

P98000101060

New America
Insurance Company

December 4, 1998

Florida Department of State
Division of Corporations
409 East Gaines Street
Tallahassee, Florida 32399

700002702887--0
-12/04/98--01004--023
*****87.50 *****87.50

To whom it may concern:

New America Insurance Company is hereby requesting certified Articles of Incorporation and a Certificate of Status, pursuant to the requirement of the Florida Department of Insurance for purposes of licensure of a domestic insurance company.

Attached hereto are the original executed Articles of Incorporation as approved by the Department of Insurance during the permit application and a check for \$87.50 to cover the certificate of status, filing and certification fee.

Thank you for your assistance on this matter. Please feel free to call me at (850) 222-6656 if you need any additional information.

Sincerely,


Robert F. Reyes
Governmental Consultant

Attachment

RFR/emr

Call when ready

RECEIVED
98 DEC -4 AM 10:27

FILED
98 DEC -4 AM 11:09
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

DEC 04 1998

APPROVED
INSURANCE COMMISSIONER
AND TREASURER

NOV. 25 1996

ARTICLES OF INCORPORATION
NEW AMERICA INSURANCE COMPANY

BY

John Z. B...
Legal Division

The undersigned, natural persons over the age of 18 years, competent to contract and all of whom are citizens of the United States of America, hereby form a stock insurance corporation under the laws of the State of Florida.

ARTICLE I. NAME

The name of the corporation shall be NEW AMERICA INSURANCE COMPANY. The principal place of business of this corporation shall be 7640 Southgate Boulevard, N. Lauderdale, Broward County, Florida 33068.

ARTICLE II. NATURE OF BUSINESS

The purpose of the corporation is to engage in every aspect of fire, homeowner's, multi-peril, and general liability insurance.

ARTICLE III. CAPITAL STOCK

The maximum number of shares of stock that this corporation is authorized to issue is 10,000 shares of common stock having a par value of \$1.00 per share, and 5,000 shares of a class of voting preferred stock having a par value of \$1.00 per share.

The voting preferred stock shall have the preferences, limitations and relative rights set forth in Attachment I.

The corporation shall not begin transacting business unless it achieves a capital and surplus of \$5 million.

ARTICLE IV. TERM OF EXISTENCE

The corporation shall exist perpetually.

ARTICLE V. INITIAL REGISTERED OFFICE AND AGENT

The initial registered office of this corporation shall be at 1201 Hays Street, Tallahassee, Florida 32301 and the initial registered agent of this Corporation at such office shall be Corporation Information Services, Inc., who upon accepting this designation agrees to comply with the provision of Section 48.091, Florida Statutes, as amended from time to time, with respect to keeping an office open to receive service of process from the Treasurer and Insurance Commissioner of the State of Florida.

FILED
98 DEC -4 AM 11:09
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

ARTICLE VI. DIRECTORS

The corporation shall have five directors, all of whom are United States citizens and all of whom are over the age of 18. The names and residence street addresses of the directors whose initial terms of office shall be for one year are:

NAME	RESIDENCE ADDRESS
Hylan T. Hubbard, III	9 Locust Lane Huntington Bay New York 11743
Jasper J. Jackson	134 Chestnut Street Montclair New Jersey 07042
George Martinez	80 Van Buren Street Freeport New York 11520
Philbert Nezamoodeen	38 Roosevelt Avenue East Rockaway New York 11518
Robert M. Willis	11906 Shadystone Terrace Mitchellville, Maryland 20716

ARTICLE VII. INCORPORATORS

The names and residence street addresses of the incorporators, all of whom are over the age of 18 and all of whom are United States citizens, are:

NAME	RESIDENCE ADDRESS
Hylan T. Hubbard, III	9 Locust Lane Huntington Bay New York 11743
Jasper J. Jackson	134 Chestnut Street Montclair New Jersey 07042
George Martinez	80 Van Buren Street Freeport New York 11520
Philbert Nezamoodeen	38 Roosevelt Avenue East Rockaway New York 11518
Robert M. Willis	11906 Shadystone Terrace Mitchellville, Maryland 20716

THE INCORPORATORS HAVE HEREUNTO SET THEIR HANDS AND SEALS
THIS 3rd day of December 1998.


Hylan T. Hubbard, III


Jasper J. Jackson


George Martinez


Philbert Nezamooddeen


Robert M. Willis

STATE OF New York
COUNTY OF Nassau

PERSONALLY APPEARED before me Hylan T. Hubbard, III who
acknowledged executing the above Articles of Incorporation.

