

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

---

ACE PROPERTY & CASUALTY INSURANCE :  
COMPANY (f/k/a CIGNA PROPERTY & :  
CASUALTY INSURANCE COMPANY), as :  
Successor in Interest to CENTRAL NATIONAL : CIVIL ACTION NO.  
INSURANCE COMPANY OF OMAHA, as :  
respects policies issued through CRAVENS, :  
DARGAN & COMPANY, PACIFIC COAST, :  
: :  
Petitioner, :  
v. :  
: :  
GLOBAL REINSURANCE CORPORATION OF :  
AMERICA, U.S. BRANCH (F/K/A GERLING :  
GLOBAL REINSURANCE CORPORATION), :  
: :  
Respondent.

---

**CENTRAL NATIONAL INSURANCE COMPANY'S  
PETITION TO CONFIRM ARBITRATION AWARD**

Petitioner, ACE Property & Casualty Insurance Company, as successor in interest to Central National Insurance Company of Omaha (“CNIC”), by its counsel White and Williams LLP, hereby moves this Court to enter an order confirming the arbitral Final Award dated June 3, 2011, which was issued following an arbitration between CNIC and Global Reinsurance Corporation of America, U.S. Branch (f/k/a Gerling Global Reinsurance Corporation, U.S. Branch) (“Global”).

1. This Petition to Confirm Arbitration Award pursuant to Section 9 of the Federal Arbitration Act (“FAA”) is submitted to confirm the arbitral Final Award (the “Final Award”), dated June 3, 2011, which was issued following a three-day arbitration between Petitioner and Respondent, Global. (*See* Final Award, attached hereto as Exhibit A.)<sup>1</sup>

---

<sup>1</sup> Pursuant to the agreement of the parties that certain Arbitration Information be confidential, CNIC has filed a motion to seal and has requested that the Court maintain the Final Award under seal for the reasons set forth therein.

**THE PARTIES**

2. Petitioner CNIC is a Pennsylvania company with its principal place of business at 436 Walnut Street, Philadelphia, Pennsylvania 19106.

3. Upon information and belief, Global is a New York corporation with its principal place of business located at Times Square Tower, 7 Times Square, 37th Floor, New York, New York 10036.

**JURISDICTION AND VENUE**

4. This Petition is submitted under Chapter 1 of the FAA, 9 U.S.C. §§ 1-16. This proceeding involves commercial arbitration agreements that are between citizens of the United States, and thus falls within Chapter 1 of the FAA. *See* 9 U.S.C. § 1.

5. This Court has subject matter jurisdiction pursuant to 28 U.S.C. § 1332 in that the petition involves citizens of different states and the amount in controversy exceeds the sum or value of \$75,000, exclusive of interest and costs.

6. This Court has personal jurisdiction over Global as Global is incorporated by the State of New York and has its principal place of business in New York, New York.

7. Further, this Court has personal jurisdiction by virtue of Global's agreement, in the subject contracts of reinsurance, that "any arbitration shall take place in New York, N.Y." (*See* Global Facultative Certificate Nos. 73-30924 and 73-30925, attached hereto as Exhibits B and C respectively, at ¶ 17 (the "Arbitration Clause")). As the arbitration occurred in New York, New York, pursuant to the agreement of the parties, personal jurisdiction is proper in this Court. (*See id.*)

8. Venue is proper in this Court because Global is deemed to reside in this district, has its principal place of business is located in this district and a substantial part of the events giving rise to this action occurred in this district. 28 U.S.C. § 1391(a)(2).

9. Further, venue is proper here because Section 9 of the FAA provides that “[i]f no court is specified in the agreement of the parties, then such application may be made to the United States court in and for the district within which such award was made.” 9 U.S.C. § 9. The Final Award was made in New York, New York; thus, venue in this district is proper.

10. Moreover, venue is appropriate in this Court as, pursuant to the contractual agreement of the parties, the arbitration hearing was conducted in this district.

### **BACKGROUND**

11. The underlying arbitration concerned Global’s responsibility under two facultative reinsurance certificates for asbestos claims paid by CNIC under an umbrella excess policy issued to Wylain, Inc., now known as Marley-Wylain, Inc. (“Marley”).

12. In a reinsurance contract, a reinsurer agrees to indemnify the reinsured against all or part of the loss that the reinsured may sustain under an insurance policy or policies the company has issued, in exchange for a portion of the premium paid to the reinsured for the insurance policies.

13. A “facultative” reinsurance contract reinsures a specific insurance policy or risk, as opposed to “treaty” reinsurance, which reinsures multiple insurance policies or an entire book of business written by the reinsured.

