

**AMENDED AND RESTATED BYLAWS OF THE
ASSOCIATION OF INSURANCE AND REINSURANCE
RUN-OFF COMPANIES, INC.**

ARTICLE I

Name

1.1. The name of this association shall be the "Association of Insurance and Reinsurance Run-Off Companies, Inc." and shall hereinafter be referred to as the Association.

ARTICLE III

Mission Statement

2.1 The mission of the Association is to promote and represent the common interests of insurance and reinsurance professionals engaged with companies with legacy business. The Association's objectives will include improving professional and managerial standards and practices and enhancing knowledge and communications within and outside of the run-off industry.

ARTICLE III

Members

3.1 The Association shall have members (referred to as "Members" or "the Membership") with rights to vote as prescribed in Article VII, who shall determine the policies of the Association and have such other rights and privileges as these Bylaws prescribe.

3.2 A Member of the Association shall constitute any company that satisfies the requirements set forth in Section 3.3 below and has timely paid the dues established by the Association pursuant to Article VI. Membership in the Association shall not vest in any Member any proprietary rights in the Association, and shall only entitle the Member to vote on matters to which a Member is entitled to vote in accordance with these Bylaws or applicable law. Membership shall not be assignable by any Member to another company or prospective Member.

3.3 The following entities are eligible to apply for Membership in the Association:

a) any corporation that was, as its principal activity, engaged in the underwriting of insurance business or the assumption of reinsurance business and which has ceased to underwrite or assume any new or renewal business;

b) any corporation that is, as its principal activity, engaged in the underwriting of insurance business or formed to assume reinsurance business and which has (i) ceased to underwrite or assume any new or renewal business on a portion of its previously underwritten or assumed business, or (ii) acquired from another corporation a portion of

insurance business or assumed reinsurance business as respects which no new or renewal business is being underwritten or assumed;

c) an underwriting pool that previously wrote insurance and/or reinsurance business. For purposes of these Bylaws, an underwriting pool shall mean a group of insurers or reinsurers which collectively, through a common manager and under a common name, underwrote insurance risks, with premiums, losses and expenses shared among members of the pool. The underwriting pool shall be a single member, even if its members are separately members of the Association;

d) a receiver, a special deputy receiver or rehabilitator to a corporation that qualifies under either subsections (a) or (b) above. An individual admitted under this subsection shall pay a reduced association fee;

e) a risk retention group as same is defined in the Liability Risk Retention Act, 15 USC §390I;

f) any corporation that is, as its principal activity, engaged in the business of managing, administering or servicing blocks of insurance or reinsurance business (including claims-handling, loss adjustment, reinsurance administration and similar functions) (an "Insurance/Reinsurance Manager");

g) any corporation that is, as its principal activity, engaged in the business of an insurance or reinsurance broker or similar type of intermediary or otherwise in the business of soliciting and negotiating insurance or reinsurance coverage on behalf of purchasers (an "Insurance/Reinsurance Broker");

h) any corporation that provides funding to reinsurance runoff companies (a "Capital Provider");

i) any corporation that (i) meets the qualifications of subsections (a), (b), (f), (g), or (h) above, (ii) has an ultimate parent company organized under the laws of a country other than the United States, and (iii) in the judgment of the majority of the Board, has operations in the United States that are de minimus as compared with the corporation's overall operations. A corporation admitted under this subsection (i) shall pay a reduced association fee; and

j) any other entity or category of entities that the Board, in its discretion, may deem eligible to apply for Membership in the Association.

3.4 The Board in its discretion may from time to time accord Honorary Memberships to individuals whom the Board recognizes as having made significant contributions to AIRROC or to the run-off industry. Honorary Members shall receive nominal benefits in exchange for a nominal membership fee. Honorary Members shall have no voting rights.

ARTICLE IV

Admission to Membership

4.1 The Board of Directors will, from time to time, adopt membership procedures to evaluate and admit entities proposing to be Members of the Association which meet the eligibility requirements set forth in Section 3.3 above. Such evaluation and admission procedures shall include but not be limited to determining which entities, including managers of eligible underwriting pools, will be admitted as Members of the Association.

4.2 Membership shall become effective upon the approval of the Board of Directors, payment of the fee, if any, established by the Board of Directors, and payment of the current association fees.

ARTICLE V

Resignation, Withdrawal, Expulsion and Termination of Members

5.1 Any Member may resign or withdraw from the Association by delivering a written resignation or withdrawal to the Board of Directors. Unless otherwise provided therein, such resignation or withdrawal shall take effect immediately upon its receipt by the Association.

5.2 Any Member may be expelled from the Association for conduct detrimental to the lawful interests of this Association or its Members, violation of these Bylaws, failure to maintain eligibility, or conviction of a crime. Upon the affirmative vote of three-fourths of the Board of Directors, the subject Member shall be expelled from Membership.

