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Kemper.
Insurance Companies

VIA FEDERAL EXPRESS

June 26, 2001

Ms. Velma Shepard
Corporate Specialist
Division of Corporation
Amendment Section
Florida Department of State
409 East Gaines Street
Tallahassee, Florida 32399

400004450674--5
-06/28/01--01087--019
*****43.75 *****43.75

RE: **SPECIALTY SURPLUS INSURANCE COMPANY
REDOMESTICATION FROM NEW JERSEY TO ILLINOIS**

Dear Ms. Shepard:

Specialty Surplus Insurance Company ("Specialty Surplus") is an approved eligible surplus lines carrier in your state. Effective April 10, 2001, Specialty Surplus redomiciled from New Jersey to Illinois for administrative efficiencies.

To support the redomestication, I have enclosed the following documents:

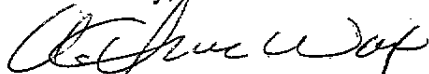
1. Application by Foreign Corporation to File Amendment for Authorization to Transact Business in Florida;
2. A check in the amount of \$43.75 to cover the Secretary of State's fee for filing and one certified copy of an original Florida Secretary of State Certificate of Status; and
3. A certified copy of the Amended Articles of Reorganization evidencing the redomestication.

FILED STATE
SECRETARY OF CORPORATION
01 JUN 28 PM 2:30

I would appreciate your assistance with sending the Certificate of Status by Federal Express directly to me using Kemper's account number, which is 06060803-2.

Should you have any questions regarding Specialty Surplus Insurance Company, please call me 847/320-4799. I can also be reached by facsimile at 847/320-4202 or by email at dwax@kemperinsurane.com.

Sincerely,



D. Due Wax
Senior Counsel
Corporate Legal, C-3

Rec'd 6/27 Originally

Enclosures

Amend
(Chg. Jurisdiction)
6/28/01
GR



June 27, 2001

VIA FEDERAL EXPRESS

Ms. Velma Shepard
Corporate Specialist
Division of Corporation
Amendment Section
Florida Department of State
409 East Gaines Street
Tallahassee, Florida 32399

**RE: SPECIALTY SURPLUS INSURANCE COMPANY
REDOMESTICATION FROM NEW JERSEY TO ILLINOIS**

Dear Ms. Shepard:

Thank you for today's call. To supplement Specialty Surplus Insurance Company's application I have enclosed a certified copy of the Amended Articles of Reorganization evidencing the redomestication and an approval order from New Jersey, the former state of domicile.

Please note that the Illinois Department does not issue approval orders, but rather the approved amended Articles represent the Department's approval of the redomestication.

Please send the Certificate of Status by Federal Express directly to me at your earliest convenience using Kemper's account number, which is 06060803-2.

Should you have any questions regarding Specialty Surplus Insurance Company, please call me 847/320-4799. I can also be reached by facsimile at 847/320-4202 or by email at dwax@kemperinsurane.com.

Sincerely,

D. Drue Wax
Senior Counsel
Corporate Legal, C-3

Enclosures

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Rec'd 6/28

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
01 JUN 28 PM 2:30

1. SPECIALTY SURPLUS INSURANCE COMPANY
Name of corporation as it appears on the records of the Department of State.
2. New Jersey 3. JUNE 15, 2000
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? 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 (formerly New Jersey)
New Jurisdiction


Signature

JOHN K. CONWAY

Typed or printed name

June 26, 2001
Date

CORPORATE SECRETARY

Title

State of New Jersey



DEPARTMENT OF BANKING AND INSURANCE

I, Karen L. Suter, Commissioner of Banking and Insurance of the
State of New Jersey do hereby certify that the annexed is a true copy of the

***** Insurance Examiner Margaret P. Shaw's April 27, 2001 letter regarding
the redomestication of Specialty Surplus Insurance
Company dated April 10, 2001 *****

as taken from and compared with the original **Letter**
dated **April 27, 2001** now remaining on file in this Department.

