

FROM: Director, Worldwide Markets EXTN: 6677

DATE: 18 November 2004 REF: Y3429

SUBJECT: **1. FLORIDA OFFICE OF INSURANCE REGULATION - EMERGENCY
RULE 69OER04-19 – CLAIMS ADJUSTMENT REQUIREMENTS**

**2. FLORIDA DEPARTMENT OF FINANCIAL SERVICES - EMERGENCY
RULE 69BER04-20 – ALTERNATIVE PROCEDURES FOR RESOLUTION
OF DISPUTED PERSONAL LINES RESIDENTIAL INSURANCE CLAIMS
ARISING FROM HURRICANE AND TROPICAL STORM DAMAGE.**

SUBJECT AREA(S): Enacted claims adjustment and mediation procedures following Tropical
Storm Bonnie and Hurricanes Charley, Frances, Ivan and Jeanne in Florida

ATTACHMENTS: Attachment 1 – Claims Adjustment Requirements
Attachment 2 – Claims Mediation Requirements
Appendix A – Affidavit Part I
Appendix B – Affidavit Part II
Appendix C – Affidavit Part III
Appendix D – Right to Mediation Notification

ACTION POINTS: **URGENT - All underwriters and Managing Agents to note, implement
and comply with the enacted provisions and reporting requirements**

DEADLINE(S): **IMMEDIATE**

1 Purpose of bulletin

Market Bulletin Y3424, dated 11 November, 2004 advised the market of how Lloyd's was responding to recent Emergency Rules issued by the Florida Office of Insurance Regulation ("Florida Office") and the Florida Department of Financial Services ("Florida Department"). These Emergency Rules covered fundamental and immediate changes to the procedures to be followed by insurers, including Lloyd's, with regard to claims adjustment and the procedures for resolution of disputed personal lines claims.

Following consultation with the Florida Office, the Florida Department and Lloyd's America, this bulletin outlines Lloyd's approach to complying with the requirements of two of the Emergency Rules:

- Emergency Rule 69OER04-19, Claims Adjustment Requirements
- Emergency Rule 69BER04-20, Alternative Procedures for Resolutions of Disputed Personal Lines Insurance Claims arising from Hurricane and Tropical Storm Damage (this Rule supersedes 69BER04-18)

Lloyd's recognises that these Rules are onerous for managing agents, who nevertheless have no option but to comply. We have been engaged in on-going discussions with the Florida Office and Florida Department of Financial Services regarding these requirements, particularly the Claims Adjustment Regulation. If continued discussions result in further modification or clarification to the applicability we will issue subsequent instructions.

2 Summary of the Rules

A summary of the two Rules is set out below. Fuller details are set out in Attachments 1 (“the Claims Adjustment Rule”) and 2 (“the Mediation Rule”).

2.1 The Claims Adjustment Rule (Emergency Rule 69OER04-19)

Applicability

The Claims Adjustment Rule applies to all insurers with personal lines residential property claims in Florida resulting from Hurricanes Charley, Frances, Ivan and Jeanne and Tropical Storm Bonnie. It does not apply to reinsurers.

[Link to Emergency Rule 69OER04-19](#)

Required claims settlement action

An insurer must do the following for Florida personal lines residential property claims in Florida:

- (a) All insureds entitled to additional living expenses will have been advanced appropriate funds.
- (b) All damage will have been evaluated and an initial assessment of loss will have been made.
- (c) A good faith and reasonable effort will have been made to settle all claims and, where applicable, earnest negotiations towards settlement of disputed claims will have begun.

These actions must be completed by three deadlines, applicable as follows:

A. For claims that:

1. were filed with an insurer before close of business on October 21 2004; and
2. result from Tropical Storm Bonnie, Hurricane Charley or Hurricane Frances.

An insurer should have carried out the required claims settlement action no later than **close of business on 22 November 2004**:

B. For claims that:

1. were filed with an insurer before close of business on 8 November 2004; and
2. result from Hurricane Ivan or Hurricane Jeanne.

An insurer should have carried out the required claims settlement action no later than **close of business on 8 December 2004**.

