



DEPARTMENT OF FINANCIAL SERVICES

Division of Rehabilitation and Liquidation
www.floridainsurancereceiver.org

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Si necesita una versión en español de este aviso, visite el sitio web de la
División de Rehabilitación y Liquidación www.floridainsurancereceiver.org
(If you need a Spanish version of this notice, visit the Receiver's website at www.floridainsurancereceiver.org)

NOTICE TO POLICYHOLDER – May 12, 2010

Liquidation of Magnolia Insurance Company

Dear Policyholder:

This letter is being sent to you because records indicate that you are or have recently been a policyholder of Magnolia Insurance Company ("Magnolia"). On April 30, 2010, Magnolia was ordered into receivership for purposes of liquidation by the Second Judicial Circuit Court in Leon County, Florida. The Florida Department of Financial Services is the court appointed Receiver of Magnolia. A copy of the Liquidation Order for Magnolia is available on the Receiver's website, www.floridainsurancereceiver.org. Please check the Receiver's website regularly for updated information.

POLICY CANCELLATION UNDER LIQUIDATION ORDER:

Under the Liquidation Order, all policies are cancelled effective 11:59:59 p.m. on May 30, 2010, unless otherwise terminated prior to that date. Upon liquidation, property and casualty insurance policies are covered by the Florida Insurance Guaranty Association for a period of no more than 30 days and subject to the limits provided in Florida Statute. See below for further details. **Please contact your agent as soon as possible to obtain replacement insurance coverage prior to the policy cancellation, which is only a few days before the beginning of the 2010 hurricane season.**

PREMIUM ISSUES:

Until directed otherwise, if you have an installment payment plan with Magnolia, you should continue to pay premiums as usual in order to continue your insurance coverage with Magnolia until 11:59:59 p.m. on May 30, 2010. Upon liquidation, the Florida Insurance Guaranty Association ("FIGA") is responsible for paying claims for premium refunds/unearned premium. A \$100 statutory deductible will be taken from the amount owed. If the premium refund due is \$100 or less, a refund will not be processed by or on behalf of FIGA. A policyholder may have a claim in the Magnolia liquidation proceeding for the \$100 deductible or the gross refund less than \$100.

The Receiver will update its website, www.floridainsurancereceiver.org, with details regarding the processing and payment of the premium refunds as this information becomes available.

CLAIMS ISSUES:

With the entry of the Liquidation Order, the Florida Insurance Guaranty Association (“FIGA”) is activated to help pay outstanding claims for property and casualty policies. The processing and payment of pending covered claims will be made by FIGA (subject to the lesser of policy limits or FIGA’s maximum cap) after the liquidation date. The maximum amount FIGA will cover is \$300,000 with special limits applying to (1) damages to structure and contents on homeowners’ claims and (2) condominium and homeowners’ association claims. For damages to structure and contents on homeowners’ claims, the FIGA cap is an additional \$200,000. For condominium and homeowners’ association claims the cap will be \$100,000 multiplied by the number of units in the association.

No claim will be paid in excess of this cap. All claims are subject to a \$100 deductible over and above any deductible identified in the Magnolia policy. A policyholder may file a claim in the Magnolia receivership for the \$100 deductible and for amounts over the cap. The Receiver will provide instructions for filing a claim in the liquidation proceeding. For additional general information regarding FIGA, please visit the guaranty association’s website at www.figafacts.com. Additional contact information for FIGA is provided below.

Claims Filing Deadline: Please note that under the Liquidation Order, the deadline for filing claims in the Magnolia receivership is 11:59 p.m. on May 2, 2011. Instructions on filing a claim in the Magnolia liquidation proceeding will be posted on the Receiver’s website, www.floridainsurancereceiver.org. In accordance with Section 631.68, Florida Statutes, the deadline for settling a claim or filing suit against FIGA is May 2, 2012 (i.e., one year after the Receiver’s claim filing deadline).

CONTACT INFORMATION:

Claim Inquiries:

- **Until May 30, 2010** - To report a new report of loss, please contact Magnolia's Claims Department at 1-888-843-7798. For all other claims related questions call 1-866-997-0947. Hours of operation are Monday – Friday from 8:00 AM – 5:00 PM, Eastern Time.
- **After May 30, 2010** - To file a new claim or check on the status of an existing claim, please call FIGA at 1-866-928-4310 (toll-free).

Policy/Underwriting Inquiries:

- **Until May 30, 2010** - if you have questions about your policy, you may contact Magnolia's Policy Services Department at 1-877-828-2149. Hours of operation are Monday – Friday from 8:00 AM – 4:45 PM, Eastern Time.
- **After May 30, 2010 - Your policy will have been cancelled.** However, if you need a copy of your policy or have other non-claims related questions please call the Receiver at (850) 413-3081 or toll free at 1-800-882-3054 (for Florida residents only).

CONTACTING THE RECEIVER:

You may contact the Receiver by using the “Contact Us” form at the Receiver’s website, www.floridainsurancereceiver.org, if you have any non-claims related questions regarding the receivership (for claims questions, please refer to the phone numbers provided above). You may also contact the Florida Department of Financial Services, as Receiver, at (850) 413-3081 or toll free at 1-800-882-3054 (for Florida residents only).