In Testimony Whereof, I have hereunto set my

Hand and affixed my Official Seal, at Trenton

This **22nd** day of **May, 2001**

A handwritten signature in black ink that reads "Karen L. Suter".

Commissioner of Banking and Insurance



State of New Jersey
DEPARTMENT OF BANKING AND INSURANCE
PO Box 325
TRENTON, NJ 08625-0325
Tel (609) 292-5360

DONALD T. DiFRANCESCO
Acting Governor

KAREN L. SUTER
Commissioner

April 27, 2001

Kemper Employers Insurance Company
D. Drue Wax
1 Kemper Drive
Long Grove, IL 60049-0001

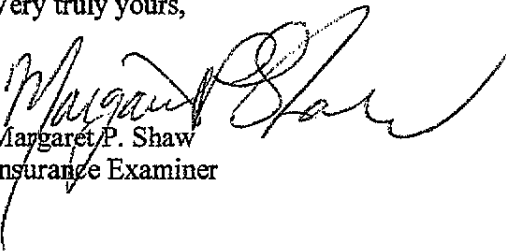
Re: Redomestication
Specialty Surplus Insurance Company

Dear Ms. Wax:

I am pleased to enclose your company's Certificate of Authority as an Illinois carrier to write multiple line authority in New Jersey. The change of domicile was effective as of April 10, 2001.

If you have any questions feel free to contact me at (609) 292-5350 extension 50099.

Very truly yours,


Margaret P. Shaw
Insurance Examiner

LEGAL
MAY 16 2001
DEPT.



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: MAY 29 2001

Nat Shapiro
Director of Insurance

ARTICLES OF REORGANIZATION

The undersigned certify that:

1. They are the Vice President and the Secretary, respectively, of SPECIALTY SURPLUS 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 SURPLUS INSURANCE COMPANY

Article 1. The name of the corporation shall be Specialty Surplus 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 October 26, 1961 pursuant to applicable provisions of the Insurance Laws of New Jersey.

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 authorized capital stock of the Corporation shall be 100,000 shares of common stock of par value of \$84.00. At least 50,000 common shares are to be issued and sold in accordance with Article II of the Illinois Insurance Code to provide a minimum of \$1,000,000 paid-up capital and \$1,200,000 paid-in surplus. The common shares issued and outstanding may be increased from time to time within the limits of the capital authorized by this Article, in accordance with the provisions of the Illinois Insurance Code which relate thereto.

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.

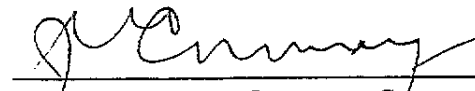
Article 8. The fiscal year shall commence January first and terminate December thirty-first of each year.

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

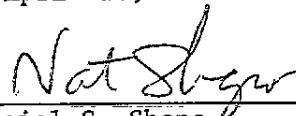
IN WITNESS WHEREOF, we have subscribed our names and caused the seal of the Specialty
Surplus Insurance Company to be affixed at Long Grove, Illinois, this 15th day of March, 2001.


Bret A. Conklin, Vice President

(SEAL)


John K. Conway, Corporate Secretary

Approved this 16th day of May, A.D. 2001.
Effective April 10, 2001.


Nathaniel S. Shapo
Director of Insurance

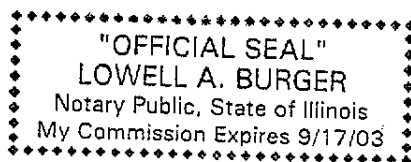
STATE OF ILLINOIS)
) SS.

COUNTY OF LAKE)

I, Lowell A. Burger, a notary public in and for the county and state aforesaid,
do hereby certify that Bret A. Conklin, 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 15th day of March, 2001.

(SEAL)



Lowell A. Burger
Notary Public

My commission expires 9/17/03