



TOM GALLAGHER
CHIEF FINANCIAL OFFICER
STATE OF FLORIDA

August 17, 2004

Agent of Superior Insurance/Superior American/Superior Guaranty Insurance Company

As you are aware, Superior Insurance Company was placed into court ordered rehabilitation on August 29, 2003 and the Florida Department of Financial Services was appointed as Receiver. After further review of the financial condition of Superior Insurance Company, the Receiver made a decision that Superior Insurance Company, Superior American Insurance Company and Superior Guaranty Insurance Company would cease writing both new and renewal business in November 2003. In an effort to preserve the assets of Superior Insurance Company the Receiver has downsized the staff and closed branch offices. At this point it is extremely unlikely that any of the companies will renew policies.

In an effort to provide our policyholders with ample time to find replacement insurance coverage we are mailing letters notifying them, in accordance with the terms and conditions of their policy, that their policy will not be renewed and all insurance thereunder will cease and expire at 12:01 AM on the last day of their policy period. We also encouraged them to work with their agent or otherwise seek replacement coverage as soon as possible in order to avoid any lapse in coverage.

We thank you for your continued patience in working with the Receiver and appreciate your efforts on behalf of our policyholders to assist them in finding replacement coverage as soon as possible.

Thank you,

Michael Svaldi
Special Deputy Receiver
Superior Insurance Company