C. For claims that:

1. were filed with an insurer on a date subsequent to those indicated in the Claims Adjustment Rule; and
2. arise from any 2004 tropical storm or hurricane.

An insurer should have carried out the required claims settlement action no later than **30 days from the date that the claim is filed**.

A claim falling into either category A and or B above and not resolved by the applicable deadline, or falling into category C and not resolved within 60 days of filing, and for which mediation has not been initiated, will be considered a disputed claim for purposes of the Mediation Rule (see Section 2.2. and Attachment 2).

Affidavits of compliance

Each insurer must submit specified affidavits to the Florida Office. Following discussions with the Florida Office, Lloyd's proposes that, to ensure compliance by the Lloyd's market with this requirement, these affidavits be signed by coverholders for binding authority business and by Managing Agents for open market business (it is expected that most business covered by the Claims Adjustment Rule will be written on a binding authority basis).

The affidavits, and the dates by which they must be filed with the Florida Office of Insurance Regulation, are as follows:

Part I – **filing date: 29 November 2004** – see Appendix A

Part II – **filing date: 15 December 2004** – see Appendix B

Part III – **filing date: 1st day of each month**, commencing 1 January 2005 – see Appendix C

Each affidavit requires an officer or director to attest to one of the following in relation to the personal lines residential property claims specified:

1. All relevant claims meet all conditions specified in the Claims Adjustment Rule.
2. All relevant claims did not meet all conditions specified in the Claims Adjustment Rule, and a listing of each claim not in compliance will be submitted by a specified date.
3. No relevant claims were reported to the insurer as of the specified date.

Penalties for non-compliance

An insurer that fails to file a required affidavit on time is subject to **an administrative fine of \$2,500 for each day** that the affidavit has not been received by the Florida Office of Insurance Regulation.

The failure of an insurer to take the actions specified under "*Required claims settlement action*" within the appropriate time frames is prima facie evidence in any administrative proceeding that the insurer failed to act promptly upon communication with respect to a claim. This can be treated as a violation of Florida's unfair insurance trade practices law and can form the basis of an action under the Florida civil remedy law.

Submission of the affidavits

The affidavits should be submitted by post to:

**Bureau of Market Investigation
Office of Insurance Regulation
200 East Gaines Street
Tallahassee
FL 32399**

We are aware that it is also possible to submit the affidavits electronically and we are confirming the process for doing this.

2.2 The Mediation Rule ("Emergency Rule 69BER04-20")

The Mediation Rule ("the Rule") establishes a special mediation program for any disputed personal lines residential insurance claims caused by hurricanes and tropical storms during the 2004 hurricane season (1 June, 2004 through 30 November, 2004). The Rule creates procedures for issuing a notice

of the right to mediation to policyholders, requesting mediation, assignment of mediators, payment for mediation, and conduct of the mediation.

A full description of the Rule can be found in Attachment 2.

The Rule, in full, can be found at: [Link to Emergency Rule 69BER04-20](#)

The key points to note are:

Applicability

- The Rule applies to all personal lines residential insurance claims (including contents coverage). The Rule applies to surplus lines insurers (but it does not apply to reinsurers).
- The Rule defines “disputed” claims – see Attachment 2. In addition claims that have not been resolved under the Claims Adjustment Rule will also be deemed to be in dispute.

Notification

- The insurer is required to mail a notice of the right to mediate disputed claims to the insured within 5 days of notification of a dispute.

The Notice

- Lloyd’s has drafted a Notice in the format required by the Rule to be issued to insureds. The Notice has been approved by Lloyd’s local counsel and by Lloyd’s America.
- The Florida Department sends a listing to Lloyd’s Complaints Department of all of those claims where they have been notified by the insured that there is a dispute.
 - For the purposes of the Rule, claims reported in this way are considered in dispute and Lloyd’s Complaints Department will issue the Notice to the insured.
 - All other claims notified by insureds to the insurer will require the surplus lines brokers or coverholders to issue the Notice.

Request for Mediation

- 21 days after the date of the Notice an insured may request mediation by contacting the insurer or the Florida Department.
- The Florida Department will provide Lloyd’s Complaints Department with details of those insureds who have requested mediation.
- If the insurer receives a request for mediation directly from the insured they must fax that request to the Florida Department Mediation Section (Fax number 00 1 850 488 2349) within 48 hours.

