

May 26, 2009

To: Fireman's Fund Producers

Subject: Natural Catastrophe Event Binding Authority Limitations Reminder

The 2009 Hurricane Season is nearly upon us, and we would like to remind you of our Underwriting posture and the binding authority limitations that we may temporarily impose during this season. Also outlined below are binding authority limitations for other catastrophic events such as quakes and wildfires that may apply anytime during the year.

Your agency contract outlines the binding authority Fireman's Fund Insurance Company has extended to you. However, when a Natural Catastrophic Event (tropical storm/ hurricane, quake, or wildfire) is declared in accordance with the following criteria, it is our policy to suspend the binding of new business and any changes or additions to properties currently insured by Fireman's Fund Insurance Company. The temporary suspension of binding authority is governed by the characteristics of the declared Natural Catastrophic Event as follows:

Hurricanes or Storms in the Atlantic Ocean or Gulf of Mexico declared by the Nat'l Weather Service:

- ✓ Northwest of the boundaries of 70 degrees west longitude and 20 degrees north latitude, (which is just slightly north of the Dominican Republic), and
- ✓ Within 100 miles of any coastal area or extending beyond the 100 miles based upon the anticipated tracking and path of the Named Storm Event when a watch or warning has been declared.

Hurricanes or Storms in the Pacific Ocean declared by the National Weather Service:

- ✓ Northwest of the boundaries of 145 degrees west longitude and 15 degrees north latitude (which is southeast of the Hawaiian Islands), and
- ✓ There is the publication or broadcast of a tropical storm/hurricane watch by the Central Pacific Hurricane Center.

Earthquake declared by the U.S. Geological Survey:

- ✓ Moratorium is in effect *automatically* for 72 hours following a 5.0 or higher Richter Scale event applicable to all property within 50 mile radius from the epicenter.

Wildfires declared or reported by local fire management authority:

- ✓ Any property within an active warning or evacuation order issued by local officials.

The above parameters are general and Fireman's Fund Insurance Company will provide specific direction after events, which may vary from these guidelines. The specific directions shall always govern.

Binding authority limitations are placed in force to help control exposure to high-risk situations and allow us to focus on the needs of, and obligations to, our existing customers in times of looming catastrophes. These binding authority limitations will be applied to territories which vary by event and will be in force for a duration which also varies by event.

If you have any questions or need to bind a specific location during a limitation period, please contact your local Fireman's Fund Underwriter, Underwriting Manager, or Territorial Sales Director. Thank you for honoring these very important binding authority limitations.

Please make this bulletin available to all personnel in your agency