



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

May 8, 2002

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

We wrote to you on January 30, 2002 and advised 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 had secured a prospective purchaser and was in the process of completing an agreement to transfer the policies to an insurance company who would, on completion of the transaction, honour your warranty until its normal expiry

We are now very pleased to tell you that the Liquidator has entered into an agreement to transfer the policies to London Guarantee Insurance Company. The Liquidator has obtained approval of the agreement from the Ontario Superior Court, on May 8, 2002. The closing of this transaction is subject to certain conditions, including necessary regulatory approvals. Upon closing of the Assumption Reinsurance Agreement, coverage will then be provided by London Guarantee Insurance Company and not by Reliance (Canada). **Until Closing of the Reinsurance Assumption Agreement, or further notice, coverage continues to be provided by Reliance (Canada), through Meridian Warranty Management Inc.. You do not have to take any steps to maintain your coverage.**

We realize that this may have caused concern to some of you. We thank you for your patience and understanding.

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

Yours very truly,

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

E.G. Bossence