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Mississippi Insurance Department  
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After Hurricane Katrina made landfall, the Mississippi Insurance Department ("Department") issued a press release calling on the insurance industry to impose a 60-day moratorium on cancellation/non-renewal for non-payment of premiums. While we think this directive has served the impacted citizens very well, we need to clarify the scope of the moratorium.

The 60-day moratorium began on August 29, 2005, the date Hurricane Katrina hit the Mississippi Gulf Coast.

Per our earlier request, we asked for this moratorium for all policyholders in the "impacted areas". Due to the urgency of the moratorium and the fact that no one was certain how widespread the damage was, we were not able to define the impacted areas. My office has been contacted by numerous carriers and insureds seeking clarification. As a result, we are defining "impacted areas" as all those counties abutting and south of Interstate I-20. While there may be other areas with damage from Hurricane Katrina, we are asking that insurance companies address policyholders in those areas on an individual basis.

We need to emphasize that this "moratorium" is not a waiver; it is only an extension or grace period in which to pay the premium. After the 60 days, the policyholder will have to resume making premium payments. The Department requests insurance companies work with the impacted policyholders in repaying the premiums that would have become due during the moratorium period by either allowing a repayment plan or a further extension in paying the amount due in full.

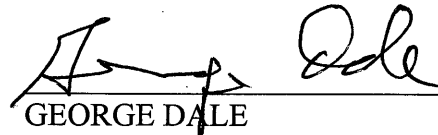
This moratorium applies only to cancellations/non-renewals that are attributed to a failure to pay premiums during the 60-day period. If a policy is to be cancelled or non-renewed for any other allowable reason, the cancellation or non-renewal may be made pursuant to the statutory notice requirements. However, the Department would request insurance companies take into consideration that persons in the heavily impacted areas may be unable to receive a notice of cancellation or non-renewal due to evacuation or delayed postal service in that area.

Insurance companies may continue to send premium notices to persons in the impacted area; however, direct billing payments should cease unless the insurance company has the approval of the

policyholder in the impacted area to continue said direct billing payments.

Also, some insurance companies have encountered situations where they have been unable to forward or deliver claim checks to claimants because the claimant has evacuated and/or there is no postal service in the area. We urge the insurance companies to try and make contact with the impacted policyholders. Furthermore, we ask impacted policyholders who were expecting pre-Katrina insurance claim checks such as health, workers' compensation or disability checks, to contact their insurance company to arrange for delivery.

With respect to other notices, forms or correspondence an insurance company may send to its policyholders residing in the impacted area, the Department requests that the insurance company be cognizant and take into consideration that the policyholders may have evacuated and/or have no postal delivery and, therefore, may not receive said notices, forms or correspondence.

A handwritten signature in black ink, appearing to read "George Dale", is written over a horizontal line.

GEORGE DALE  
COMMISSIONER OF INSURANCE