5.3 If any Member fails to pay its association fees or other obligations to the Association within a period of ninety (90) days after the same shall have become due or payable, the Board of Directors may, by a majority vote of the Board of Directors, suspend such Member from the rights and privileges of Membership until the Member's obligations have been met.

5.4 Any and all rights and privileges of membership in the Association shall terminate upon the date of expulsion, the effective date of resignation of the Member or the termination of the Member's affiliation with the Association.

5.5 Any Member that resigns or withdraws, or any Member that is expelled, or whose membership is otherwise terminated shall remain responsible for full payment of all association fees for the fiscal year in which such resignation, withdrawal, expulsion or other termination occurs.

5.6 Suspension of any Member shall deprive the Member of all rights and privileges of membership, but, unless otherwise voted by the Board of Directors, shall not relieve such Member of the obligation to pay association fees allocable to the suspension period.

ARTICLE VI

Fiscal Year, Dues and Association Fees

6.1 The fiscal year of the Association shall be from January 1 to December 31.

6.2 Members of the Association shall be required to pay annual association fees in an amount determined by the Board of Directors. The Board of Directors shall notify the Members of the upcoming year's association fees prior to the beginning of each fiscal year. Said amount shall be a fixed association fee payable by all Members or may be based upon some other equitable allocation of payment as recommended by the Board of Directors and approved by the Members.

ARTICLE VII

Meetings of Members

7.1 There shall be an annual meeting of the Members at such time and place as shall be designated by the Board of Directors.

7.2 Special meetings of Members may be called at the request of the chairman, vice-chairman, or by a majority of the Directors.

7.3 Members shall be given notice of the time and place of the annual meeting at least thirty (30) days in advance of such meeting and of special meetings at least seven (7) days in advance. Notice of special meetings shall set forth the purpose for which the meeting is called and action shall be limited to such purposes. Notices may be sent via e-mail or other electronic means and will be deemed to be delivered when the recipient confirms in writing receipt of the notice (which may be confirmed via e-mail or other electronic means). If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, postage prepaid, addressed to the Member. Waiver of notice in writing, signed by the Member entitled to such notice, regardless of when executed, shall be deemed equivalent to the receipt of notice.

7.4 The presence of Members (in person or by proxy) representing fifty percent (50%) of the total possible votes of the Membership shall constitute a quorum at any meeting. If a quorum shall not be present at a meeting, the Members present shall have the power to adjourn from time to time, without notice other than announcement at the meeting, until a quorum shall be present. The Members present in person at a duly constituted meeting may continue to do business until adjournment, notwithstanding the absence of a quorum.

7.5 Each Member shall be entitled to send representatives of the Member, respectively, to any meeting of the Members. Each Member shall grant one of its representatives a right to vote on its behalf.

ARTICLE VIII

Voting by the Members

8.1 Every Member of the Association shall be entitled to a single vote on any matter that may be submitted to the Membership for a vote. Unless otherwise provided or required by law, any election or other matter voted on by a Member shall be decided by a simple majority of the votes cast. If a vote of the Members comes to a tie, than such vote shall fail and the subject action shall not be deemed authorized or approved by the Members.

8.2 Members may vote either in person or by written proxy, including a proxy that is submitted to the Board of Directors via e-mail or other electronic means. No proxy which is dated more than six (6) months before the meeting at which it is to be used shall be accepted. Proxies need not be sealed or attested. A proxy purporting to be executed by or on behalf of a Member shall be deemed valid unless challenged at or prior to its exercise. The proxy shall be filed with the secretary of the meeting, or any adjournment thereof, before being voted.

ARTICLE IX

Board of Directors and Manner of Their Election

9.1 The Board of Directors shall be comprised of no less than nine (9) and no more than fifteen (15) directors (each, a "Director"). The authorized number of Directors and the percentage of Members in each Membership category in Section 3.3 above that are eligible to serve as Directors shall be determined by the Board of Directors from time to time. Directors must be representatives of a Member of the Association at the time they are appointed or elected to the Board of Directors. No more than one individual affiliated with any single Member may serve on the Board at the same time.

9.2 Each Director shall be elected by the Members at the annual meeting of the Members, or such other meeting designated by the Board of Directors, and may be re-elected to a maximum of one additional consecutive term, for a total of two consecutive terms. Provided, however, that any Director serving on the Board as of the Effective Date of these Amended and Restated Bylaws may, upon completion of their current term, be re-elected to a maximum of two additional consecutive terms. Directors shall serve staggered three-year terms, with the terms of approximately one-third of the Directors expiring each year. So long as the Directors up for election remain a representative of a Member, any such Director may stand for re-election. The Members may nominate any Member representative to be elected as a Director. The nominated Members and the Directors seeking re-election with the highest number of votes cast in their favor by the Members shall be elected to fill the available seats on the Board of Directors. This Section 9.2 shall be subject to the eligibility criteria set forth in Section 9.1.