Mediation

- Lloyd’s Complaints Department has established procedures to deal with cases where mediation has been requested and notified to them by the insured directly or via the Florida Department.
- Initial payments of mediation administration fees will be via Lloyd’s local counsel. These amounts will then be recovered from the appropriate Underwriters.
- The representative of the insurer attending the mediation conference must be able to do the following:
 - Bring a copy of the policy and entire claims file
 - Know the facts and circumstances of the claim and be knowledgeable of the policy provisions
 - Disburse the settlement amount at the conclusion of the conference.

Managing Agents are required to advise all coverholders writing risks covered by the Rule of its requirements and to provide the Notice at Appendix D for issuance where necessary. In respect of open market placements Managing Agents should advise their surplus lines brokers accordingly. It may also be necessary for coverholders and surplus lines brokers to fax requests for mediation directly to the Florida Department Mediation Section.

3. Further Information

Please contact Lloyd's Worldwide Market Services (contact details found below) for more information.

Lloyd's Worldwide Market Services
Tel: 020 7327 6677
Email: market.services@lloyds.com
Box: 190b, Gallery 1

You may also contact Catherine Egan, Associate General Counsel at Lloyd's America (001 212 382 4096). Lloyd's local counsel is available as may be necessary to advise on specific compliance issues and to interact with the Florida Department of Financial Services and the Florida Office of Insurance Regulation.

This bulletin has been sent to active underwriters and the compliance officers of managing agents and to Lloyd's brokers.

Julian James
Director, Worldwide Markets

ATTACHMENT 1 - Emergency Rule 69OER04-19 (“the Claims Adjustment Rule”)

Applicability

The Claims Adjustment Rule applies to all insurers with personal lines residential property claims in Florida caused by hurricanes and tropical storms during the 2004 hurricane season (1 June, 2004 through 30 November, 2004). The Claims Adjustment Rule creates claims handling requirements and deadlines, and also requires submission of certain affidavits.

The Claims Adjustment Rule in full can be found at: [Link to Emergency Rule 69OER04-19](#)

Required claims settlement activity

For claims from Tropical Storm Bonnie, Hurricane Charley or Hurricane Frances that were filed on or before 21 October 2004, the insurer must have completed the following actions no later than 22 November 2004:

- a) The insurer must have advanced appropriate funds to all insureds entitled to additional living expenses,
- b) The insurer must have evaluated all damage and made an initial assessment of loss, and
- c) The insurer must have made a good faith and reasonable effort to settle all claims and, when applicable, must have begun earnest negotiations toward settlement of disputed claims.

If the claim has not been resolved as specified above by 22 November 2004, and if mediation has not been initiated under the Mediation Rule (see Attachment 2), the claim will be considered a disputed claim.

For claims from Hurricane Ivan or Hurricane Jeanne filed through 8 November 2004, the same requirements apply, with a deadline of 8 December 2004. If the claim has not been resolved as specified above by 8 December 2004, and if mediation has not been initiated under the Mediation Rule, the claim will be considered a disputed claim.

For any other claims that are subject to the Claims Adjustment Rule, the same requirements apply, with a deadline of 30 days from the date the claim was filed. If the claim has not been resolved as specified above within 60 days after the claim was filed, and if mediation has not been initiated under the Mediation Rule, the claim will be considered a disputed claim.

Managing Agents are required as soon as possible to advise all coverholders and surplus lines brokers writing or placing risks covered by the Claims Adjustment Rule of this requirement.

Affidavits of Compliance

The Claims Adjustment Rule also requires each insurer to submit specified affidavits to the Florida Office. While the Claims Adjustment Rule technically requires that these affidavits are “signed and sworn by an officer or director of the insurer,” please note that based upon discussions with the Florida Department Office, Lloyd’s proposes that

- **for binding authority business, a representative of the Lloyd’s coverholder sign the affidavits on behalf of the Managing Agent(s) of the participating syndicate(s).**
- **for open market business, a representative of the Managing Agent of the leading syndicate sign the affidavits on behalf of the Managing Agent(s) of all participating syndicates.**

Managing Agents should therefore instruct ALL coverholders, whether in Florida or in any other State if they are handling personal lines residential property claims covered by the Claims Adjustment Rule, to do this on their behalf.