HELEN CALABRESE
Notary Public, State of New York
No. 01CA5048201
Qualified in Nassau County
Commission Expires Aug. 14, 1999

My commission expires: Aug. 14, 1999

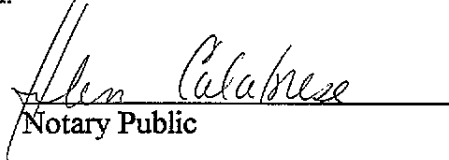

Notary Public

STATE OF New York
COUNTY OF Nassau

PERSONALLY APPEARED before me Jasper J. Jackson who acknowledged
executing the above Articles of Incorporation.

HELEN CALABRESE
Notary Public, State of New York
No. 01CA5048201
Qualified in Nassau County
Commission Expires Aug. 14, 1999

My commission expires: Aug. 14, 1999


Notary Public

STATE OF *New York*
COUNTY OF *Nassau*

PERSONALLY APPEARED before me George Martinez who acknowledged
executing the above Articles of Incorporation.

HELEN CALABRESE
Notary Public, State of New York
No. 01CA5048201
Qualified in Nassau County
Commission Expires Aug. 14, 1999

Helen Calabrese
Notary Public

My commission expires: *Aug. 14, 1999*

STATE OF *New York*
COUNTY OF *Nassau*

PERSONALLY APPEARED before me Philbert Nezamoodeen who
acknowledged executing the above Articles of Incorporation.

HELEN CALABRESE
Notary Public, State of New York
No. 01CA5048201
Qualified in Nassau County
Commission Expires Aug. 14, 1999

Helen Calabrese
Notary Public

My commission expires: *Aug. 14, 1999*

STATE OF
COUNTY OF

PERSONALLY APPEARED before me Robert M. Willis who acknowledged
executing the above Articles of Incorporation.

Kay W. Duda
Notary Public

My commission expires:

KAY W. DUDA
NOTARY PUBLIC DISTRICT OF COLUMBIA
MY COMMISSION EXPIRES MAY 14, 2003

98 DEC -4 AM 11:09
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

FILED

ACCEPTANCE OF REGISTERED AGENT

Having been named to accept service of process from the Treasurer and Insurance Commissioner of the State of Florida for NEW AMERICA INSURANCE COMPANY at the place designated in the Articles of Incorporation, CORPORATION SERVICE COMPANY agrees to act in this capacity, and agrees to comply with the provisions of Section 48 091 relative to keeping open such office.

Date: 12/4/98

CORPORATION SERVICE COMPANY

Registered Agent

By Laura R. Dunlap
Name: LAURA R. DUNLAP
Title: Its' Agent

FILED
98 DEC -4 AM 11:09
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

ATTACHMENT I

Voting Preferred Stock

The 5,000 shares of Voting Preferred Stock, \$1.00 par value per share, ("Voting Preferred") of New America Insurance Company (the "Company") have the powers, preferences and rights and the qualifications, limitations or restrictions as hereinafter set forth.

Section 1. Dividends.

1A. General Obligation. When and as declared by the Company's Board of Directors and to the extent permitted under the corporation and insurance laws of the State of Florida, the Company shall pay preferential dividends to the holders of the Voting Preferred as provided in this Section 1. Except as otherwise provided herein, dividends on each share of the Voting Preferred (a "Share") shall accrue on a daily basis at the rate of six percent per annum of the sum of \$5,000.00 (the "Stated Value") thereof plus all accumulated and unpaid dividends thereon, from and including the date of issuance of such Share to and including the date on which the Stated Value of such Share (plus all accrued and unpaid dividends thereon) is paid or the date on which such Share is redeemed hereunder. Such dividends shall accrue whether or not they have been declared and whether or not there are profits, surplus or other funds of the Company legally available for the payment of dividends. All such dividends shall be paid in cash. The date on which the Company initially issues any Share shall be deemed to be its "date of issuance" regardless of the number of times transfer of such Share is made on the stock records maintained by or for the Company and regardless of the number of certificates which may be issued to evidence such Share.

1B. Dividends on Other Classes of Capital Stock. No dividend may be declared and paid on any capital stock of the Company other than Voting Preferred Stock, \$1.00 par value per share, of the Company (such other stock being referred to herein as "Junior Securities") so long as any accrued dividend on the Voting Preferred remains unpaid.

