

SEAN MICHAEL SHAW, ESQ.
INSURANCE CONSUMER ADVOCATE

October 22, 2009

Sent Via Fax
813-281-1651

Jim Thompson, Vice President
State Farm Florida Insurance Company
4890 West Kennedy
Tampa, FL 33609

Dear Mr. Thompson:

My office has been following the Chinese Drywall issue and its effects on Florida's insurance consumers. As I am sure that you are aware, since 2005 many consumers in the state have been exposed to Chinese Drywall following repairs after hurricanes or through new construction. Many of these consumers have not only reported chronic property issues that have affected the value of their homes, but also health issues since the installation of the Chinese Drywall. What is even more troubling is that these consumers, who have paid their premiums in good faith, are not only having their claims denied, but may now be in jeopardy of not having their policies renewed.

As one of Florida's largest property insurers, I know that you are aware of these issues. Your decision on how the company will proceed with respect to current policyholders, as well as any future instances involving Chinese Drywall, will have a large effect on the lives of many Floridians. Thus, I would like to understand what you believe to be the best course of action with respect to this issue. The following questions will enhance that understanding:

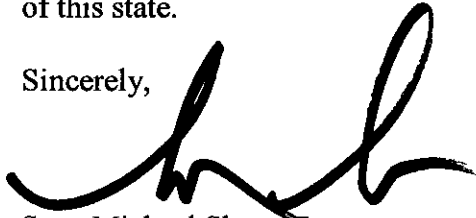
1. Will State Farm non-renew or drop any policyholders due to the presence of Chinese Drywall?
2. Will State Farm non-renew or drop any policyholders due to damage found to have been caused by Chinese Drywall?
3. Does State Farm believe that Chinese Drywall poses an increased fire and/or health risk? If so, what information has led you to that conclusion?
4. Is there any way that State Farm can come up with a solution that will prevent homeowners with Chinese Drywall from getting non-renewed?

My final concern is that this problem has the potential to become even larger. I have already heard discussions of potential remedies ranging from utilizing the remaining disaster Community

REPRESENTING ALEX SINK, CHIEF FINANCIAL OFFICER, STATE OF FLORIDA
DEPARTMENT OF FINANCIAL SERVICES
200 EAST GAINES STREET, TALLAHASSEE, FLORIDA 32399-0308
(850)413-5923 FAX (850)-487-0453
SEAN.SHAW@MYFLORIDACFO.COM

Development Block Grants funds to seeking FEMA aid. However, a Federal response on this issue may take too long to work its way through the system. Thus, I look forward to hearing from you as to any potential solutions that your company can offer for the insurance consumers of this state.

Sincerely,

A handwritten signature in black ink, appearing to read 'shs', written in a cursive style.

Sean Michael Shaw, Esq.
Insurance Consumer Advocate