



INSURANCE ADVISORS LLC
COMMERCIAL REAL ESTATE SPECIALISTS

July 11, 2006

TO: Katie Schwarting – MBA
FROM: Bernie Brown
RE: Florida (and Southeast) insurance

The following are the major insurers writing coverage in Florida:

Citizens
American International Specialty, Lexington
Axis
Commonwealth
Continental Casualty
Crum and Forster, US Fire
Empire Indemnity
Essex
Federal (Chubb)
General Star (General Reinsurance)
Hanover
Lloyds
Nationwide
RSUI
Selective
Steadfast, Zurich
Travelers E&S, Travelers Indemnity
Westchester surplus lines

According to the head of the real estate practice at a major insurance broker:

1. All carriers are substantially reducing their capacity.
2. Large portfolios have wind sub-limits, ranging from \$25 to \$100 mil sub-limit.
3. Thankfully we are not seeing much annual aggregated wind sub-limits.
4. PML's are being used to establish availability of insurance, just like California

EQ.

5. Are the construction data correct and complete?
6. Is the reported Total Insured Value (TIV) correct?
7. Some insurers offering "wind" coverage, but excluding Named Storms!
8. This is a new world we live in and it will only get more difficult.