

PrimeGuard Insurance Co., Inc, A RRG – In Liquidation

Frequently Asked Questions (“FAQs”)

As of August 9, 2006

Q1. I received a Notice of Chapter 11 Bankruptcy from the U.S. Bankruptcy Court in Colorado. What does this mean and how does it relate to the liquidation of PrimeGuard Insurance in Hawaii?

A1. On June 16, 2006 First Assured Warranty Corporation (“FAWC”) filed a voluntary petition under Chapter 11 of the (“Federal”) Bankruptcy Code in the United States Bankruptcy Court for the District of Colorado. The Federal bankruptcy proceeding in Colorado and the State liquidation proceeding in Hawaii are separate and distinct proceedings. If you have a claim against PrimeGuard, FAWC, 1Source or its affiliates, you should follow the instructions on the respective notices that you may have received from the Federal bankruptcy court in Colorado and the State liquidation court in Hawaii.

At this time, you must file a separate claim with both the Federal bankruptcy court in Colorado and the State liquidation court in Hawaii by any applicable deadlines, in order to have it considered by each court. Thus far, only the State liquidation court in Hawaii has established a deadline to file claims.

For official information about the Federal bankruptcy proceedings in Colorado, you should refer to the U.S. Bankruptcy Court website at the following address:

<http://www.cob.uscourts.gov/firstwarranty.asp>

Q2. I received a Notice of Chapter 11 Bankruptcy from the Federal Bankruptcy Court in Colorado. Is it necessary to get a lawyer?

A2. You are not required to retain a lawyer but you may certainly seek a lawyer's advice concerning your rights and obligations under both the Federal bankruptcy proceeding Colorado, as well as, the State liquidation proceeding in Hawaii.

Q3. Can you give me any idea on how this Federal bankruptcy proceeding will affect me and my claim against FAWC and 1SourceAutoWarranty.com?

A3. At this point, the Liquidator of PrimeGuard (who is appointed by the State court in Hawaii) is uncertain what effect the Federal bankruptcy will have on your claim with the Hawaii liquidation court until such time as the Federal bankruptcy court in Colorado rules on the Hawaii Liquidator's request to dismiss FAWC's Federal bankruptcy petition.

Q4. We are checking to see if we need to send in another notice of claim to the Federal Bankruptcy clerk's office in Denver Colorado. We have received papers from them and it said deadlines to file proof of claim notice of deadline will be set at a later date. We had already sent in all the required paper work to you in Hawaii.

A4. The Federal bankruptcy proceeding in Colorado and the State liquidation proceeding in Hawaii are separate and distinct proceedings. Thus far, only the Hawaii liquidation court has established a deadline to file claims against the companies. If you have a claim against PrimeGuard, FAWC, 1Source or its affiliates, you should follow the instructions on the respective notices that you may have received from the Federal bankruptcy court in Colorado and the State liquidation court in Hawaii.

At this time, you must file a separate claim with both the Federal bankruptcy court in Colorado and the State liquidation court in Hawaii by any applicable deadlines,

in order to have it considered by each court. Thus far, only the State liquidation court in Hawaii has established a deadline to file claims.

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Q5. I just received a notice that a "Motion to Dismiss Chapter 11 Proceeding" has been filed by PrimeGuard Insurance (Case No. 06-13669 SBB Chapter 11). Do (or should I) I need to do anything before the indicated Aug 14 deadline to oppose this action? I have already filed a claim response form and have received confirmation of its receipt.

A5. The August 14, 2006 deadline is in relation to the Hawaii Liquidator's Motion to Dismiss FAWC's Federal bankruptcy petition. The Hawaii Liquidator's motion essentially seeks to have all claims related to the Service Contracts resolved in a single forum before the State liquidation court in Hawaii, rather than having Service Contract holders filing claims with the both the Federal bankruptcy proceeding in Colorado AND the State liquidation proceedings in Hawaii. If you agree with the Hawaii Liquidator's motion, you may file a statement in support of it or do nothing. If you disagree with the Hawaii Liquidator's motion, you may file an opposition to it.