

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”)

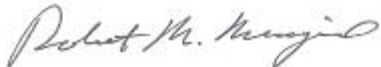
Respondent.

INTEREST AWARD

The Panel reviewed recent reports submitted by the parties pursuant to paragraph 3 of the Panel’s Final Award dated August 12, 2011 and covering the issue of the appropriate interest to be paid by NICO to FPIC on claims submitted by FPIC under the NICO cover. After due deliberation the Panel, by majority vote, rules as follows:

1. NICO will submit to FPIC interest payments on claims incurred in this arbitration, including ULAE or ALAE, in the total amount of \$4,700,000, payable in full on or before September 11, 2011.
2. Mr. DeCarlo dissents on the following decisions,
 - a. the payment of any interest,
 - b. the scope and method used to determine the interest,
 - c. applying interest to claims before they were reported, and
 - d. the payment of interest on ULAE.

On behalf of the Panel,



Robert M. Mangino, Umpire
August 27, 2011