14. CNIC (through Cravens Dargan & Company, Pacific Coast)<sup>2</sup> issued an umbrella commercial liability excess of loss policy to its insured, Marley, effective August 1, 1979 to August 1, 1980 (the “Policy”). (See CNIC Policy No. CNU 03-48-63, attached as Exhibit D hereto.)

---

<sup>2</sup> Cravens Dargan was a managing general agent that wrote business on the paper of various companies. It was not a risk-bearing entity.

15. The Policy provides indemnity limits of \$25 million per occurrence and in the aggregate, excess of underlying insurance (\$500,000 each occurrence and in the aggregate for products claims). (*Id.* at 1.)

16. The Policy is an “ultimate net loss” policy which includes both indemnity and defense costs within the policy limits. (*Id.* at 3.)

17. Gerling Global Reinsurance Corporation, as predecessor to Global, issued two facultative reinsurance certificates to CNIC, Global Facultative Certificate Nos. 73-30924 and 73-30925 (the “Global Certificates”). (*See* Exhibits B and C hereto.)

18. After the Global Certificates were executed, Marley and its corporate successors were named as defendants in many asbestos-related products personal injury claims and lawsuits. These claims and lawsuits were tendered to Marley’s insurers, including CNIC, for defense and indemnity.

19. Pursuant to a December 2003 Settlement and Funding Agreement, and subject to the CNIC Policy, CNIC agreed to pay for a portion of the indemnity and defense costs associated with Marley’s asbestos-related bodily injury claims.

20. Following prior notice, in December 2004, Global was provided a report which contained an overview of the claims, an explanation that defense is paid within policy limits, an explanation of the funding agreement and a status update on payments, which included an explanation of the prior aggregate impairment of the policy. Along with the report, Global received a copy of the Policy, the settlement and funding agreement and coverage counsel analysis. Global issued no response or inquiry.

21. Reporting continued, and by Spring of 2009, CNIC’s payments to Marley exceeded the attachment point of Global Certificate 73-30924 (the lower of the two layers reinsured by Global).

22. CNIC submitted its first bill to Global in April 2009. (*See* April 29, 2009 Reinsurance Billing and Proof of Loss from E. Barrett to D. Anecchino, Exh E, hereto.) The reinsurance billing (consistent with the terms and conditions of the underlying CNIC Policy) combined indemnity and defense cost payments to meet the reinsurance retention and to make up the reinsurance “loss” under the reinsurance certificates.

23. In May 2009, Global refused to pay the billing.

24. On March 19, 2010, CNIC initiated arbitration proceedings to recover the outstanding balance due from Global under Global Certificate 73-30924, as well as a declaration regarding Global’s payment obligations for amounts which will become due under that certificate and Global Certificate 73-30925.

25. A panel of three arbitrators (the “Panel”) was appointed and accepted by the parties at an Organizational Meeting on October 12, 2010, in New York, New York.

26. After a three-day hearing, the Panel issued its Final Award on June 3, 2011. (*See* Exhibit A.)

27. CNIC now petitions this Court to confirm the Final Award.

**THE AWARD SHOULD BE CONFIRMED**

28. Section 9 of the FAA provides that a party may seek an order confirming an arbitration award within one year of the date the award was made, and that a court “must grant such an order unless the award is vacated, modified, or corrected as prescribed in sections 10 and 11 of [the FAA].” 9 U.S.C. § 9.

29. Second Circuit precedent is clear that, under this standard, “arbitration awards are subject to ‘severely limited’ review by the courts” and thus the courts shall confirm the award absent certain specific, enumerated grounds for refusal or deferral of recognition. *Bradley v. Merrill Lynch & Co., Inc.*, 344 Fed. Appx. 689, 690 (2d Cir. 2009).

30. Pursuant to 9 U.S.C. § 12, a party wishing to vacate, modify, or correct an arbitration award must do so within three months from the date that the award was filed or delivered. Where such party fails to do so, as is the case here, that party is estopped from later objecting to the award. *See, e.g., Arch Dev. Corp. v. Biomet*, 2003 WL 21697742 (N.D. Ill. 2003), *quoting Piccolo v. Dain, Kalman & Quail, Inc.*, 641 F.2d 598, 600 (8th Cir. 1981) (“A party who failed to comply with the statutory precondition of timely service of notice forfeits the right to judicial review of the award.”).

31. More than three (3) months have elapsed since the Panel delivered its Final Award and, within such time, Global did not move to vacate, modify, or correct the Panel’s Final Award.

