



DEPARTMENT OF FINANCIAL SERVICES

Division of Rehabilitation and Liquidation
www.floridainsurancereceiver.org

VIA EMAIL ONLY

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)

2ND NOTICE TO AGENT OR BROKER – October 30, 2009

**Regarding the Liquidation of American Keystone Insurance Company
and Transition Plan for Selected AKIC Residential Homeowners Policyholders**

As you know, on October 9, 2009, American Keystone Insurance Company ("AKIC") was ordered liquidated by the Second Judicial Circuit Court in Leon County, Florida. The Florida Department of Financial Services is the court appointed Receiver of AKIC. **All of AKIC's policies are cancelled effective 11:59 p.m. on November 8, 2009, unless otherwise terminated prior to that date.** Please visit the Receiver's website, www.floridainsurancereceiver.org for information pertaining to the receivership, including copies of relevant orders and other documents such as the Notice to Agents which was previously sent to you.

**OFFER OF REPLACEMENT INSURANCE COVERAGE FOR SELECTED AKIC
RESIDENTIAL HOMEOWNERS POLICYHOLDERS (HOMEOWNERS CHOICE OFFER):**

In order to assist AKIC policyholders, the Florida Department of Financial Services, as Receiver of AKIC, has arranged with Homeowners Choice Property and Casualty Insurance Company ("Homeowners Choice") to provide an offer of replacement insurance coverage to selected AKIC policyholders. The agreement with Homeowners Choice benefits the selected policyholders in that it offers a potentially smoother transition of the policies to another insurance company and also benefits the AKIC creditors in that Homeowners Choice will pay the AKIC estate set amounts under the agreement for policies retained by the insurer.

Homeowners Choice will offer this insurance coverage to AKIC policyholders who have residential homeowners' policies with Coverage A limits under \$1 million. Homeowners Choice is an authorized insurer in Florida and has a Demotech, Inc., Financial Stability Rating of "A," which meets the needs of most mortgage lenders. At this time, Homeowners Choice will be able to offer this insurance coverage to the selected policyholders, providing that the policyholders have no property damage to their homes.

However, Homeowners Choice will be able to offer insurance coverage to policyholders with property damage upon receipt of evidence that the home repairs have been completed. In the interim, the Receiver is urging policyholders with property damage to work with their agents in seeking replacement insurance coverage.

The Receiver and Homeowners Choice are sending letters to all affected policyholders suggesting that they contact their agents to learn how they may take advantage of the Homeowners Choice offer. Homeowners Choice has agreed to provide a limited representation agreement to all AKIC agents in connection with their program to provide replacement insurance coverage. **Agents are asked to contact Homeowners Choice through its agent hotline at (727) 213-3607 for additional information regarding this offer.**

UPDATE ON PREMIUM REFUND ISSUES:

The Florida Insurance Guaranty Association (“FIGA”) will pay claims for premium refunds/unearned premium after the Receiver completes its processing of the policy records and sends the unearned premium records to FIGA. The Receiver currently anticipates that return premium checks will have been issued by the end of January 2010. 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 FIGA. A policyholder may file a claim in the AKIC receivership for the \$100 deductible. The Receiver will send proof of claim forms or otherwise provide instructions for filing a claim for amounts not covered by FIGA.

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 questions regarding the receivership. You may also contact the Florida Department of Financial Services, as Receiver, at (850) 413-3081 or toll free at 1-800-882-3054.

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