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October 13, 2017

Dear Stonetrust Agent/Partner,

I want to inform you about news relative to our ownership status with Dhandho Holdings.

Ontario, Canada based corporation Wintaai Holdings, Ltd, has entered into a definitive agreement with Dhandho to acquire Stonetrust Commercial Insurance Company. The initial filings have been submitted to the Nebraska Department of Insurance for approval and the acquisition is expected to close in the first quarter of 2018.

Wintaai Holdings is a subsidiary of Chou Associates Management, Inc. Wintaai's Chairman and CEO, Francis Chou, has extensive experience in the insurance industry having served as Senior Vice President of Fairfax Financial Holdings. My management team and I have had the opportunity to work with Francis on the acquisition and we are extremely excited about our new ownership partner for the following reasons:

- Wintaai supports Stonetrust's current management team and staff and has committed to making no management or personnel changes
- Wintaai's primary goal for Stonetrust is to support our plans for book growth, rating improvement, and expansion into new states
- Wintaai will manage Stonetrust's investment portfolio and is strategically aligned with our business and operational plans

We recently completed a very favorable meeting with A.M. Best and they have been informed about the acquisition. Stonetrust is having another profitable year this year, and we are anticipating a very positive rating evaluation in early 2018. Although the workers' compensation market continues to be very challenging, we have achieved exceptional results. With over \$64 million in surplus and more than \$169 million in total assets, Stonetrust is in the best financial position in its history.

I truly appreciate our relationship with your agency and your continued commitment to Stonetrust. We are excited about our new partnership with Wintaai, and we believe that it will be beneficial for everyone.

The press release announcing the acquisition is enclosed for your review. Please call me if you have any questions or concerns.

Thank you.

Sincerely,

A handwritten signature in black ink that reads 'Michael G. Dileo'.

Michael G. Dileo, CPCU
President and Chief Executive Officer