If the Florida Office should query the any Affidavit(s) filed, or request additional information, Lloyd's recommends that Underwriters contact Lloyd's Worldwide Market Services in this regard (see below).

Part I, which is required to be filed with the Florida Office by **29 November 2004** (Appendix A), requires the officer or director to attest to one of the following:

- i. All personal lines residential property claims from Bonnie, Charley, and Frances reported to the insurer on or before 21 October 2004 meet all conditions specified in the Claims Adjustment Rule.
- ii. All personal lines residential property claims from Bonnie, Charley, and Frances reported to the insurer on or before 21 October 2004 did not meet all conditions specified in the Claims Adjustment Rule, and a listing of each claim not in compliance will be submitted by 7 December 2004.
- iii. No personal lines residential property claims from Bonnie, Charley, or Frances were reported to the insurer as of 21 October 2004.

Part II, which is required to be filed with the Florida Office by **15 December 2004** (Appendix B), requires the officer or director to attest to one of the following:

- i. All personal lines residential property claims from Ivan and Jeanne reported on or before 8 November 2004 meet all conditions specified in the Claims Adjustment Rule.
- ii. All personal lines residential property claims from Ivan and Jeanne reported on or before 8 November 2004 did not meet all conditions specified in the Claims Adjustment Rule, and a listing of each claim not in compliance will be submitted by 23 December 2004.
- iii. No personal lines residential property claims from Ivan or Jeanne were reported to the insurer as of 8 November 2004.

Part III must be filed on the first day of each month, beginning on **1 January 2005** (Appendix C). It requires the officer or director to make comparable attestations with respect to claims not covered in Part I or Part II.

Penalty

An insurer that fails to timely file a required affidavit is subject to **an administrative fine of \$2,500 for each day** that the affidavit has not been received by the Florida Office.

Furthermore, the failure of an insurer to take the actions specified above within the appropriate time frames is prima facie evidence in any administrative proceeding that the insurer failed to act promptly upon communication with respect to a claim.

Lloyd's is advised by local counsel that an insurer's failure to act promptly upon communication with respect to a claim can be a violation of Florida's unfair insurance trade practices law (see subparagraph 626.9541(1)(i)3., Florida Statutes) and can form the basis of an action under the Florida civil remedy law (section 624.155, Florida Statutes).

Nothing in the Claims Adjustment Rule may be construed to create a private cause of action.

Submission of the affidavits

The affidavits should be submitted by post to:

**Bureau of Market Investigation
Office of Insurance Regulation
200 East Gaines Street
Tallahassee
FL 32399**

We are aware that it is also possible to submit the affidavits electronically and we are confirming the process for doing this.

ATTACHMENT 2 - Emergency Rule 69BER04-20 (“the Mediation Rule”)

The Mediation Rule establishes a special mediation program for personal lines residential insurance claims caused by hurricanes and tropical storms during the 2004 hurricane season (1 June 2004 through 30 November 2004). The Mediation Rule creates procedures for notice of the right to mediation, request for mediation, assignment of mediators, payment for mediation, and conduct of mediation. The Mediation Rule, in full, can be found at:

[Link to Emergency Rule 69BER04-20](#)

Applicability

The Mediation Rule applies to all personal lines residential insurance claims (including contents coverage) and is available to all first party claimants. The Mediation Rule therefore applies to surplus lines insurers including Lloyd's (but it does not apply to reinsurers). The Mediation Rule does not apply to commercial insurance, private passenger motor vehicle insurance or to liability coverage contained in property insurance policies.

Notification of Right to Mediate

The Mediation Rule requires the insurer to mail a notice of the right to mediate disputed claims to the insured **within 5 days** of the time the insured or the Florida Department notifies an insurer of a dispute regarding the policyholder's insured's claim. If the insurer has not been notified of a disputed claim prior to the time an insurer notifies the insured that a claim has been denied in whole or in part, the insurer shall mail a notice of the right to mediate disputed claims to the insured in the same mailing as a notice of denial. The insurer is not required to send a notice of the right to mediate disputed claims if a claim is denied because the amount of the claim is less than the policyholder's insured's deductible.