32. Further, none of the grounds for vacating an award, as set out in the FAA under section 10, are present.

33. CNIC now petitions this Court to confirm the Panel’s Final Award pursuant to 9 U.S.C. § 9. As the Final Award has not been vacated, modified, or corrected as prescribed by sections 10 and 11 of the FAA, this Court must confirm the Panel’s Final Award pursuant to 9 U.S.C. § 9.


THE BALANCE OF THIS PAGE LEFT INTENTIONALLY BLANK

Respectfully submitted,

WHITE AND WILLIAMS LLP

OF COUNSEL:

Christine G. Russell  
Ellen K. Burrows  
Brendan D. McQuiggan  
White and Williams LLP  
1650 Market Street  
One Liberty Place, Suite 1800  
Philadelphia, PA 19103  
russellc@whiteandwilliams.com  
burrowse@whiteandwilliams.com  
mcquigganb@whiteandwilliams.com  
(215) 864-6301/7028/7173

By:   
Rafael Vergara  
One Penn Plaza  
250 W. 34<sup>th</sup> Street, Suite 4110  
New York, NY 10119  
vergarar@whiteandwilliams.com  
(212) 244-9500

*Attorneys for Petitioner,  
ACE Property & Casualty Insurance  
Company as Successor in Interest to  
Central National Insurance Company of  
Omaha*

Dated: October 3, 2011

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

ACE PROPERTY & CASUALTY INSURANCE :  
COMPANY (f/k/a CIGNA PROPERTY & :  
CASUALTY INSURANCE COMPANY), as : CIVIL ACTION NO.  
Successor in Interest to CENTRAL NATIONAL :  
INSURANCE COMPANY OF OMAHA, as :  
respects policies issued through CRAVENS, :  
DARGAN & COMPANY, PACIFIC COAST, :

Petitioner,

ORDER

v.

GLOBAL REINSURANCE CORPORATION OF :  
AMERICA, U.S. BRANCH (F/K/A GERLING :  
GLOBAL REINSURANCE CORPORATION, U.S. :  
BRANCH),

Respondent.

ORDER

AND NOW, this 30<sup>th</sup> day of September, 2011, upon consideration of the Motion to Seal of Petitioner, ACE Property & Casualty Insurance Company, as successor in interest to Central National Insurance Company of Omaha ("CNIC"), it is hereby ORDERED that said Motion is GRANTED. The arbitral Final Award, dated June 3, 2011, issued following arbitration between Petitioner and Respondent Global Reinsurance Corporation of America, U.S. Branch (f/k/a Gerling Global Reinsurance Corporation, U.S. Branch) ("Global"), shall be filed under seal and shall remain confidential and under seal until further order of this Court. *based on the Confidentiality Agreement of the parties*

UNITED STATES DISTRICT COURT:

Loretta A. Presler  
J.

*Part I*



# EXHIBIT B



**CERTIFICATE OF FACULTATIVE REINSURANCE**  
**GERLING-GLOBAL REINSURANCE CORPORATION**  
**UNITED STATES BRANCH**  
 717 Fifth Avenue, New York, N. Y. 10022

73-30924

Los Angeles Office  
 3600 Wilshire Blvd.  
 Los Angeles, Calif. 90010

**DECLARATIONS (Items 1 through 8)**

Cravens, Dargen & Co.  
 Los Angeles, CA

1. Does hereby reinsure The Central National Insurance Company of Omaha  
(Name and Address of Ceding Company)  
 (herein called the Company) in respect of the Company's policy hereinafter described, in consideration of the payment of the premium and subject to the terms, conditions and amount of liability set forth herein, as follows:
2. Name of Insured: Wylain Inc. et al
3. Company Policy No. CNU 03 48 63 Address of Insured Dallas, Texas  
(City and State)
- Effective From: 8/1/79 To: 8/1/80  
(12:01 A. M. Standard Time at the Address of the Insured)
4. Reinsurance Period: From 8/1/79 To: 8/1/80  
(12:01 A. M. Standard Time at the Address of the Insured)

SECTION 1. TYPE OF INSURANCE	SECTION 2. POLICY LIMITS AND APPLICATION	SECTION 3. COMPANY RETENTION	SECTION 4. REINSURANCE ACCEPTED	SECTION 5. BASIS OF ACCEPTANCE
Umbrella Liability	\$25,000,000 each occurrence/annual aggregate where applicable excess Primary Insurance or S.I.R.	41 2/3% of \$1,000,000 each occurrence/annual aggregate where applicable excess Primary Insurance or S.I.R.	\$1,000,000 part of \$5,000,000 each occurrence/annual aggregate where applicable excess \$5,000,000 each occurrence/annual aggregate where applicable excess Primary Insurance or S.I.R.	<input type="checkbox"/> Excess of Loss <input checked="" type="checkbox"/> Contributing Excess <input type="checkbox"/> Non-Concurrent

