to be affixed
the Seal of my office

Done at the City of Springfield, this
5th day of December, A. D. 2002.

Nathaniel S. Shapo
Director