



DEPARTMENT OF FINANCIAL SERVICES

Division of Rehabilitation and Liquidation
www.floridainsurancereceiver.org

NOTICE TO AGENT OR BROKER – April 13, 2009

Regarding the Rehabilitation of Coral Insurance Company

The Second Judicial Circuit Court in Leon County, Florida, entered an order placing Coral Insurance Company ("Coral") in receivership for purposes of rehabilitation effective on April 9, 2009. The Florida Department of Financial Services is the court-appointed Receiver of Coral. A copy of the rehabilitation order for Coral is available on the Receiver's website, www.floridainsurancereceiver.org.

The Receiver is sending this notice of rehabilitation to all of Coral's agents of record in order to provide them with information to better assist them in advising the Coral policyholders who are their clients. **As further explained below, it is critical for all Coral policyholders to find replacement insurance coverage prior to the beginning of the 2009 hurricane season (June 1, 2009). As you are an agent of record, the Florida Department of Financial Services, as Receiver of Coral, expects you to contact your policyholder clients and assist them in obtaining replacement insurance coverage as quickly as possible.**

POLICY STATUS:

The rehabilitation order does NOT cancel the Coral policies; existing policies will remain in full force and effect until cancelled in the normal course of business, by the policyholder or by a future Court order. Policyholders with installment payment plans should continue to pay premiums as usual in order to continue their insurance coverage with Coral.

Coral is not writing or renewing insurance policies. The company announced in early March 2009 that it would no longer write new insurance business and later that month announced that it would no longer renew any of the existing policies. Coral will not send out nonrenewal notices. Coral is not accepting any endorsements to policies which would increase Coral's potential liabilities. Additionally, Coral does not have reinsurance coverage after May 31, 2009. The Receiver is in the process of evaluating the company's financial situation and whether or not the company may be successfully rehabilitated. For these reasons, the **Coral policyholders need to find replacement insurance coverage within the next few weeks. While current policies remain in force at this time, agents are strongly urged to contact their customers to move these policies to other carriers prior to the beginning of the 2009 hurricane season (June 1, 2009).**

If you have policy or underwriting related questions on the Coral policies, please contact Coral's customer service representatives at:

Coral c/o WaterStreet Company, 9:00 am until 6:00 pm, EST at:

Ph. (800) 875-8330

Fax (800) 875-8416

REPLACEMENT INSURANCE COVERAGE WITH SECURITY FIRST INSURANCE COMPANY OR THROUGH MACNEILL GROUP, INC.

Due to Coral's financial condition, the company made arrangements for other companies to offer replacement coverage prior to the beginning of the 2009 hurricane season.

Coral reached an agreement with Security First Insurance Company ("Security First") that will allow for Coral's policyholders to obtain replacement homeowners insurance coverage through Security First. Under the plan, Security First will offer Coral's independent agents the opportunity and capacity to replace all Coral policies that provide coverage for homes with Coverage A values up to and including \$1,000,000, with similar policies from Security First at Security First's currently filed rates.

Coral also reached an agreement with the MacNeill Group, Inc., ("MacNeill") a Florida licensed Managing General Agent whereby MacNeill will offer Coral independent agents the opportunity to replace all Coral policies that provide coverage for homes with Coverage A values over \$1,000,000 with similar policies from one of MacNeill's non-admitted markets at their standard rates for this class of business.

Coral's appointed agents are urged to immediately contact their Coral policyholders and work to move the policyholders' insurance coverage to Security First Insurance Company, to an insurance carrier through the MacNeill Group, Inc., or to another insurance carrier that will best meet the needs of the policyholder. If you do not currently have an agency appointment with Security First Insurance Company or need more information regarding the Security First arrangement, please contact Agency Administration at Security First Insurance using the following contact information:

Phone: (386)-673-5308

Fax: (386)-673-5408

E-mail: AgentAdmin@SecurityFirstFlorida.com

Website: www.Securityfirstflorida.com

PREMIUM ISSUES:

In accordance with Section 631.155, Florida Statutes, and paragraph 9, on page 5 of the Rehabilitation Order, all premiums and commissions you collected on behalf of Coral must be accounted for and paid directly to the Receiver within 30 days of demand from the Receiver. Please consider this letter as the Receiver's demand for payment of these premiums and commissions. No agent, broker or premium finance company may use premium monies owed to Coral for refund of unearned premium or any purpose other than payment to the Receiver. Violation constitutes contempt of Court. You have the right to appear before the Court and show cause if you feel that you are not required to account to the Receiver.

Until further notice, please continue to remit premiums and unearned commissions to Coral as normal. Please also remember to inform your clients that any policyholders with installment payment plans should continue to pay premiums as usual in order to continue their insurance coverage with Coral.

Premium Refunds/Unearned Premium – During rehabilitation, the Receiver will continue to process and pay premium refunds/unearned premium as normal to the extent possible.

CLAIMS ISSUES:

To file a new claim or to check on the status of a pending claim, please contact Coral c/o GAB Robins North America (Coral's claims handling service) Monday - Friday from 8:00 am until 5:00 pm EST at:

Ph. (866) 478-2379

Fax (954) 905-4927

You may also file a claim through Coral's website at www.coralinsurance.net.

CONTACTING THE RECEIVER:

Please 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 under Claims Issues). You may also contact the Florida Department of Financial Services, as Receiver, at (800) 882-3054.

Your anticipated cooperation and assistance in these matters is greatly appreciated.