6. Reinsurance Premium Computation

- Flat Charge  
 Adjustable on Basis of \_\_\_\_\_ per \_\_\_\_\_  
 Deposit Premium \$ 5,000.00 *wt* \$3750 *ok* Minimum Premium \$ 5,000.00

PREMIUM, IF PAID IN INSTALLMENTS

EFFECTIVE DATE	1st ANNIVERSARY	2nd ANNIVERSARY	TOTAL PREMIUM \$

7. Audit Periods: None

GERLING GLOBAL OFFICES INC.  
 U. S. Manager

8. Coding Commissions: 25%

9/17/79/ac

*[Signature]*  
 Authorized Signature

CERT. 1 REV. 4/78

ORIGINAL

CONFIDENTIAL  
 CNIC (Marley) 00096

EXHIBIT 3  
 DATE: 3-17-11  
 LINDA ROSSI RIOS

9. The Company warrants to retain for its own account, subject to other Reinsurance, the amount of liability specified in Section 3, Item 5 of the Declarations, and the liability of the Reinsurer specified in Section 4, Item 5 of the Declarations shall follow that of the Company and except as otherwise specifically provided herein, or designated as non-concurrent reinsurance in the Declarations, shall be subject in all respects to all the terms and conditions of the Company's policy, in no event shall anyone other than the Company, or in the event of the Company's insolvency, its Receiver, Liquidator, or Statutory successor, have any rights or assignment of rights under this contract. The Company shall furnish the Reinsurer with a copy of its policy and all endorsements thereto which in any manner affect this Certificate, and shall make available for inspection and place at the disposal of the Reinsurer, at reasonable times, any of its records relating to this reinsurance or claims in connection therewith.

10. The Company shall notify the Reinsurer promptly, in writing, of any occurrence which in the Company's estimate of the value of the injuries or damages sought, without regard to liability, might result in a judgement in an amount sufficient to involve this Certificate, or wherein the Company has created a loss reserve equal to or greater than fifty (50) percent of the Company's retention as specified in Section 3, Item 5 of the Declarations; or if this reinsurance applies on a contributory excess basis, when notice of claim is received by the Company. The Company will further advise the Reinsurer of subsequent developments, in writing, in a complete and timely manner. While the Reinsurer does not undertake to investigate or defend claim or suits, it shall nevertheless have the right and shall be given the opportunity, with the full cooperation of the Company, to associate counsel, at its own expense, and to join with the Company and its representatives in the defense and control of any claim, suit or proceeding involving this Certificate, if not excluded in other parts of this Certificate.

11. Reinsurer shall pay its proportion of expenses, other than Company salaries and office expenses incurred by the Company in the investigation and settlement of claims or suits provided loss payment is made by the Company affecting this Certificate, in the ratio that the Reinsurer's loss payment bears to the Company's gross loss payment, and with the prior notice to and consent of Reinsurer to trial court proceedings, its proportion of court costs and interest on any judgement or award.

12. Payment of its proportion of loss and expense paid by the Company will be made by the Reinsurer to the Company promptly following the receipt of proof of loss.

13. The Reinsurer will be paid or credited, by the Company with its proportion of savings, i.e., reimbursement obtained or recovery made by the Company, less the actual cost (excluding Company salaries and office expenses) of obtaining such reimbursement or making such recovery, if the reinsurance afforded by this certificate is on an excess of loss basis, salvage shall be applied in the inverse order in which liability attaches.

14. The Company undertakes not to claim any deduction in respect of the premium hereon when making tax returns, other than in those of profits Tax returns, to any State or Territory of the United States or the District of Columbia.

15. In the event of the insolvency of the Company, the reinsurance provided by this Certificate shall be payable by the Reinsurer on the basis of the liability of the Company under the policy(ies) reinsured, without diminution because of such insolvency, directly to the Company or its Receiver, Liquidator, or Statutory successor pursuant to the Statute of any State of the United States having jurisdiction and to the extent that such reinsurance as is afforded hereunder may be credited to the Company as an admitted asset or deduction from liability, it being understood that subject to such amendment, the Reinsurer may avail itself of any other provisions of any such Statute applicable. The Reinsurer shall be given written notice of the pendency of such claim against the Company on the policy(ies) reinsured hereunder within a reasonable time after such claim is filed in the insolvency proceedings. The Reinsurer shall have the right to investigate each such claim and intervene, at its own expense, in the proceeding where such claim is to be adjudicated, any defenses which it may deem available to the Company or its Receiver, Liquidator, or Statutory successor. The expense thus incurred by the Reinsurer shall be chargeable, subject to court approval, against the insolvent Company as part of the expense of liquidation to the extent of a proportionate share of the benefit which may accrue to the Company solely as a result of the defense undertaken by the Reinsurer.

