



DEPARTMENT OF FINANCIAL SERVICES

Division of Rehabilitation and Liquidation
www.myfloridacfo.com/Receiver

POLICY NUMBER
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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.myfloridacfo.com/Receiver
(If you need a Spanish version of this notice, visit the Receiver's website at www.myfloridacfo.com/Receiver)

NOTICE TO POLICYHOLDER – OCTOBER 18, 2011
Regarding the Liquidation of National Group Insurance Company
And Cancellation of Policies

Dear Policyholder:

This letter is being sent to you because records indicate that you are or have recently been a policyholder of National Group Insurance Company ("NGIC"). Effective on October 10, 2011, National Group Insurance Company was ordered liquidated by the Second Judicial Circuit Court in Leon County, Florida. The Florida Department of Financial Services was previously appointed as Receiver of NGIC. Unfortunately, the company's financial condition prohibited any realistic chance for a successful rehabilitation. A copy of the liquidation order for NGIC is available on the Receiver's website, www.myfloridacfo.com/receiver.

POLICY CANCELLATION:

By Court Order, NGIC's policies that were in effect as of the liquidation date are cancelled effective 12:01 a.m. on November 9, 2011, unless otherwise terminated prior to that date in the normal course of business. **PLEASE CONTACT YOUR AGENT IMMEDIATELY TO OBTAIN REPLACEMENT INSURANCE COVERAGE SO THAT YOU DO NOT HAVE ANY LAPSE IN INSURANCE COVERAGE AFTER THE CANCELLATION OF YOUR NGIC POLICY.** Your agent is best able to advise you as to your insurance options. To assist your agent and you in this process, we also have notified your agent directly of the cancellation of your Insurance Policy.

PREMIUM ISSUES:

If your policy premium was paid under an installment payment plan, please discontinue remitting installment payments to NGIC at this time.

Premium Refunds/Unearned Premium: The refund process is defined by Florida Statutes, Chapter 631. The Receiver's office is responsible for determining the calculation of each unearned premium refund. Once the calculations are completed, the refund amount is forwarded to the Florida Insurance Guaranty Association ("FIGA") and they will issue checks for unearned premium claims in excess of \$100. FIGA does not cover claims of \$100 or less. If you have questions about the refund check amount you received, you should contact the Receiver for assistance. FIGA does not have a breakdown of the calculation and will not be able to provide assistance on these issues.

The Receiver will seek court approval to deem file unearned premium claims not paid by FIGA (these claims will include the first \$100 not covered by FIGA) or for any gross unearned premium claims that are less than \$100. These amounts are now claims against the NGIC estate. No further action is required by unearned premium claimants.

CLAIMS ISSUES:

With the entry of the liquidation order, FIGA has been 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). 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 NGIC policy. A policyholder may file a claim in the NGIC receivership for the \$100 deductible and for amounts over the cap. The Receiver will send proof of claim forms and instructions for filing a claim. For additional general information regarding FIGA, please visit the guaranty association's website at www.figafacts.com.

If you need to check on the status of an existing claim that you previously filed with NGIC or to report a new claim, please contact your agent or contact the Florida Insurance Guaranty Association at 1-866-988-1450 (toll-free).

All policyholders are informed that the deadline for filing claims in the NGIC receivership is 11:59 p.m. on October 10, 2012. Proof of Claims forms will be available to potential claimants within the next few months. Per Section 631.68, Florida Statutes, the deadline for settling a claim or filing suit against FIGA is October 10, 2013 (i.e., one year after the Receiver's claim filing deadline).

CONTACTING THE RECEIVER:

Please contact the Receiver by using the "Contact Us" form at the Receiver's website, www.myfloridacfo.com/Receiver 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 (850) 413-3081 or toll free at 1-800-882-3054.

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