

**ADDENDUM TO NOTICE – February 7, 2007 – ADDENDUM TO NOTICE**

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Re: Receivership of Florida Select Insurance Company (“Florida Select”)

Dear Florida Select Policyholder:

On June 30, 2006, Florida Select Insurance Company (“Florida Select”) was ordered into receivership by the Circuit Court in Leon County, Florida. The receivership process is similar to bankruptcy. The Florida Department of Financial Services is the court appointed receiver of Florida Select.

The hazardous financial condition of the company does not allow the Receiver to continue your coverage through Florida Select. As a result, you are receiving the enclosed Notice regarding your policy. In an effort to try to protect and assist you as a policyholder, the Receiver has worked with Southern Fidelity Insurance Company (“Southern Fidelity”) to provide you with an alternative replacement coverage policy for your property.

We understand the recent Emergency Rule (69OER07-1 Residential Property Insurance Rate Filings) approved by the Financial Services Commission on January 30, 2007, places limitations on an insurer from non-renewing or cancelling a personal residential insurance policy. However, the unstable financial status of the company does not provide you the protection expected of an insurer.

The Office of Insurance Regulation has reviewed these matters, as well as the enclosed Notice you are receiving. The Office of Insurance Regulation agrees that the policyholders of Florida Select are best served by the Receiver’s efforts to provide a more financially stable option for you and concurs that the Emergency Rule does not apply to this situation.

To provide you with as much notice as possible, you are receiving this information concerning your policy at this time. Any delay would subject your property to uncertain coverage and potentially result in the cancellation of your policy even closer to the 2007 Hurricane Season.

**PLEASE NOTE: There is no requirement that you accept the replacement coverage from Southern Fidelity. You may contact your agent to make alternative arrangements that may better suit your needs and advise your mortgage company of any change you may make regarding replacement coverage.**

In the event that your policy has been cancelled, efforts are being made to process a refund check prior to the actual cancellation date of your policy so that these funds are available to apply to a new policy with another carrier. The refund would be based upon your unearned premium from the cancellation date provided in your notice through the normal expiration date of your policy.

Sincerely,

The Florida Department of Financial Services  
as Receiver of Florida Select Insurance Company