16. The Reinsurer may offset any balance due whether on account of premiums, commissions, claims, losses, adjustment expense, salvage or any other amount(s) due from one party to the other under this Certificate or under any other agreement heretofore or hereafter entered into between the Company and Reinsurer, whether acting as insuring Reinsurer or as Ceding Company.

17. Should an irreconcilable difference of opinion arise as to the interpretation of this Certificate, it is hereby mutually agreed that, as a condition precedent to any right of action hereunder, such difference shall be submitted to arbitration, one arbitrator to be chosen by the Company, one arbitrator by the Reinsurer and an umpire to be mutually agreed upon and chosen by the two arbitrators before they enter upon arbitration. The arbitrators and umpire so selected shall be officers or former officers of either insurance or reinsurance companies. In the event that either party should fail to choose an arbitrator within sixty (60) days following receipt of a written request by the other party to enter upon arbitration, the requesting party may then choose a second arbitrator and the two selected arbitrators shall in turn choose an umpire before entering upon arbitration. In the event, the two selected arbitrators fail to agree on the selection of an umpire, after meeting together and within ten (10) days of their appointment, then each arbitrator shall select one name from a list of three names submitted by the other arbitrator and the umpire shall be selected by lot between the two names chosen.

Each party shall thereupon present its case to the arbitrator within sixty (60) days after date of their appointment. The decision of the arbitrators shall be final and binding upon both parties, but failing to agree they shall call upon the umpire and the decision of the majority shall be final and binding upon both parties. Each party shall bear the expense of its own arbitrator and shall jointly and equally bear with the other the expense of the umpire and of the arbitration. In the event that two of the arbitrators are chosen by one party, as above provided, the expense of the arbitrators, the umpire and the arbitration shall be equally divided between the two parties. The arbitrators shall adopt their own rules and procedures and may waive the requirements of the rules of evidence. Any such arbitration shall take place in New York, N.Y., unless some other location is mutually agreed upon by the two parties in interest.

18. Cancellation of the policy of the Company shall constitute automatic cancellation of this Certificate and it may also be cancelled on a pro rata basis by either party mailing or delivering to the other written notice thereof, not less than thirty (30) days thereafter, such cancellation shall be effective, if at any time during the continuance of this Certificate, the Company should lose the whole or any part of its paid-up capital or go into liquidation or receivership, whether voluntary or involuntary, or should have a Conservator or Rehabilitator appointed or undergo any process of reconstruction or reorganize its entire business or be acquired or controlled or merged with any other company, corporation or body, the Reinsurer shall have the right to terminate this Certificate forthwith upon the giving of notice in writing to the Company.

19. The terms of this Certificate shall not be waived or changed except by endorsement issued to form a part hereof, and executed by a duly authorized representative of the Reinsurer.

20. The Company shall notify the Reinsurer promptly, in writing, of any situation wherein the Company may become obligated to pay as damages either by judgement or agreement, due to the alleged or actual bad faith, fraud, or negligence of the Company, its employees or representatives, in the handling of, or failure to settle a claim on behalf of or by the named insured under its policy(ies), or for the costs or expense incurred therefrom. The Reinsurer shall have the right and shall be given the opportunity, with the full cooperation of the Company, to associate counsel, at its own expense, and to join with the Company and its representatives in the defense and control of any claim, suit or proceeding involving this item.

21. Definitions: As used in this Certificate under Section 5, Item 5 of the Declarations, the following terms shall have the meaning set opposite each:

Excess of Loss: The limit(s) of liability of the Reinsurer, as stated in Section 4, Item 5 of the Declarations, applies only to that portion of loss within the policy limits, in excess of the applicable retention of the Company as stated in Section 3, Item 5 of the Declarations.

Contributing Excess: The Company's policy(ies) apply(ies) in excess of other valid insurance, reinsurance or self-insured retention and the limit(s) of liability of the Reinsurer apply(ies) proportionately to all loss within the policy limits in the amount(s) set forth in Section 4, Item 5 of the Declarations.

Non-Concurrent: The reinsurance provided does not apply to any hazards or risks of loss or damage covered under the Company's policy, which are specifically excluded in the Declarations. The retention of the Company and liability of the Reinsurer shall be determined as though the Company's policy(ies) applied only to the hazards or risks of loss or damage which would not be excluded in the Declarations.

