



TM **FIRST KEYSTONE RISK RETENTION GROUP, Inc. in Liquidation**

4421 Aramingo Ave., Philadelphia, PA 19124

Phone No. (215) 235-5000

NOTICE

To: All Policyholders and Agents for First Keystone Risk Retention Group, Inc., a South Carolina Insurer

Please be advised that First Keystone Risk Retention Group, Inc. ("First Keystone") became the subject of an Order Commencing Liquidation Proceedings & Granting an Injunction & Automatic Stay of Proceedings entered by the Court of Common Pleas Fifth Judicial Circuit Richland County, South Carolina ("Court") on October 21, 2014 under Civil Action Number 2014-CP-40-5987 ("Order"). The Court found that First Keystone is insolvent and appointed Raymond G. Farmer, Director of Insurance of the State of South Carolina, as Liquidator of First Keystone charged with liquidating the business of First Keystone. The October 21, 2014 Notice of Legal Rights and Obligations is attached.

Cancellation of All Policies

By issue of the Order, pursuant to South Carolina Code of Laws 38-27-370 and, further, pursuant to the terms of South Carolina Code of Laws 38-27-380, all policies in effect at the time of issuance of an Order of Liquidation continue in force only for the lesser of:

- (1) thirty days from the date of entry of the liquidation order (i.e. 11-20-14 at 11:59 p.m. EST);
- (2) the expiration of the policy coverage;
- (3) the date when the insured has replaced the insurance coverage with equivalent insurance in another insurer or otherwise terminated the policy; or
- (4) the Liquidator has effected a transfer of the policy obligation pursuant to Item (8) of subsection (a) of section 38-27-400.

We urge you to attempt to obtain replacement insurance coverage immediately.

Due to the Order, First Keystone will no longer defend or pay for the defense of its insureds and, therefore, any insured in such a situation should make arrangements to employ independent counsel to defend against any legal action which would otherwise be covered under a First Keystone policy.

The Liquidator will implement a claims process and adopt a Proof of Claim form. All insureds and agents of First Keystone will be provided a Proof of Claim form for filing claims once this process has been implemented. Please keep the Liquidator informed of any address changes. The bar date (last day to file a timely Proof of Claim) is February 28, 2015.

During the interim any inquiries may be directed to Claimant Services at 4421 Aramingo Avenue, Philadelphia, PA 19124, telephone number (215) 235-5000.

You can also visit First Keystone's website (www.1stkeystone.com). The website is a source for news regarding the ongoing liquidation. The website will also be able to provide documents such as formal notices, Proof of Claim forms and Court filings.