1C. Dividend Reference Dates. To the extent not paid on March 31 of each year, beginning March 31, 2000 (the "Dividend Reference Date"), all dividends that have accrued on each Share outstanding during the 12-month period (or other period in the case of the initial Dividend Reference Date) ending upon each such Dividend Reference Date shall become "accumulated dividends" and shall remain accumulated dividends with respect to such Share until paid.

1D. Distribution of Partial Dividend Payments. Except as otherwise provided herein, if at any time the Company pays with respect to the Voting Preferred an amount less than the total amount of dividends then accrued with respect to the Voting Preferred, such payment shall be distributed ratably among the holders thereof based upon the aggregate accrued but unpaid dividends on the Shares held by each such holder.

Section 2. Liquidation.

Upon any liquidation, dissolution or winding up of the Company, each holder of Voting Preferred shall be entitled to be paid, before any distribution or payment is made upon any Junior Securities, an amount in cash equal to the sum of the higher of (i) the aggregate Stated Value or (ii) the aggregate book value of all Shares held by such holder, plus all accrued and unpaid dividends thereon, and the holders of Voting Preferred shall not be entitled to any further payment. If upon any such liquidation, dissolution or winding up of the Company, the Company's assets to be distributed among the holders of the Voting Preferred are insufficient to permit payment to such holders of the aggregate amount which they are entitled to be paid, then the entire assets to be distributed shall be distributed ratably among such holders based upon the aggregate Stated Value of the Voting Preferred held by each such holder (plus all accrued and unpaid dividends thereof). The Company shall mail written notice of such liquidation, dissolution or winding up, not less than 60 days prior to the payment date stated therein, to each record holder of Voting Preferred. Neither the consolidation or merger of the Company into or with any other entity or entities, nor the sale or transfer by the Company of all or any part of its assets, nor the reduction of the capital stock of the Company, shall be deemed to be a liquidation, dissolution or winding up of the Company within the meaning of this Section 2.

Section 3. Priority of Voting Preferred on Dividends and Redemptions.

So long as any Voting Preferred remains outstanding, neither the Company nor any Subsidiary shall redeem, purchase or otherwise acquire directly or indirectly any Junior Securities, and the Company shall not directly or indirectly pay or declare any dividend or make any distribution upon any Junior Securities, except as contemplated by Section 1B.

Section 4. Voting Rights.

The holders of the Voting Preferred shall be entitled to notice of all stockholders meetings in accordance with the Company's by-laws, and except as otherwise required by law, the holders of the Voting Preferred shall be entitled to vote only on all Significant Corporate Actions (as defined below) submitted to the stockholders for a vote together with the holders of the Common Stock voting together as a single class with each holder of Common Stock entitled to one vote for each share of Common Stock held by such holder, each holder of Voting Preferred entitled to one vote for each share of Voting Preferred held by such holder at the time the vote is taken. Notwithstanding the foregoing, the holders of the Voting Preferred shall not, in the aggregate, be entitled to exercise more than 49 percent of the voting power of all capital stock of the Companies voted on any given matter. The number of shares of Voting Preferred entitled to be voted on any given matter by each holder of Voting Preferred shall be limited on a *pro rata* basis, to the extent necessary to satisfy the foregoing restriction on the aggregate voting power of the Voting Preferred. For this purpose, Significant Corporate Actions consist only of the following:

- (i) Any proposal to incur or assume any debt, or issue any capital stock of

the Company or any securities convertible into shares of capital stock of the Company or any options, warrants or other rights to purchase any such stock or other securities or otherwise alter the capital structure of the Company;

(ii) Merger or sale of the Company or substantially all of its assets;

(iii) Amendment of the Company's Certificate of Incorporation or By-Laws;

(iv) Redemption or repurchase of any outstanding capital stock of the Company;

(v) Any agreement, proposal or action to cause or permit the Company or any of its subsidiaries or affiliates to take or be affected by any action of the nature described in clauses (i) through (iv) above.

Section 5. Redemption.

5A. Redemption Procedure.

(i) From time to time at the option of each holder of Voting Preferred, the Company shall redeem all or any portion of the Voting Preferred held and designated by such holder exercising such holder's option hereunder.

(ii) Each redemption of Voting Preferred shall be deemed to have been effected as of the close of business on the date on which the certificate or certificates representing the Voting Preferred to be redeemed have been surrendered at the principal office of the Company. At such time as such redemption has been effected, the rights of the holder of such Voting Preferred as such holder shall cease.

5B. Redemption Price.