In Witness Whereof, the Reinsurer has caused this Certificate to be signed by its authorized representative.

REC.  
SEP 24 1973  
REINS. DEPT.

CONFIDENTIAL  
CNIC (Marley) 00097

GERLING GLOBAL REINSURANCE CORPORATION, U.S. Branch  
717 Fifth Avenue, New York, New York 10022

Los Angeles Office  
3600 Wilshire Blvd.  
Los Angeles, Calif. 90010

ENDORSEMENT NO. 1 CERTIFICATE NO. 73-30924 DATE 9/18/79

It is hereby understood and agreed that this Certificate is amended as follows:

Item No. 18 of this Certificate is amended to read:

"Forty-Five (45) days in lieu of Thirty (30) days."

All other terms and conditions remain unchanged.

Attached to and forming part of Reinsurance Certificate to Policy No. CNU 03 48 63 of \_\_\_\_\_

The Central National Insurance Co. of Omaha

Effective 8/1/79

GERLING GLOBAL OFFICES INC.  
U.S. Manager

Original Insured Wylain Inc., et al

Cravens, Dargan & Co., Los Angeles, Ca

Authorized Signature 

ORIGINAL

CONFIDENTIAL  
CNIC (Marley) 00098

# EXHIBIT C



**CERTIFICATE OF FACULTATIVE REINSURANCE**  
**GERLING GLOBAL REINSURANCE CORPORATION**  
 UNITED STATES BRANCH

73-30925

717 Fifth Avenue, New York, N. Y. 10022

Los Angeles Office  
 3600 Wilshire Blvd.  
 Los Angeles, Calif. 90010

(herein called the "Reinsurer")

Cravens, Dargan & Co.  
 Los Angeles, CA

**DECLARATIONS (Items 1 through 8)**

1. Does hereby reinsure The Central National Insurance Company of Omaha  
Name and Address of Ceding Company  
 (herein called the Company) in respect of the Company's policy hereinafter described, in consideration of the payment of the premium and subject to the terms, conditions and amount of liability set forth herein, as follows
2. Name of Insured: Wycin Inc., et al
3. Company Policy No.: CNU 03-48-63 Address of Insured: Dallas, Texas  
City and State
- Effective From: 8/1/79 To: 8/1/80  
(12:01 A. M. Standard Time at the Address of the Insured)
4. Reinsurance Periods From: 8/1/79 To: 8/1/80  
(12:01 A. M. Standard Time at the Address of the Insured)
5. DETAILS OF REINSURANCE AFFORDED:

PAUSE  
 OCT 8 1979  
 REINS. DEPT.  
 OCT 9 1979

SECTION 1. TYPE OF INSURANCE	SECTION 2. POLICY LIMITS AND APPLICATION	SECTION 3. COMPANY RETENTION	SECTION 4. REINSURANCE ACCEPTED	SECTION 5. BASIS OF ACCEPTANCE
Umbrella Liability	\$25,000,000 each occurrence/annual aggregate where applicable excess Primary Insurance or S.I.R.	1 2/3% of \$1,000,000 each occurrence/annual aggregate where applicable excess Primary Insurance or S.I.R.	\$1,000,000 part of \$15,000,000 each occurrence/annual aggregate where applicable excess \$10,000,000 each occurrence/annual aggregate where applicable excess Primary Insurance or S.I.R.	<input type="checkbox"/> Excess of Loss <input checked="" type="checkbox"/> Contributing Excess <input type="checkbox"/> Non-Concurrent

6. Reinsurance Premium Computation

Flat Charge

Adjustable on Basis of \_\_\_\_\_ per \_\_\_\_\_

Deposit Premium \$ 1,667.00 Minimum Premium \$ 1,667.00

PREMIUM IF PAID IN INSTALLMENTS

EFFECTIVE DATE	1st ANNIVERSARY	2nd ANNIVERSARY	TOTAL PREMIUM	\$

7. Apdn Periods: None

8. Ceding Commission: 25%

9/18/79/dc

GERLING GLOBAL OFFICES INC.  
 U. S. Manager

*[Signature]*  
 Authorized Signature

CERT.1 REV. 4/78

ORIGINAL

CONFIDENTIAL  
 CNIC (Marley) 00046

EXHIBIT 4  
 DATE: 3-17-11  
 LINDA ROSSI RIOS



GERLING GLOBAL REINSURANCE CORPORATION, U.S. Branch  
717 Fifth Avenue, New York, New York 10022

Los Angeles Office  
3600 Wilshire Blvd.  
Los Angeles, Calif. 90010

ENDORSEMENT NO. 1 CERTIFICATE NO. 73-30925 DATE 9/18/79

It is hereby understood and agreed that this Certificate is amended as follows:

Item No. 18 of this Certificate is amended to read:  
"Forty-Five (45) days in lieu of Thirty (30) days."