9.3 Any Director that ceases his or her affiliation with a Member shall resign from the Board, such resignation to be effective on the date of the termination of his or her affiliation with the Member.

9.4 If any Director is unable to complete his or her term of office for any reason, including resignation pursuant to Section 9.3, the Director's seat on the Board will be left vacant until the next election of the Board of Directors. If a Director resigns prior to March 31 of any year, the Board may choose to fill the seat with a special election, using the voting criteria set forth in Section 9.2.

9.5 Directors shall not receive compensation in the form of salaries, fees or honoraria.

9.6 Any action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting if a written consent, setting forth the action taken, is signed by all of the Directors. Any consent satisfying the provisions of this Section shall have the same effect as a vote of the Directors at a duly convened meeting of the Board of Directors. The secretary shall file consents in the minute book of the Association at the principal place of business of the Association. Such votes may be conducted by mail, facsimile or e-mail.

9.7 Directors may participate in a meeting through the use of conference telephone or similar communications equipment, provided that all of the Directors participating in such meeting can communicate with and hear each other during the entire duration of the meeting. Participation in a meeting pursuant to this Section shall constitute presence at the meeting for all purposes.

9.8 Any Director may resign or withdraw from the Board of Directors by delivering a written resignation or withdrawal to the Board of Directors. Unless otherwise provided therein, such resignation or withdrawal shall take effect as of the date specified therein, and acceptance of such resignation shall not be necessary for its effectiveness.

9.9 Any Director may be removed from the Board of Directors for conduct detrimental to the lawful interests of this Association or its Members, violation of these Bylaws, failure to maintain eligibility, or conviction of a crime. Upon the affirmative vote of three-fourths of the Board of Directors, the subject Director shall be expelled from Board of Directors.

ARTICLE X

Meetings of the Board of Directors

10.1 The Board of Directors shall elect a chairman, who shall preside at meetings of the Board of Directors, and a vice-chairman, who shall preside at meetings of the Board of Directors in the absence of the chairman. In the absence of both the chairman and the vice-chairman, the Directors present shall elect a chairman for the meeting.

10.2 The Board of Directors shall meet immediately following the annual meeting of Members and at regular intervals as determined by the Board of Directors. Notice of the time, place and agenda shall be distributed at least seven (7) days in advance of a meeting, but a waiver of notice of meeting in writing, signed by the Director entitled to such notice, regardless of when executed, shall be deemed equivalent to the receipt of such notice. The presence of a majority of the Directors at any time shall constitute a quorum. Special meetings of the Board of

Directors may be called by or at the request of the chairman or a majority of the Board of Directors, to be held in the manner prescribed by the Board of Directors.

10.3 If a Board of Directors' vote comes to a tie, then the chairman of the Board of Directors shall have a deliberative vote.

ARTICLE XI

Officers of the Association and Manner of Their Election

11.1 The Association shall have an Executive Director who shall be selected by the Board of Directors, to serve at its pleasure, and who shall receive a salary to be fixed by the Board of Directors. The Association shall also have a secretary and a treasurer who shall be elected by the Board of Directors. Individuals who may benefit from compensation paid by the Association cannot participate in deliberations or voting on their own compensation.

11.2 The Chairman and the Vice-Chairman shall serve for a term of no longer than 3 years or until such Chairman or Vice-Chairman ceases to be a Director, whichever comes first. There shall be no limitation on the number of terms a Director may serve as Chairman or Vice-Chairman.

ARTICLE XII

Duties of Officers

12.1 The Executive Director shall be the chief executive officer of the Association. Subject to the instructions of the Board of Directors, the Executive Director shall supervise the affairs of the Association, serve as an ex-officio member of the Board of Directors and all committees, and perform such other duties as may be assigned from time to time by the Board of Directors. The Executive Director shall have authority to execute authorized deeds, mortgages, bonds, contracts, reports or other instruments in the name of the Association, and shall have all the powers of the secretary and the treasurer described in Section 12.2, except as otherwise provided by the Board of Directors.

12.2 The secretary or treasurer, as determined by the Board of Directors, shall have custody of the corporate funds and securities of the Association and shall keep or cause to be kept full and accurate accounts or receipts and disbursements in books belonging to the Association. The secretary or the treasurer shall deposit or cause to be deposited all monies in the name of and to the credit of the Association in such depositories as may be designated by the Board of Directors. The secretary or the treasurer shall disburse or cause to be disbursed the funds of the Association in accordance with the instructions of the Board of Directors, taking proper vouchers for such disbursements, and shall render reports of all such transactions and of the financial condition of the Association at the annual meeting and whenever called upon by the Board of Directors. The secretary or the treasurer shall keep or cause to be kept in safe custody the official records and corporate seal of the Association, and shall affix such seal to any instrument requiring it, attesting to it by his or her signature when required. At the expiration of his or her term of office, the secretary or the treasurer shall surrender all money, books, records

and other property of the Association to his or her successor in office, when qualified, or to such other persons as the Board of Directors may designate. The secretary or the treasurer shall keep minutes of meetings of Members and of the Board of Directors and send out all notices.