Disputed Claims (a “claim”)

A claim means any matter on which there is a dispute or for which the insurer has denied payment. Unless the parties agree to mediate a claim involving a lesser amount, the rule applies if a claim involves the insured requesting \$500 or more to settle the dispute, or if the difference between the positions of the parties is \$500 or more, in either case, notwithstanding any applicable deductible. A claim does not include a dispute with respect to which the insurer has reported allegations of fraud.

Communications with insureds at an early stage where this is part of the normal claims adjustment and negotiation process would not necessarily constitute a disputed claim for the purposes of this Rule and should be reviewed accordingly. **However Managing Agents should note that the Emergency Rules have imposed very strict time limits within which insurers must settle or deny any claims arising from these windstorms.**

The Notice

The Mediation Rule outlines the format and content of the Notice to be issued to the insured. Appendix D has been drafted in accordance with these requirements. The Notice must be printed in at least 12 point type. No other materials, forms or documents may be included, except that the Notice may include the Florida Department of Financial Services consumer brochure on mediation, a copy of which is available on the link below:

[Link to Consumer Brochure on Mediation](#)

The Notice also refers to the policyholder's right to request that any dispute be reviewed by the Lloyd's Complaints Department without prejudicing the right to mediation. Contact details for Lloyd's Complaints Department are therefore also included. In accordance with a procedure agreed with Lloyd's America, Lloyd's Complaints Department directly receives from the Florida Department the listing of complaints reported by insureds. For the purposes of the Mediation Rule, complaints

reported in this way are considered in dispute and Lloyd's Complaints Department will issue the Notice to the insured where necessary. All other claims notified by insureds to the insurer will require the insurer to issue the Notice.

In respect of binding authority business, Managing Agents are required as soon as possible to advise ALL coverholders, whether in Florida or in any other State if they are handling personal lines residential property claims covered by the Mediation Rule, of its requirements and to provide the Notice at Appendix D for issuance where necessary.

In respect of open market placements, Managing Agents are required as soon as possible to advise their surplus lines brokers.

Request for Mediation

After 21 days from the date of the notice of the right to mediation, an insured may request mediation by contacting the insurer or the Florida Department. In the case of Lloyd's, this may be the Lloyd's Complaints Department which is listed as a mediation contact for Lloyd's in the Florida Department, or the request may be transmitted through the normal broking chain. The insured should provide, where possible, information as detailed in the Notice at Appendix D. If an insured requests mediation prior to receipt of the notice of the right to mediation or if the date of the notice cannot be established, the insurer shall be notified by the Florida Department of the existence of the dispute 21 days prior to the Florida Department processing the insured's request for mediation. The listing sent by the Florida Department to Lloyd's Complaints Department will include this information.

If an insurer receives a request for mediation, the insurer shall fax the request to the Florida Department Mediation Section **within 48 hours** of receipt of the request (Fax number 00 1 (850) 488 2349).

Managing Agents are required as soon as possible to advise ALL coverholders, whether in Florida or in any other State if they are handling personal lines residential property claims covered by the Mediation Rule, and surplus lines brokers writing or placing risks covered by the Mediation Rule of this requirement.

The Florida Department will notify the insurer, within 48 hours of receipt, of the requests filed with the Florida Department (the listing sent to Lloyd's Complaints Department will include this information).

Mediation

Lloyd's Complaints Department will pay particular attention to those cases where mediation has been requested and discuss the matter with the appropriate underwriters to see if the matter can be settled without the need for a mediation conference.

Within 5 days of receipt of the request for mediation from the insured or receipt of notice of the request from the Florida Department (or immediately after receipt of notice from the Florida Department that an insured requests mediation prior to receipt of the notice of the right to mediation or if the date of the notice cannot be established), whichever occurs first, the insurer is required to pay a non-refundable administrative fee of \$100 as determined by the Florida Department.

Lloyd's Complaints Department will advise Lloyd's local counsel of any administrative fees due to the Florida Department and local counsel will then arrange payment. Lloyd's Complaints Department will then recover these fees from the appropriate underwriters.

