



STATE OF CONNECTICUT

INSURANCE DEPARTMENT

NOTICE OF PUBLIC HEARING CONCERNING THE PROPOSED ACQUISITION OF CONTROL OF TRANSNATIONAL INSURANCE COMPANY

BY

V. PREM WATSA, FAIRFAX FINANCIAL HOLDINGS LIMITED AND UNITED STATES FIRE INSURANCE COMPANY

Notice is hereby given that the Insurance Commissioner of the State of Connecticut by her designated hearing officer will conduct a public hearing on November 30, 2000 at 10:00 a.m. at the Legislative Office Building, Room 1C, 300 Capital Avenue, Hartford, Connecticut. The hearing will be conducted pursuant to sections 38-1 and 4-166 et seq. of the Connecticut General Statutes, and sections 38a-8-1 through 38a-8-104 and 38a-138-1 through 38a-138-16 of the Regulations of Connecticut State Agencies.

The subject of the hearing is the October 9, 2000 application as amended and supplemented, filed pursuant to section 38a-130 of the Connecticut General Statutes by V. Prem Watsa, an individual, Fairfax Financial Holdings Limited, a Canadian financial holding company and United State Fire Insurance Company, a New York domiciled insurance company (collectively, the "Applicants") requesting the Insurance Commissioner's approval of the proposed acquisition of control of Transnational Insurance Company (the "Insurer"), a Connecticut domiciled insurance company, by the Applicants.

The Applicants intend to acquire control of the Insurer through the acquisition of 100% of the Insurer's issued and outstanding common stock. The proposed transaction will be effected pursuant to the terms of a Stock Purchase Agreement, dated as of October 5, 2000, between PXRE Reinsurance Company, a Connecticut domiciled insurance company and the direct parent of the Insurer, and United States Fire Insurance Company, a direct wholly owned subsidiary of Fairfax Financial Holdings Limited.

At the public hearing, representatives of the Applicants and the Insurer, as well as any other person, may appear and be heard concerning the consideration of this application. The public will, at the hearing officer's discretion and in accordance with section 4-177c(b) of the Connecticut General Statutes, be given an opportunity to comment with respect to the issue to be considered. Written statements may be submitted during the public comment portion of the public hearing or filed with the Insurance Department prior to the close of business on December 1, 2000 by mailing or delivering such statements to the Connecticut Insurance Department, P.O. Box 816, Hartford, CT 06142-0816, Attention: Susan F. Morris, Esq.

The Insurance Department does not discriminate on the basis of disability in admission to, access to, or operation of its programs, services or activities, in accordance with Title II of the Americans with Disabilities Act of 1990. Individuals requiring auxiliary aids for communication or other accommodation are invited to make their needs known to Crystal Ross at (860) 297-3947.

The official public record of this proceeding, which includes a copy of the "Form A" statement regarding the proposed acquisition of control, dated October 9, 2000, is on file with the Connecticut Insurance Department, 153 Market Street, 11th Floor, Hartford, Connecticut, and is available for public inspection during regular business hours.

Dated at Hartford, Connecticut, this 8th day of November 2000.


Susan F. Cogswell, Insurance Commissioner