

## PLAN OF MERGER

This PLAN OF MERGER (hereinafter referred to as the “Plan” or “Agreement”) is entered into as of October 15, 2005 by and between Security Insurance Company of Hartford, a corporation organized and existing under the laws of the State of Connecticut (“Parent”), and Grocers Insurance Company, a corporation organized and existing under the laws of the State of Oregon and a wholly-owned subsidiary of Parent (“Merger Subsidiary,” the Parent and Merger Subsidiary sometimes being hereinafter collectively referred to as the “Constituent Corporations”).

### RECITALS

WHEREAS, Parent owns all of the issued and outstanding shares of the Merger Subsidiary;

WHEREAS, each of the Parent, the Merger Subsidiary and their respective boards of directors have determined that the merger of Merger Subsidiary with and into the Parent (the “Merger”) upon the terms and subject to the conditions set forth in this Plan is advisable and in the best interest of said corporations and have approved the Merger; and

WHEREAS, the Parent and Merger Subsidiary and their respective boards intend that, for U.S. federal income tax purposes, that the Merger will qualify as a liquidation under section 368(a)(1)(A) of the Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated thereunder.

NOW THEREFORE, in consideration of the premises and of the mutual agreements of the parties hereto, being thereunto duly entered into by Merger Subsidiary and approved by resolution of its Board of Directors and its sole shareholder and being thereunto duly entered into by the Parent and approved by a resolution adopted by its Board of Directors and its sole shareholder, the Plan of Merger and the terms and conditions thereof and the mode of carrying the same into effect, together with any provisions required or permitted to be set forth herein, are hereby determined and agreed upon as hereinafter in this Agreement set forth.

### ARTICLE I

#### The Merger and Effective Time

1.1. The Merger. The merger will be effected pursuant to the terms and conditions set forth in this Plan. At the Effective Time (as defined in Section 1.2) Merger Subsidiary shall be merged with and into the Parent and the separate corporate existence of Merger Subsidiary shall thereupon cease. The Parent shall be the surviving corporation from and after the Effective Time of the Merger (sometimes hereinafter referred to as the “Surviving Corporation”), and the separate corporate existence of the Parent with all its rights, privileges, immunities, powers and franchises shall continue unaffected by the Merger pursuant to the provisions of the the Connecticut Business Corporations Act (“CBCA”). At the Effective Time of the Merger, the

Parent will succeed to all the properties and assets of Merger Subsidiary and to all debts, causes of action and other interests due or belonging to the Merger Subsidiary and will be subject to, and responsible for, all the debts, liabilities and duties of Merger Subsidiary with the effects provided by applicable provisions of the Oregon Insurance Code, as amended (the “OIC”) and CBCA.

1.2. Effective Time. Upon approval of the merger by the Director of the Oregon Department of Consumer and Business Services and approval of the Commissioner of Insurance for Connecticut, Parent shall cause a certificate of merger (the “Certificate of Merger”) to be executed, acknowledged and filed with and accepted for record by the Secretary of State of Connecticut as provided in Section 33-819 of the CBCA. The Merger shall become effective at the time agreed by the Parent and Merger Subsidiary and established under the Certificate of Merger filed with the Connecticut Secretary of State and the Articles of Merger filed with the Department of Consumer and Business Services not to exceed 90 days after the Certificate of Merger is accepted for record by the Connecticut Secretary of State and the Articles of Merger are accepted for record by the Director of the Department of Consumer and Business Services (the “Effective Time”).

## ARTICLE II

### Charter and Bylaws of the Surviving Corporation

2.1. The Charter. The charter of the Parent as in effect immediately prior to the Effective Time shall be the Charter of the surviving corporation (the “Charter”), until duly amended as provided therein or by applicable law.

2.2. The Bylaws. The bylaws of the Parent in effect at the Effective Time shall be the bylaws of the surviving corporation (the “Bylaws”), until thereafter amended as provided therein or by applicable law.

## ARTICLE III

### Officers and Directors of the Surviving Corporation

3.1. Directors. The directors of the Parent at the Effective Time shall, from and after the Effective Time, be the directors of the Surviving Corporation until their successors have been duly elected or appointed and qualified or until their earlier death, resignation or removal in accordance with the Charter and the Bylaws.