A further \$250 shall be paid to the Florida Department for the mediator's fees **not later than 5 days** prior to the date scheduled for the mediation conference.

The Florida Department will select a mediator and schedule the mediation conference. The Florida Department will confer with the mediator and all parties prior to scheduling a mediation conference,

notifying each party in writing of the date, time and place of the mediation conference at least 10 days prior to the date of the conference. The insurer shall notify the Florida Department **as soon as possible** after settlement of any claim that is scheduled for mediation.

Subsection (7) (a) to (f) of the Mediation Rule covers the conduct of the mediation conference in full. Key points to note are:

- i) It is not necessary to involve a private attorney and participation by private attorneys is discouraged by the Florida Department.
- ii) Upon request of the insured or the mediator, a representative of the Florida Department will be available to help insureds prepare for the mediation conference.
- iii) The representative of the insurer attending the conference must bring a copy of the policy and the entire claims file to the conference. The representative must know the facts and circumstances of the claim and be knowledgeable of the provisions of the policy. **An insurer will be deemed to have failed to appear if the insurer's representative lacks authority to settle the full amount of the claim or lacks the ability to disburse the settlement amount at the conclusion of the conference.**

Lloyd's has been advised that the Mediation Rule does not require that the insurer's representative have full authority to approve the disbursement of funds. The Mediation Rule does not prohibit the insurer's representative from leaving the mediation room to consult by phone, email, fax, or other means with persons whose approval might be needed prior to disbursement of funds, provided that the insurer's representative is able to disburse the funds **immediately** after obtaining such approval.

If a mediation hearing appears likely, Lloyd's Complaints Department will liaise with the appropriate underwriters/brokers to ensure suitable representation at the meeting and that the representative has full authority to negotiate and the ability to physically hand over a settlement cheque at the meeting.

Within 5 days of the conclusion of the conference the mediator shall file with the Florida Department a mediator's status report indicating whether or not the parties reached a settlement. If the parties reached a settlement, the mediator shall include a copy of the settlement agreement with the status report.

The mediation is not binding. Either party may decline to settle the claim. However, if a settlement is reached, the insured shall have 3 business days within which to rescind any settlement agreement provided that the insured has not cashed or deposited any cheque or draft disbursed for the disputed matters as a result of the mediation conference.

AFFIDAVIT OF COMPLIANCE WITH
EMERGENCY RULE 69OER04-19
PART I
Tropical Storm Bonnie, Hurricanes Charley and Frances

1. My name is _____ . I am employed as _____
_____ (title) of _____ (Lloyd's
Managing Agent/Lloyd's Coverholder) ("insurer").

2. I have knowledge of Emergency Rule 69OER04-19, and the conditions and requirements of said rule.

3. To the best of my knowledge, as of November 22, 2004 (Initial the following paragraph that applies):

_____ All personal lines residential property claims related to Hurricanes Charley, Frances and Tropical Storm Bonnie damage in Florida reported to insurer on or before October 21, 2004, meet all conditions and requirements of Emergency Rule 69OER04-19.

_____ All personal lines residential property claims related to Hurricanes Charley, Frances and Tropical Storm Bonnie damage in Florida reported to insurer on or before October 21, 2004, did not meet all conditions and requirements of Emergency Rule 69OER04-19. A listing of each claim not in compliance as of November 22, 2004, will be provided to the Office of Insurance Regulation no later than December 7, 2004.

_____ No personal lines residential property claims related to Hurricanes Charley, Frances and Tropical Storm Bonnie damage in Florida were reported to insurer as of October 21, 2004.

Signed: _____

Date: _____

AFFIDAVIT OF COMPLIANCE WITH
EMERGENCY RULE 69OER04-19
PART II
Hurricanes Ivan and Jeanne

1. My name is _____ . I am employed as _____
_____ (title) of _____ (Lloyd's
Managing Agent/Lloyd's Coverholder) ("insurer")

2. I have knowledge of Emergency Rule 69OER04-19, and the conditions and requirements of said rule.

3. To the best of my knowledge, as of December 8, 2004 (Initial the following paragraph that applies):

_____ All personal lines residential property claims related to Hurricanes Ivan and Jeanne damage in Florida reported to insurer on or before November 8, 2004, meet all conditions and requirements of Emergency Rule 69OER04-19.

