PLAINTIFF'S EXHIBIT 26

MEMO

INTERNAL AUDIT DIVISION
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TO: M.R. Greenberg

Date: October 27, 1999

RE: *Cost of Xybernet System*

Division 31 is in the process of negotiating with Xybernet with respect to the system to be used for the Domestic run-off book. There is a variable fee structure based on contracts in force and number of claims processed. The estimated costs are summarized below.

Estimated set up fee	$200,000.
Estimated fee for in force book to run-off over the next 7 years at 4¢ per contract per month	1,250,000.
Estimated claims cost 22¢ per claim processed	500,000.
Estimated total to be paid over the next 7 years	$1,950,000.

Notes

1) Figures are based on NATS data as of May 1999 and will increase once the data is updated and as new contracts are written until non-renewals take effect.

2) Estimated claims cost based on approximately 2 claims processed per in force contract.

cc: C. Schader

EXHIBIT
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DD 9/11/08

Quarter	Estimated Inforce	Cost	Estimated Claims	Cost	Total Quarterly Cost	Expiring
			0.024338717			51,970
1999 Q3	1,079,140	41,087	25,000	5,500	46,587	49,078
1999 Q4	1,027,170	117,371	71,417	15,712	133,083	54,836
2000 Q1	978,092	110,791	67,413	14,831	125,622	63,176
2000 Q2	923,256	103,210	62,800	13,816	117,026	65,373
2000 Q3	860,080	95,365	58,026	12,766	108,131	61,731
2000 Q4	794,707	87,957	53,519	11,774	99,731	65,220
2001 Q1	732,976	80,131	48,757	10,727	90,857	62,207
2001 Q2	667,756	72,666	44,215	9,727	82,393	58,177
2001 Q3	605,549	65,925	40,113	8,825	74,750	51,669
2001 Q4	549,372	59,724	36,340	7,995	67,719	54,609
2002 Q1	497,703	53,171	32,353	7,118	60,289	50,618
2002 Q2	443,094	47,097	28,657	6,305	53,402	43,998
2002 Q3	392,476	41,817	25,445	5,598	47,415	40,872
2002 Q4	348,478	36,913	22,460	4,941	41,854	40,618
2003 Q1	307,606	32,039	19,494	4,289	36,327	41,421
2003 Q2	266,988	27,068	16,470	3,623	30,691	37,258
2003 Q3	225,567	22,597	13,750	3,025	25,622	32,308
2003 Q4	188,311	18,720	11,391	2,506	21,226	30,998
2004 Q1	156,003	15,001	9,127	2,008	17,009	27,011
2004 Q2	125,005	11,759	7,155	1,574	13,333	23,807
2004 Q3	97,994	8,902	5,417	1,192	10,094	16,811
2004 Q4	74,187	6,885	4,189	922	7,807	18,124
2005 Q1	57,376	4,950	3,012	663	5,613	12,680
2005 Q2	41,252	3,429	2,086	459	3,888	9,761
2005 Q3	28,572	2,257	1,374	302	2,560	8,243
2005 Q4	18,811	1,268	772	170	1,438	7,833
2006 Q1	10,568	328	200	44	372	2,728
2006 Q2	2,735	1	1	0	1	1
2006 Q3	7	1	0	0	1	3
2006 Q4	6	0	0	0	0	1
2010 Q2	3					
		1,168,430		156,410	1,324,840	

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