All other terms and conditions remain unchanged.

Attached to and forming part of Reinsurance Certificate to Policy No. CNU 03-48-63 of \_\_\_\_\_

The Central National Insurance Co. of Omaha

Effective 8/1/79

Original Insured Wylain Inc., et al

Cravens, Dargan & Co., Los Angeles, CA

GERLING GLOBAL OFFICES INC.  
U.S. Manager

*[Signature]*  
Authorized Signature

ORIGINAL

CONFIDENTIAL  
CNIC (Marley) 00047

9. The Company warrants to retain for its account, subject to other Reinsurance, the amount of liability specified in Section 3, Item 5 of Declarations, and the liability of the Reinsurer specified in Section 4, Item 5 of Declarations shall follow that of the Company and except as otherwise specifically provided herein, or designated as non-concurrent reinsurance in the Declarations, shall be subject in all respects to all the terms and conditions of the Company's policy. In no event shall anyone other than the Company, or in the event of the Company's insolvency, its Receiver, Liquidator, or Statutory successor, have any rights or assignment of rights under this contract. The Company shall furnish the Reinsurer with a copy of its policy and all endorsements thereto which in any manner affect this Certificate, and shall make available for inspection and place at the disposal of the Reinsurer, at reasonable times, any of its records relating to this reinsurance or claims in connection therewith.

10. The Company shall billify the Reinsurer promptly, in writing, of any occurrence which in the Company's estimate of the value of the injuries or damages sought, without regard to liability, might result in a judgement in an amount sufficient to involve this Certificate, or wherein the Company has created a loss reserve equal to or greater than fifty (50) percent of the Company's retention as specified in Section 3, Item 5 of Declarations; or if this reinsurance applies on a contributory excess basis, when notice of claim is received by the Company. The Company will further advise the Reinsurer of subsequent developments, in writing, in a complete and timely manner. While the Reinsurer does not undertake to investigate or defend claims or suits, it shall nevertheless have the right and shall be given the opportunity, with the full cooperation of the Company, to associate counsel, at its own expense, and to join with the Company and its representatives in the defence and control of any claim, suit or proceeding involving this Certificate, if not excluded in other parts of this Certificate.

11. Reinsurer shall pay its proportion of expenses, other than Company salaries and office expenses incurred by the Company in the investigation and settlement of claims or suits provided loss payment is made by the Company affecting this Certificate, in the ratio that the Reinsurer's loss payment bears to the Company's gross loss payment, and with the prior notice to and consent of Reinsurer to trial court proceedings, its proportion of court costs and interest on any judgement or award.

12. Payment of its proportion of loss and expense paid by the Company will be made by the Reinsurer to the Company promptly following the receipt of proof of loss.

13. The Reinsurer will be paid or credited by the Company with its proportion of salvage, i.e., reimbursement obtained or recovery made by the Company, less the actual cost (excluding Company salaries and office expenses) of obtaining such reimbursement or making such recovery, if the reinsurance afforded by this certificate is on an excess of loss basis, salvage shall be applied in the inverse order in which liability attaches.

14. The Company undertakes not to claim any deduction in respect of the premium herein when making the return, other than income or profits Tax returns, to any State or Territory of the United States or the District of Columbia.

15. In the event of the insolvency of the Company, the reinsurance provided by this Certificate shall be payable by the Reinsurer on the basis of the liability of the Company under the policy(ies) reinsured, without diminution because of such insolvency, directly to the Company or its Receiver, Liquidator, or Statutory successor pursuant to the Statute of any State of the United States having jurisdiction and to the extent that such reinsurance as is afforded hereunder may be credited to the Company as an admitted asset or deduction from liability, it being understood that subject to such amendment, the Reinsurer may avail itself of any other provisions of any such Statute applicable. The Reinsurer shall be given written notice of the pendency of each claim against the Company on the policy(ies) reinsured hereunder within a reasonable time after such claim is filed in the insolvency proceedings. The Reinsurer shall have the right to investigate such claim and dispose, at its own expense, in the proceeding where such claim is to be adjudicated, any defenses which it may deem available to the Company or its Receiver, Liquidator, or Statutory successor. The expense thus incurred by the Reinsurer shall be chargeable, subject to court approval, against the insolvent Company as part of the expense of liquidation to the extent of a proportionate share of the benefit which may accrue to the Company solely as a result of the defense undertaken by the Reinsurer.

