



BANKERS INSURANCE GROUP



Florida Homeowners Notice of Program Change

Date: May 9, 2011

To: Florida Personal Lines Agent Partners

Effective: Immediately

Dear FAIA Agent,

As you may know, recent changes in industry catastrophe modeling software could have a major impact on the Probable Maximum Loss (PML) for all carriers. Increased PML requires the purchase of additional reinsurance to maintain our rating with A.M. Best. Our commitment to our Florida policyholders and our agents to maintain a solid, financially secure company in this difficult marketplace continues to be our greatest concern. While we take some time to assess what effects these modeling changes are going to have on our portfolio, we are restricting all new homeowners business in the counties that are already nearing our maximum capacity caps, including:

Marion, Lake, Orange, Osceola and Seminole

Already closed: Broward, Charlotte, Citrus, Collier, Dade, Escambia, Hernando, Hillsborough, Lee, Okaloosa, Palm Beach, Pasco, Polk, Santa Rosa and Sarasota

Any business already quoted will be honored as long as the application is fully loaded (including any necessary underwriter approvals) no later than 5/20/2011.

We regret any inconvenience this may cause. If you have any questions regarding this decision, please contact your Territory Manager.

As always, we appreciate your business.

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