

ARBITRATION BETWEEN

**FRONTIER PACIFIC INSURANCE
COMPANY, (“FPIC”)**

Petitioner,

Robert M. Mangino, Umpire

Robert M. Hall, Arbitrator

And

Donald T. DeCarlo, Arbitrator

NATIONAL INDEMNITY COMPANY, (“NICO”)

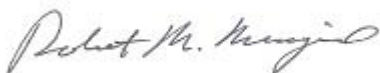
Respondent.

FINAL AWARD

The Panel reviewed Reports dated July 20, 2011 submitted by the parties pursuant to paragraph 3 of the Third Interim Final Award on the exhaustion of the Funds Withheld Account established under the 95 Treaty and other questions related to this matter. After due deliberation the Panel rules, with Mr. DeCarlo dissenting regarding paragraph 3, as follows:

1. The Panel adopts for purposes of this Award the amount of the Funds Withheld Account as of December 31, 2003 as \$ 1,128,535.17 and of September 30, 2010 as \$1,614,590.75.
2. Thus, the amount due FPIC as of 30 days from the date of this Award, not including interest, is \$ 13,039,326.28. The components of this Award are stated in Exhibit M attached to the Report filed by NICO on July 20, 2011 (FPIC Claims Against NICO Cover as of 3Q10).
3. Interest on the amount due FPIC, as stated in paragraph 2, above, shall be calculated at the rate of 6% simple interest beginning at the end of the quarter following the quarter in which each claim was approved in the FPIC liquidation proceeding. Any amounts due FPIC under paragraphs 2 and 3 of this Award and not paid within 30 days following the date of this Award will accrue interest thereafter until paid at the annual rate of 9 %. The Panel shall retain jurisdiction of interest factors under this paragraph for 30 days or until balances and interest have been paid, which ever occurs sooner.
4. Any request by the parties and not covered herein is denied.

On behalf of the Panel,



Robert M. Mangino, Umpire

August 12, 2011

