

**PLAINTIFF'S  
EXHIBIT  
780**

**From:** Rivera, Susan  
**Sent:** Monday, October 18, 1999 12:02 AM  
**To:** Greenberg, Evan; Moor, Kris; Tizzio, Thomas R. Sr.  
**Cc:** Schader, Charles; Hernandez, Rey @DBG; Milton, Chris; Vallebuona, Jane  
**Subject:** Auto Warranty Reinsurance Update

**Attachments:** WarrantyReinsUpdate10-15.doc



WarrantyReinsUpd  
ate10-15.doc (...)





The definitive response to risk.

MEMO

TO: Evan Greenberg, Kris Moor, Tom Tizzio
FROM: Susan Rivera
DATE: October 15, 1999
RE: Warranty - Weekly Reinsurance Update
CC: Rey Hernandez, Chuck Schader, Chris Milton

There are three potential reinsurance transactions on the Auto Warranty book that remain possibilities.

Universal

- Universal is meeting with Motors Insurance Company on Tuesday, October 19th, and we are expecting to receive a proposal from them on Wednesday.
• The estimated UEPR on this book as of 6/99 is approximately \$65 million.
• Motors Insurance Company is a member of GMAC Insurance Group and is assigned a Best's Rating of A+ (Superior) and a Financial Size Category of Class XIV. Based on 1998 year-end statutory surplus, GMAC Insurance Group ranks among the top 40 largest property/casualty insurance organizations in the U.S.

Table with 5 columns: 1998 NWP, 1998 Net Income, 1998 Adm Assets, 1998 PH Surplus. Row: Motors/GMAC \$2,111M, \$145M, \$4,853M, \$1,364M

Dimension

- We are expecting a written proposal from ACE/Dimension on Monday, October 18th.
• The UEPR on the Dimension book as of 5/31/99 was \$8.2 million.

ISI Portfolio

- A reinsurance agreement has been executed by Lyndon Property Insurance Company back to 2/1/99 on the Global portion of the ISI business. The estimated premium on this reinsurance cession is \$15 million.

- Lyndon is part of Frontier Insurance Group and is assigned a Best's Rating of A- (Excellent) and is Financial Size Category Class VIII. Lyndon is not an approved reinsurer, however, a special exception was made for this transaction.

	1998 <u>NWP</u>	1998 Net <u>Income</u>	1998 Adm <u>Assets</u>	1998 PH <u>Surplus</u>
Lyndon	\$80M	\$2.5M	\$177.4M	\$100.3M
Frontier	\$378M	-\$86M	\$1,197M	\$252M

- Lyndon communicated interest in assuming the ISI portfolio on the DFS portion of the book back to 7/1/99 at a premium of 150%. The DFS premium from 7/1/99 to 10/15/99 is estimated at roughly **\$2.5 million**. We are organizing a conference call to follow up with Lyndon on this opportunity this week.

We will provide you with an update on each of the above at the end of this week.