



Reliance Insurance Company  
Canadian Branch, by its Liquidator KPMG Inc.  
www.reliancecanada.ca

January 31, 2002

**To holders of vehicle warranty policies underwritten by Reliance (Canada) and administered by Meridian Warranty Management Inc.**

We wrote to you on December 21, 2001 and told you that according to our records you own a vehicle which is covered by a warranty underwritten by Reliance (Canada) and administered by Meridian Warranty Management Inc. (the "Meridian Program").

At that time, we explained to you that the Ontario Superior Court of Justice ordered that Reliance (Canada) be wound-up and that KPMG Inc. was appointed its liquidator (the "Liquidator"). We also told you that the Liquidator is looking for a purchaser for the warranty policies and that we could not guarantee that the warranties would remain in place after January 31, 2002.

We are now very pleased to tell you that the Liquidator has found a prospective purchaser and is in the process of completing an agreement to sell the policies. If the deal is completed, the purchaser will honour your warranty until its normal expiry. In the meantime, the Court has given an extension for the warranties to April 30, 2002, while we complete a transaction. If you do not hear further from us, it will mean that you have coverage at least until April 30, 2002. Your claims will be paid in the ordinary course. **You do not have to take any steps to maintain your coverage. You will hear further from us.**

We realize that this may have caused some of you some concern. We hope you will agree that this represents a very positive step.

If you have any questions, please contact Janine M. Burgess of KPMG Inc. at (416) 777-8107.

Yours very truly,

**KPMG Inc., in its capacity as Court-appointed  
Liquidator of Reliance (Canada)**

E.G. Bossence/jmb