16. The Reinsurer may offset any benefits whether on account of premiums, commissions, claims, losses, adjustment expense, salvage or any other amount(s) due from one party to the other under this Certificate or under any other agreement heretofore or hereafter entered into between the Company and Reinsurer, whether acting as assuming Reinsurer or as Ceding Company.

17. Should an irreconcilable difference of opinion arise as to the interpretation of this Certificate, it is hereby mutually agreed that, as a condition precedent to any suit of action hereunder, such difference shall be submitted to arbitration, one arbitrator to be chosen by the Company, one arbitrator by the Reinsurer and an umpire to be mutually agreed upon and chosen by the two arbitrators before they enter upon arbitration. The arbitrators and umpire so selected shall be officers or former officers of other insurance or reinsurance companies. In the event that either party should fail to choose an arbitrator within sixty (60) days following receipt of a written request by the other party to enter upon arbitration, the requesting party may then choose a second arbitrator and the two selected arbitrators shall in turn choose an umpire before entering upon arbitration. In the event, the two selected arbitrators fail to agree on the selection of an umpire, after meeting together and within ten (10) days of their appointment, then each arbitrator shall select one name from a list of three names submitted by the other arbitrator and the umpire shall be selected by lot between the two names chosen.

Each party shall thereupon present its case to the arbitrators within sixty (60) days after date of their appointment. The decision of the arbitrators shall be final and binding upon both parties, but failing to agree they shall call upon the umpire and the decision of the majority shall be final and binding upon both parties. Each party shall bear the expense of its own arbitrator and shall jointly and equally bear with the other the expense of the umpire and of the arbitration. In the event that two of the arbitrators are chosen by one party, as above provided, the expense of the arbitrators, the umpire and the arbitration shall be equally divided between the two parties. The arbitrators shall adopt their own rules and procedures and may waive the requirements of the rules of evidence. Any such arbitration shall take place in New York, N.Y., unless some other location is mutually agreed upon by the two parties in interest.

18. Cancellation of the policy of the Company shall constitute automatic cancellation of this Certificate and it may also be cancelled on a pro rata basis by either party mailing or delivering to the other written notice stating, not less than thirty (30) days thereafter, such cancellation shall be effective. If at any time during the continuance of this Certificate, the Company should lose the whole or any part of its paid-up capital or go into liquidation or receivership, whether voluntary or involuntary, or should have a Conservator or Rehabilitator appointed or undergo any process of reconstruction or reinsurance its entire business or be acquired or controlled or merged with any other company, corporation or body, the Reinsurer shall have the right to terminate this Certificate forthwith upon the giving of notice in writing to the Company.

19. The terms of this Certificate shall not be waived or changed except by endorsement issued to form a part hereof, and executed by a duly authorized representative of the Reinsurer.

20. The Company shall notify the Reinsurer promptly, in writing, of any situation wherein the Company may become obligated to pay as damages either by judgement or agreement, due to the alleged or actual bad faith, fraud, or negligence of the Company, its employees or representatives, in the handling of, or failure to settle a claim on behalf of or by the named insured under its policy(ies), or for the costs or expense incurred therefrom. The Reinsurer shall have the right and shall be given the opportunity, with the full cooperation of the Company, to associate counsel, at its own expense, and to join with the Company and its representatives in the defense and control of any claim, suit or proceeding involving this item.

21. Definitions:  
As used in this Certificate under Section 5, Item 5 of the Declarations, the following terms shall have the meaning set opposite each:

Excess of Loss: The limit(s) of liability of the Reinsurer, as stated in Section 4, Item 5 of the Declarations, applicable only to that portion of loss within the policy limits, in excess of the applicable retention of the Company as stated in Section 3, Item 5 of the Declarations.

Contributing Excess: The Company's policy(ies) applied in excess of other valid insurance, reinsurance or self-insured retention and the limit(s) of liability of the Reinsurer applied proportionately to all loss within the policy limits in the amount(s) set forth in Section 4, Item 5 of the Declarations.

Non-Concurrent: The reinsurance provided does not apply to any hazards or risks of loss or damage covered under the Company's policy, which are specifically excluded in the Declarations. The retention of the Company and liability of the Reinsurer shall be determined as though the Company's policy(ies) applied only to the hazards or risks of loss or damage which would not be excluded in the Declarations.

In Witness Whereof, the Reinsurer has caused this Certificate to be signed by its authorized representative.

RECE.  
SEP 24 1971  
REINS. DEPT.

CONFIDENTIAL  
CNIC (Marley) 00048