The St Paul

842128

St. Paul Fire and Marine Insurance Company
6225 Centennial Way
Baltimore, MD 21209

VIA AIRBORNE

August 26, 1999

Amendment Section
Division of Corporations
409 East Gains Street
Tallahassee, Florida 32314

FILED
99 AUG 27 AM 10: 10
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

RE: Discover Property & Casualty Insurance Company (Formerly Northbrook National Insurance Company)
Name Change Certificate of Status

Dear Amendment Section:

On June 4, 1999, notice was sent to the Florida Insurance Department of the above-referenced name change. In response to your name change notification package. The Company submits the following documents to the Florida Secretary of State to request for new Certificate of Status:

1. Completed and executed application by foreign profit corporation to file amendment to application for authorization to transact business in Florida. Exhibit 1

600002972566--4
-08/27/99--01073--019
*****96.25 *****96.25

2. Certificate of Authority certified by its state of domicile, Illinois, evidencing the name change. Exhibit 2

3. Non-refundable check payable to the Department of State in the amount of $96.25, check number 0004137410 remittance of filing fee, certified copy and certificate of status. Exhibit 3

Please forward the new certificate of status reflecting the name change of Discover Property & Casualty Insurance Company direct to me at:

The St. Paul Companies
c/o Roxane Bender, MC46
5801 Centennial Way
Baltimore, MD 21209

NC 9-9-99
DHS

Should you have any questions, please contact me at 410.205.1386. Thank you for your courtesy and assistance in this matter.

Sincerely,

Roxane Bender

Roxane Bender
Sr. Licensing Analyst

Enclosures

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)

1. Northbrook National Insurance Company (n/k/a) Discover Property & Casualty Insurance Company
   Name of corporation as it appears on the records of the Department of State.

2. Illinois
   Incorporated under laws of

3. December 20, 1979
   Date authorized to do business in Florida

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SECRETARY OF STATE
TALLAHASSEE, 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? April 19, 1999

5. Discover Property & Casualty 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.

   n/a
   New Duration

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

   n/a
   New Jurisdiction

Bryan V. Anderson
Signature

8/6/99
Date

Bryan Anderson
Typed or printed name

President, Discover Property & Casualty Insurance Company
Title

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 21 1999 Nat Shapo

Director of Insurance

IL446–0135 (1/92)

Printed on Recycled Paper

AMENDED CERTIFICATE OF AUTHORITY

STATE OF ILLINOIS

DEPARTMENT OF INSURANCE

Whereas, the DISCOVER PROPERTY & CASUALTY INSURANCE COMPANY (Formerly Northbrook National Insurance Company)

located at CHICAGO, in the State of ILLINOIS has complied with all the requirements of the "ILLINOIS INSURANCE CODE" applicable to said Company:

NOW, THEREFORE, I, the undersigned, Director of Insurance of the State of Illinois, do hereby authorize the said Company to transact its appropriate business as set forth under Clause(s)

(a), (b), (c), (d), (e), (f), (g), (h), (i), (j), (k), (l) of Class 2

(a), (b), (c), (d), (e), (f), (g), (h), (i) of Class 3

of Section 4 of the "ILLINOIS INSURANCE CODE" in this State, in accordance with the laws thereof.

DEPARTMENT OF INSURANCE STATE OF ILLINOIS 1868 1818

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 16th

day of April, 19 99

Nat Shapo

Nathaniel S. Shapo, *Director of Insurance*

Blank No. 878—Certificate of Authority—Domestic Companies

JL

present or future premium tax or income tax offset as a result of the assessment.

History.—Laws 1937, p. 696, § 3.1, added by Laws 1963, p. 3139, § 1; P.A. 80-662, § 7; P.A. 82-626, § 2; P.A. 83-695, § 1; P.A. 86-753, § 1; P.A. 88-364, § 5; P.A. 88-535, § 18; P.A. 88-627, § 5; P.A. 89-97, § 10; P.A. 89-669, § 5; P.A. 90-418, § 15, eff. 8-15-97.

[1] 215 ILCS 5/4.
[2] 215 ILCS 5/223 or 5/281.
[3] 215 ILCS 5/297.1 or 5/305.1.
[4] 215 ILCS 5/173.1.
[5] 215 ILCS 5/141.1.
[6] 215 ILCS 5/131.1 et seq.

5/4. Insurance classifications

Classes of insurance. Insurance and insurance business shall be classified as follows:

Class 1. Life, Accident and Health.