_____ All personal lines residential property claims related to Hurricanes Ivan and Jeanne damage in Florida reported to insurer on or before November 8, 2004, did not meet all conditions and requirements of Emergency Rule 69OER04-19. A listing of each claim not in compliance as of December 8, 2004, will be provided to the Office of Insurance Regulation no later than December 23, 2004.

_____ No personal lines residential property claims related to Hurricanes Ivan and Jeanne damage in Florida were reported to insurer as of November 8, 2004.

Signed: _____

Date: _____

AFFIDAVIT OF COMPLIANCE WITH
EMERGENCY RULE 69OER04-19
PART III

Claims for Tropical Storm Bonnie, Hurricanes Charley and Frances filed after October 21, 2004 and Claims for Hurricanes Ivan and Jeanne Claims filed after November 8, 2004.

1. My name is _____ . I am employed as _____
_____ (title) of _____ (Lloyd's
Managing Agent/Lloyd's Coverholder) ("insurer")

2. I have knowledge of Emergency Rule 69OER04-19, and the conditions and requirements of said rule.

3. To the best of my knowledge, as of _____ (Initial the following paragraph that applies):

_____ All personal lines residential property claims related to Hurricanes Charley, Frances, Ivan, Jeanne and Tropical Storm Bonnie damage in Florida reported to insurer on or before _____, meet all conditions and requirements of Emergency Rule 69OER04-19.

_____ All personal lines residential property claims related to Hurricanes Charley, Frances, Ivan, Jeanne and Tropical Storm Bonnie damage in Florida reported to insurer on or before _____, did not meet all conditions and requirements of Emergency Rule 69 OER04-19. A listing of each claim not in compliance as of that date will be provided to the Office of Insurance Regulation within 15 days.

_____ No personal lines residential property claims related to Hurricanes Charley, Frances, Ivan, Jeanne and Tropical Storm Bonnie damage in Florida were reported to insurer as of _____ .

Signed: _____

Date: _____

Notification of Right to Mediate

Tom Gallagher, Chief Financial Officer for the State of Florida, has adopted an emergency rule to facilitate fair and timely handling of residential property insurance claims arising out of the hurricanes that have recently devastated so many homes in Florida. The emergency rule gives you the right to attend a mediation conference with your insurer in order to settle any dispute you have with your insurer about your claim.

You can start the mediation process 21 days after the date of this notice by calling the Department of Financial Services at 1-800-227-8676 (1-800-22-Storm). An independent mediator, who has no connection with your insurer, will be in charge of the mediation conference. The mediator will be appointed by the Department of Financial Services, or its designee.

You may also request mediation by contacting the Department of Financial Services in the following ways:

By writing to: Department of Financial Services
 Mediation Section
 Bureau of Insurance Consumer Assistance
 Tallahassee
 Florida 32399-0322

Or by fax: (850) 488 2349

Both parties have 21 days from the date of the notice within which to settle the claims before you can request mediation.

As a Lloyd's policyholder you also have the right to request that your dispute be reviewed by the Lloyd's Complaints Department without prejudicing your right to mediation. Should you wish to take advantage of this facility please feel free to contact the Lloyd's Complaints Department whose details appear below.

The insurer's address and number for additional information is:

Tom George
The Complaints Department
Lloyd's of London
One Lime Street
London EC3M 7HA
England
Telephone: 011 44 20 7327 6390
FreeFax: 1 800 481 3121
E-mail: complaints@lloyds.com

When contacting either the Department of Financial Services or Lloyd's Complaints Department you should provide the following information if known:

- a) Name, address, and daytime telephone number of the insured and location of the insured property if different from the address given;
- b) The claims and policy number for the insured;
- c) A brief description of the nature of the dispute; and
- d) The name of the insurer and the name, address and phone number of the contact person for scheduling the mediation.

Information with respect to any other policies of insurance that may provide coverage of the insured property for named perils such as flood or windstorm.