ARTICLE XIII

Committees

13.1 A majority of the Board of Directors may designate and appoint one or more committees to have and to exercise such authority of the Board of Directors as may be provided by resolution of the Board of Directors.

13.4 A majority of the Board of Directors may designate any number of other special committees of the Association, having such purpose, authority and duties as the Board of Directors may provide but not having or exercising the authority of the Board of Directors.

13.5 A majority of the Board of Directors shall appoint individuals to serve on any such committee and shall appoint the chairman of each committee. The chairman of any committee must be a representative of a Member of the Association. All other members of such committees need not be a representative of a Member of the Association.

ARTICLE XIV

Indemnification of Directors, Officers, Members and Advisors; Insurance

14.1 The Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, by reason of the fact that he or she is or was a Director, officer, Member, advisor or agent of the Association, as against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit, or proceeding, to the fullest extent and in the manner set forth in and permitted by applicable law.

14.2 In addition to the obligations of the Association to provide indemnification as provided in Section 14.1 of this Article XIV, the Association, shall indemnify each Director and each officer who was or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (including an action by or in the right of the Association) by reason of the fact that he or she is or was a Director, or officer of the Association, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding unless such person acted with willful or wanton misconduct. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself create a presumption that the person acted with willful or wanton misconduct.

14.3 The indemnification provided by this Article XIV shall not be deemed exclusive of any other rights to which a Director or officer seeking indemnification may be entitled under any statute or provision in the Association's organizational documents or otherwise, both as to

action in his or her official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a Director or officer and shall inure to the benefit of the heirs, executors and administrators of such a person.

14.4 The Association shall have power to purchase and maintain liability insurance on behalf of any person who is and/or was a Director, officer, Member, advisor or agent of the Association as against any liability asserted against such person in any such capacity, or arising out of his or her status as such.

14.5 For purposes of this Article XIV, references to the "Association" shall include, in addition to the surviving Association, any merging corporation (including any corporation having merged with a merging association) absorbed in a merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, and employees or agents, so that any person who is or was a director, officer, employee or agent of such merging association or is or was serving at the request of such merging association as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Article XIV with respect to the resulting or surviving association as such person would have with respect to such constituent corporation if its separate existence had continued.

14.6 The invalidity or unenforceability of any provision in this Article XIV shall not affect the validity or enforceability of the remaining provisions of this Article XIV.

14.7 The Association shall promptly take or cause to be taken all such action as may be required under any law, these Bylaws or any other requirements necessary or desirable for a determination of entitlement to such indemnification. The provisions of this Article XIV shall be deemed to be a contract between the Association and each Director, officer, Member, advisor or agent who serves in such capacity at any time while this Article XIV and the relevant provisions of the Association's Bylaws, and other applicable law, if any, are in effect, and any repeal or modification thereof shall not affect any rights or obligations then existing, with respect to any state of facts then or theretofore existing, or any action, suit, or proceeding theretofore, or thereafter brought or threatened based in whole or in part upon any such state of facts.

ARTICLE XV

Dissolution

15.1 In the event of dissolution, the assets of the Association shall be distributed among the Members at the time of dissolution pro rata based upon the association fees or other payments made by such Members as of the date of dissolution.

ARTICLE XVI

Amendment of Bylaws and Articles of Incorporation; Books and Records

16.1 The Bylaws and Certificate of Incorporation may be amended in whole or in part by the affirmative vote of two-thirds of the Members. Any Member may propose one or more

amendments in writing. Any amendment so proposed shall be submitted by the Board of Directors to a vote of the Members at a regular or special meeting. The Board of Directors may make such recommendations or comments to the Membership concerning any proposed amendment as it deems appropriate. No vote on a proposed amendment shall be taken at any meeting held less than ten (10) or more than fifty (50) days after such proposed amendment has been submitted to the Members. The Members may adopt changes to a proposed amendment at a meeting that is held in compliance with the notice requirements of this Article, without providing prior notice of such changes to the Membership.

16.2 The Association shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its Board of Directors, and shall keep a record giving the names and addresses of the Directors at the principal office of the Association. All books and records of the Association may be inspected by any Director or his or her agent or attorney for any proper purpose within seven (7) days notice to the chairman of the Board of Directors.