3.2. Officers. The officers of the Parent at the Effective Time shall, from and after the Effective Time, be the officers of the Surviving Corporation until their successors have been duly elected or appointed and qualified or until their earlier death, resignation or removal in accordance with the Charter and the Bylaws.

ARTICLE IV  
Effect on Stock

4.1. Effect on Stock. Each share of the Merger Subsidiary issued and outstanding immediately prior to the Effective Time and owned by the Parent, shall, by virtue of the Merger and without any action on the part of the Parent, cease to be outstanding, shall be canceled and retired without payment of any consideration therefor and shall cease to exist.

ARTICLE V  
Approvals and Authorization

5.1. Approvals. This Plan of Merger has been fully approved and adopted on behalf of Merger Subsidiary in accordance with the provisions of the OIC and on behalf of the Parent in accordance with the provisions of the CBCA and the said corporations agree that they will cause to be executed and filed and recorded any document or documents prescribed by the State of Oregon and the State of Connecticut, and that they will cause to be performed all necessary acts within the State of Oregon, the State of Connecticut and elsewhere to effectuate the Merger herein provided for.

5.2. Authorization. The Board of Directors and the proper officers of the Merger Subsidiary and the Parent are hereby authorized and empowered and directed to do any and all acts and things, and make, execute, deliver, file, and record any and all instruments, papers and documents which shall be or become necessary, proper or convenient to carry out or put into effect any of the provisions of the Plan of Merger or of this merger herein provided for.

ARTICLE VI  
Conditions to the Merger

6.1. Conditions to the Obligations of the Constituent Corporations. The obligations of the Constituent Corporations to consummate the Merger are subject to the satisfaction at or prior to the Effective Time of the following conditions, any or all of which may be waived, in whole or in part, by each of the parties intended to benefit therefrom, to the extent permitted by applicable Law:

(a) no Governmental Authority (as hereinafter defined) shall have enacted, issued, promulgated, enforced or entered any Law or Order (whether temporary, preliminary or permanent) which is in effect and which has the effect of making the Merger illegal or otherwise prohibiting consummation of the Merger; and

(b) all actions by or in respect of or filings with any governmental authority, including, without limitation, insurance regulatory authorities, required to permit the consummation of the Merger shall have been obtained.

## ARTICLE VII Termination

7.1. Termination by Mutual Consent. This Agreement may be terminated and the Merger may be abandoned at any time prior to the Effective Time, or such earlier time as may be prescribed by law, by mutual written consent of the Parent and Merger Subsidiary by action of their respective Boards of Directors.

7.2. Effect of Termination. If this Agreement is terminated pursuant to Section 7.1 hereof, this Agreement shall become void and of no effect with no liability on the part of any party hereto.

## ARTICLE VIII Miscellaneous

8.1. Amendments. Any provision of this Agreement may be amended or waived prior to the Effective Time if, and only if, such amendment or waiver is in writing and signed by all parties hereto, or in the case of a waiver, by the party against whom the waiver is to be effective. Any such amendment shall require regulatory approval.

8.2. Waiver. No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

8.3. Successors and Assigns. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, provided that no party may assign, delegate or otherwise transfer any of its rights or obligations under this Agreement without the consent of the other parties hereto and regulatory approval.

8.4. Severability. Any term or provision of this Agreement which is invalid or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction. If any provision of this Agreement is so broad as to be unenforceable, the provision shall be interpreted to be only so broad as is enforceable.

8.5. Captions. The captions contained in this Agreement are for reference purposes only and are not part of this Agreement.

8.6. Counterparts. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures were upon the same instrument.

IN WITNESS WHEREOF, this Plan of Merger, is hereby executed upon behalf of each of the parties thereto.

Dated: October 15, 2005

Security Insurance Company of Hartford

By: \_\_\_\_\_

Name: Sean A. Beatty

Title: Senior Vice President

Grocers Insurance Company

By: \_\_\_\_\_

Name: David M. Davenport

Title: Vice President