The price to be paid by the Company upon redemption of the Voting Preferred (the "Redemption Price") shall be the greater of the following per share amounts: (i) the Stated Value; or (ii) the book value of said shares.

5C. Certain Events. In the event of any of the following events, or any similar event (any such event being referred to herein as an "Organic Change") the Company's board of directors shall make an appropriate adjustment in the Redemption Price so as to protect the rights of the holders of Voting Preferred; *provided* that no such adjustment shall decrease the Redemption Price as otherwise determined pursuant to this Section 5:

(i) Subdivision of capital stock of the Company by stock split, stock dividend, recapitalization or otherwise; or

(ii) Recapitalization, reorganization, reclassification, consolidation, merger or sale of all or substantially all of the Company's assets.

5D. Limitation on Redemption. No redemption of Voting Preferred shall be effected unless such redemption (i) would not have a material adverse effect on the financial condition or strategic business plans of the Company, and (ii) is lawfully permitted by the Department of Insurance of the State of Florida.

Section 6. Conversion.

6A. Conversion Procedure.

(i) At any time and from time to time, with the prior written consent of the Florida Department of Insurance, any holder of Voting Preferred may convert all or any portion of the Voting Preferred (including any fraction of a Share) held by such holder into a number of shares of Common Stock, par value \$1.00 per share, of the Company ("Conversion Stock") computed by multiplying the number of Shares to be converted by the Conversion Ratio (as defined in Section 6B) then in effect.

(ii) Each conversion of Voting Preferred shall be deemed to have been effected as of the close of business on the date on which the certificate or certificates representing the Voting Preferred to be converted have been surrendered at the principal office of the Corporation. At such time as such conversion has been effected, the rights of the holder of such Voting Preferred as such holder shall cease and the Person or Persons in whose name or names any certificate or certificates for shares of Conversion Stock are to be issued upon such conversion shall be deemed to have become the holder or holders of record of the shares of Conversion Stock represented thereby.

(iii) The conversion rights of any Share repurchased by the Company pursuant to Section 5 hereof shall terminate on the date the Redemption Price for such Share is paid.

(iv) Notwithstanding any other provision hereof, if a conversion of Shares is to be made in connection with an offering by the Company of its equity securities to the public pursuant to an effective registration statement under the Securities Act of 1933 or any comparable statement under any similar federal statute then in effect, other than an offering of shares being issued as consideration in a business acquisition or combination of an offering in connection with an employee benefit plan (a "Public Offering"), the conversion of such Shares may, at the election of the holder thereof, be conditioned upon the consummation of the Public Offering, in which case such conversion shall not be deemed to be effective until the consummation of the Public Offering.

(v) As soon as possible after a conversion has been effected (but in any event within five business days in the case of subparagraph (a) below), the Company shall deliver to the converting holder:

(a) a certificate or certificates representing, in the aggregate, the number of shares of Conversion Stock issuable by reason of such conversion, in the same name or names as the certificates representing the converted Shares and in

such denomination or denominations as the converting holder has specified;

(b) payment in an amount equal to all accrued dividends with respect to each Share converted which have not been paid prior thereto, plus the amount payable under subparagraph (viii) below with respect to such conversion; and

(c) a certificate representing any Shares which were represented by the certificate or certificates delivered to the Company in connection with such conversion but which were not converted.

(vi) The issuance of certificates for shares of Conversion Stock upon conversion of Voting Preferred shall be made without charge to the holders of such Voting Preferred for any issuance tax in respect thereof or other cost incurred by the Company in connection with such conversion and the related issuance of shares of Conversion Stock. Upon conversion of any Shares, the Company shall take all such actions as are necessary in order to insure that the Conversion Stock issuable with respect to such conversion shall be validly issued, fully paid and nonassessable.

(vii) The Company shall not close its books against the transfer of Voting Preferred or of Conversion Stock issued or issuable upon conversion of Voting Preferred in any manner which interferes with the timely conversion of Voting Preferred. The Company shall assist and cooperate with any holder of Shares required to make any governmental filings or obtain any governmental approval prior to or in connection with any conversion of Shares hereunder (including, without limitation, making any filings required to be made by the Company).

(viii) If any fractional interest in a share of Conversion Stock would, except for the provisions of this subparagraph, be deliverable upon any conversion of the Voting Preferred, the Company, in lieu of delivering the fractional share therefor, shall pay an amount in cash to the holder thereof equal to the greater of the market price, if any, or the Stated Value of such fractional interest as of the date of conversion.

