

[address]

Re: Policy Number _____
Claim Number _____

Dear Policyholder:

State Farm has agreed with the MID that on eligible claims for foundation and pier only sites ("slab" claims), State Farm will make an offer to participating policyholders in an amount which, in total, would have a value equivalent to no less than fifty percent (50%) of the Coverage A limits,¹ subject to policy limits and subject to deduction for prior payments.²

In _____, 2007, we mailed you a notice pursuant to an agreement between State Farm Fire and Casualty Company ("State Farm") and the Mississippi Insurance Department ("MID") to reevaluate claims for wind damage by policyholders with property in Harrison, Hancock, or Jackson County, Mississippi. The purpose of this notice is to advise you that you can still participate in the re-evaluation program by mailing the enclosed form to State Farm. If you are represented by an attorney, you should notify your attorney about this communication and seek his or her advice regarding the matters discussed in this letter.

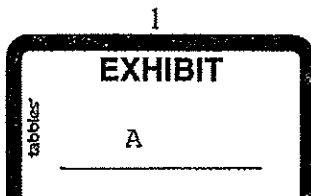
Our review indicates that the property insured by your State Farm policy was located in Harrison, Hancock, or Jackson County and that only a foundation or pier remained following Hurricane Katrina. In order to complete our review of your claim, we need to verify our information regarding you and your property. If you are interested in participating in this reevaluation process, please complete and return the enclosed form. If there is additional information that you would like for State Farm to consider, you can also provide it with this form, but it is not necessary for you to provide additional information in order to receive an offer from State Farm.

A pre-paid self-addressed envelope is enclosed for your convenience. **Please return the form to State Farm, postmarked no later than August 29, 2008.**

Your participation in this reevaluation process is completely voluntary. By requesting reevaluation, you have not bound yourself to take any further action. Until you have received an offer, you remain completely free to pursue all of your legal rights. If you accept

¹ "Coverage A Limits" means the limits for Coverage A Dwelling (under the homeowners program) or Coverage A Building (under the commercial program) shown on the declarations page of your insurance policy, together with inflation coverage, if applicable to your policy.

² Deductions for prior payment may include flood payments, but only to the extent necessary so that the total of all payments made by State Farm and any provider of flood insurance do not exceed the applicable limits of coverage under the policyholder's applicable State Farm policy.



State Farm's settlement offer, you will have to execute a release. You will have 21 days from the date of State Farm's mailing of an offer to accept the offer, or it will be deemed to have been rejected by you. Additional information about your options will be provided with your offer.

The process of reevaluation agreed to by State Farm with the MID represents a compromise and is not an admission by State Farm that your claim was not correctly evaluated during its first review or of any wrongdoing on State Farm's part or a concession by State Farm as to any interpretation of the relevant insurance policy.

If you have any questions, please call 1-866-7KATRINA.

Enclosure: Resolution Form