(a) Life. Insurance on the lives of persons and every insurance appertaining thereto or connected therewith and granting, purchasing or disposing of annuities. Policies of life or endowment insurance or annuity contracts or contracts supplemental thereto which contain provisions for additional benefits in case of death by accidental means and provisions operating to safeguard such policies or contracts against lapse, to give a special surrender value, or special benefit, or an annuity, in the event, that the insured or annuitant shall become totally and permanently disabled as defined by the policy or contract, or which contain benefits providing acceleration of life or endowment or annuity benefits in advance of the time they would otherwise be payable, as an indemnity for long term care which is certified or ordered by a physician, including but not limited to, professional nursing care, medical

[Page 7 follows]

care expenses, custodial nursing care, non-nursing custodial care provided in a nursing home or at a residence of the insured, or which contain benefits providing acceleration of life or endowment or annuity benefits in advance of the time they would otherwise be payable, at any time during the insured's lifetime, as an indemnity for a terminal illness shall be deemed to be policies of life or endowment insurance or annuity contracts within the intent of this clause.

Also to be deemed as policies of life or endowment insurance or annuity contracts within the intent of this clause shall be those policies or riders that provide for the payment of up to 25% of the face amount of benefits in advance of the time they would otherwise be payable upon a diagnosis by a physician licensed to practice medicine in all of its branches that the insured has incurred one of the covered conditions listed in the policy or rider.

Every such policy or rider shall contain a majority of the following covered conditions:

Heart Attack;

Stroke;

Coronary Artery Surgery;

Life Threatening Cancer;

Renal Failure;

Alzheimer's Disease;

Paraplegia;

Major Organ Transplantation.

The Director may issue rules that specify prohibited policy provisions, not otherwise specifically prohibited by law, which in the opinion of the Director are unjust, unfair or unfairly discriminatory to the policyholder, any person insured under the policy or beneficiary.

(b) 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. 100 et seq.

(c) Legal Expense Insurance. Insurance which involves the assumption of a contractual obligation to reimburse the beneficiary against or pay on behalf of the beneficiary, all or a portion of his fees, costs, or expenses related to or arising out of services performed by or under the supervision of an attorney licensed to practice in the jurisdiction wherein the services are performed, regardless of whether the payment is made by the beneficiaries individually or by a third person for them, but does not include the provision of or reimbursement for legal services incidental to other insurance coverages. The insurance laws of this State, including this Act do not apply to:

(i) Retainer contracts made by attorneys at law with individual clients with fees based on estimates of the nature and amount of services to be provided to the specific client, and similar contracts made with a group of clients involved in the same or closely related legal matters;

(ii) Plans owned or operated by attorneys who are the providers of legal services to the plan;

(iii) Plans providing legal service benefits to groups where such plans are owned or operated by authority of a state, county, local or other bar association;

(iv) Any lawyer referral service authorized or operated by a state, county, local or other bar association;

(v) The furnishing of legal assistance by labor unions and other employee organizations to their members in matters relating to employment or occupation;

(vi) The furnishing of legal assistance to members or dependents, by churches, consumer organizations, cooperatives, educational institutions, credit unions, or organizations of employees, where such organizations contract directly with lawyers or law firms for the provision of legal services, and the administration and marketing of such legal services is wholly conducted by the organization or its subsidiary;

(vii) Legal services provided by an employee welfare benefit plan defined by the Employee Retirement Income Security Act of 1974;[1]

(viii) Any collectively bargained plan for legal services between a labor union and an employer negotiated pursuant to Section 302 of the Labor Management Relations Act as now or hereafter amended,[2] under which plan legal services will be provided for employees of the employer whether or not payments for such services are funded to or through an insurance company.

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, 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. 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 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, chooses 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).

History.—Laws 1937, p. 696, § 4; Laws 1943, vol. 1, p. 838, § 1; Laws 1957, p. 99, § 4; P.A. 81-992, § 28; P.A. 81-1361, § 1; P.A. 85-1376, § 1; P.A. 86-384, § 1; P.A. 86-1176, § 1; P.A. 88-364, § 5.

[1] 29 U.S.C. § 1001 et seq.
[2] 29 U.S.C. § 302.

5/5. Classification of authorized insurers

Classes of Companies. (1) All Companies now or hereafter authorized to transact business in this State shall be classified according to their functions into one or more of the classes of insurance enumerated in Section 4.*

(2) No company shall be authorized to transact any kind or kinds of business other than those enumerated in its respective class, or classes, except as otherwise specifically provided in this Code, but any company, upon complying with all applicable provisions of this Code, may be authorized to transact all or any part of its business on the basis of reinsurance, except that no certificate of authority shall be limited in whole or in part to reinsurance unless the restriction as to such reinsurance is expressed in the articles of incorporation of said company.

History.—Laws 1937, p. 696, § 5; Laws 1949, p. 1040, § 1; Laws 1959, p. 638, § 1.

*215 ILCS 5/4.