(ix) The Company shall at all times reserve and keep available out of its authorized but unissued shares of Conversion Stock, solely for the purpose of issuance upon the conversion of the Voting Preferred, such number of shares of Conversion Stock as are issuable upon the conversion of all outstanding Voting Preferred. All shares of Conversion Stock which are so issuable shall, when issued, be duly and validly issued, fully paid and nonassessable and free from all taxes, liens and charges. The Company shall take all such actions as may be necessary to assure that all such shares of Conversion Stock may be so issued without violation of any applicable law or governmental regulation or any requirements of any domestic securities exchange upon which shares of Conversion Stock may be listed (except for official notice of issuance which shall be immediately delivered by the Company upon each such issuance).

6B. Conversion Ratio. The initial Conversion Ratio shall be equal to 3.8. In order to prevent dilution of the conversion rights granted under this subdivision, the

Conversion Ratio shall be subject to adjustment from time to time pursuant to this Section 6.

6C. Subdivision or Combination of Common Stock. If the Company at any time subdivides (by any stock split, stock dividend, recapitalization or otherwise) one or more classes of its outstanding shares of Common Stock into a greater number of shares, the Conversion Ratio in effect immediately prior to such subdivision shall be proportionately reduced, and if the Company at any time combines (by reverse stock split or otherwise) one or more classes of its outstanding shares of Common Stock into a smaller number of shares, the Conversion Ratio in effect immediately prior to such combination shall be proportionately increased.

6D. Reorganization, Reclassification, Consolidation, Merger or Sale. Prior to the consummation of any Organic Change, the Company shall make appropriate provisions (in form and substance reasonably satisfactory to the holders of a majority of the Voting Preferred then outstanding) to insure that each of the holders of Voting Preferred shall thereafter have the right to acquire and receive, in lieu of or in addition to (as the case may be) the shares of Conversion Stock immediately theretofore acquirable and receivable upon the conversion of such holder's Voting Preferred, such shares of stock, securities or assets as such holder would have received in connection with such Organic Change if such holder had converted its Voting Preferred immediately prior to such Organic Change. In each such case, the Company shall also make appropriate provisions (in form and substance reasonably satisfactory to the holders of a majority of the Voting Preferred then outstanding) to insure that the provisions of this Section 6 hereof shall thereafter be applicable to the Voting Preferred (including, in the case of any such consolidation, merger or sale in which the successor entity or purchasing entity is other than the Company, an immediate adjustment of the Conversion Ratio to the value for the Common Stock reflected by the terms of such consolidation, merger or sale, and a corresponding immediate adjustment in the number of shares of Conversion Stock acquirable and receivable upon conversion of Voting Preferred, if the value so reflected is less than the Conversion Ratio in effect immediately prior to such consolidation, merger or sale). The Company shall not effect any such consolidation, merger or sale, unless prior to the consummation thereof, the successor Company (if other than the Company) resulting from consolidation or merger or the Company purchasing such assets assumes by written instrument (in form and substance reasonably satisfactory to the holders of a majority of the Voting Preferred then outstanding), the obligation to deliver to each such holder such shares of stock, securities or assets as, in accordance with the foregoing provisions, such holder may be entitled to acquire.

6E. Certain Events. If any event occurs of the type contemplated by the provisions of this Section 6 but not expressly provided for by such provisions (including, without limitation, the granting of stock appreciation rights, phantom stock rights, profit participation rights in debt instruments or other rights with equity features), then the Company's board of directors shall make an appropriate adjustment in the Conversion Ratio so as to protect the rights of the holders of Voting Preferred; provided that no such adjustment shall decrease the number of shares of Conversion Stock issuable upon conversion of each Share of Voting Preferred.

Section 7. Notices.

7A. Price Adjustments. Immediately upon any adjustment of the Redemption Price or the Conversion Ratio, the Company shall give written notice thereof to all holders of Voting Preferred, setting forth in reasonable detail and certifying the calculation of such adjustment.

7B. Changes. The Company shall give written notice to all holders of Voting Preferred at least 20 days prior to the date on which the Company closes its books or takes a record (i) with respect to any dividend or distribution upon Common Stock, (ii) with respect to any *pro rata* subscription offer to holders of Common Stock or (iii) for determining rights to vote with respect to any Organic Change.

7C. Notice Prior to Organic Change. The Company shall also give written notice to the holders of Voting Preferred at least 20 days prior to the date on which any Organic Change shall take place.