

RICHMOND MANOR APTS., INC.,  
THE GURKIN FAMILY LIMITED  
PARTNERSHIP, INTRACOASTAL  
TERRACE CONDOMINIUM ASSN, INC.,  
and SERENA VISTA CONDOMINIUM  
ASSN, INC., individually, and on behalf  
of all those similarly situated,

Plaintiffs,

vs.

CERTAIN UNDERWRITERS AT LLOYD'S  
LONDON, and LLOYD'S UNDERWRITERS  
AT LONDON,

Defendants.

**NOTICE OF PENDENCY OF CLASS ACTION,  
PROPOSED SETTLEMENT, AND SETTLEMENT HEARING**

**TO:** All of Certain Underwriters at Lloyd's, London and Lloyd's Underwriters at London ("Defendants") insureds who were issued a policy by one of Defendants' Coverholders and who have submitted a claim or claims for hurricane damage within the Applicable Time Period on a policy that completely omits the required language of 627.701, Florida Statutes, where Defendants applied a Separate Hurricane Deductible, and where the insured incurred a loss as a result of the application of that Separate Hurricane Deductible.

This Notice is given pursuant to Rule 23 of the Federal Rules of Civil Procedure and by Order of the United States District Court for the Southern District of Florida. The purpose of this Notice is to inform you of a class action lawsuit, now pending in this Court, that has been brought on behalf of persons who are insured by Certain Underwriters at Lloyd's, London and Lloyd's Underwriters at London, ("Defendants") who have a policy that contains a separate hurricane deductible. Also accompanying this Notice is a copy of a Proof of Claim and Release ("Claim Form") which must be filled out and mailed within the time limits discussed in this Notice in order to participate in this Settlement. Capitalized terms used herein shall have the meanings set forth in the Stipulation of Settlement ("Stipulation").

1. **WHY SHOULD YOU READ THIS NOTICE?**

Your rights may be affected by a proposed settlement (the "Settlement") in *Richmond Manor Apts., Inc. et al. v. Certain Underwriters at Lloyd's, London et al.* (Case No. 09-60796-CIV-ALTONAGA/SIMONTON) (the "Litigation") pending in the United States District Court for the Southern District of Florida (the "Court"). The Representative Plaintiffs have agreed to settle and release all claims against the Defendants in the Litigation in exchange for the Defendants' agreement to make settlement payments to members of the Class as set forth below.

You may be a member of the Settlement Class and could therefore be entitled to receive the benefits of the Settlement. As a member of the Settlement Class, however, you would also be bound by the release and other provisions of the Settlement if it is approved by the Court. You may elect to opt out of the Settlement Class and the Settlement, as explained below, if you comply with the procedures described in this Notice. You also have a right to object to the Settlement or portions thereof, but only if you comply with the procedures described in this Notice.

2. **WHAT IS THIS LITIGATION ABOUT?**

The complaint alleges that the policies of insurance issued by the Defendants' Coverholders (agents of the Defendants authorized by the Defendants to enter into contracts of insurance on Defendant's behalf) contained an unenforceable Separate Hurricane Deductible. Accordingly, the Representative Plaintiffs made a claim that the Defendants need to reimburse Class Members if the Defendants applied a separate hurricane deductible for the difference between the Separate Hurricane Deductible in the policy and the "all perils" or "all other perils" or "AOP" deductible in the policy.

The Defendants deny all averments of wrongdoing or liability in the Litigation and all other accusations of wrongdoing or violations of law, and have asserted numerous defenses to the claims alleged. The Defendants further assert that Settlement is not and shall not be construed or be deemed to be evidence or an admission or a concession on the part of the Defendants of any fault or liability or damages whatsoever, and they do not concede any infirmity in the defenses they have or could have asserted in the Litigation.

NO DETERMINATION HAS BEEN MADE ON THE MERITS OF THE REPRESENTATIVE PLAINTIFFS' CLAIMS AGAINST THE DEFENDANTS, OR THE DEFENSES THERETO. THIS NOTICE DOES NOT IMPLY THAT THERE HAS BEEN OR WOULD BE ANY FINDING OF VIOLATION OF THE LAW OR THAT RECOVERY COULD BE HAD IN ANY AMOUNT IF THE ACTION WERE NOT SETTLED.

The Court issued an Order preliminarily approving this Settlement and conditionally certifying this case as a class action on June 9, 2011. You are receiving this Notice because you may be a member of the class and may be entitled to monetary compensation from the Settlement.

### 3. WHAT ARE THE TERMS OF THE SETTLEMENT?

The terms of the Stipulation are summarized in this Notice. A copy of the Stipulation, Orders entered by the Court, and pleadings or other papers filed in the Litigation may be inspected at the Office of the Clerk of the Court, United States District Court for the Southern District of Florida, Wilkie D. Ferguson, Jr. United States Courthouse, 400 North Miami Avenue, Miami, FL 33128.

#### a. The Settlement Class.

The Settlement is on behalf of the following class ("Settlement Class"):

All of Defendants' insureds who were issued a policy by one of Defendants' Coverholders and who have submitted a claim or claims for hurricane damage within the Applicable Time Period on a policy that completely omits the required language of 627.701, Florida Statutes, where Defendants applied a Separate Hurricane Deductible, and where the insured incurred a loss as a result of the application of that Separate Hurricane Deductible.

"Applicable Time Period" means insurance claims made under Defendants' policies for which the date of loss was on or after March 24, 2003 and through all claims made under Defendants' policies on or before May 15, 2009.

#### b. Class Settlement Common Fund.

The Defendants will deposit into a bank account the total amount of Thirty-Nine Million Dollars and no cents (\$39,000,000.00) for the benefit of the Settlement Class and payment of all Claims Payments, Attorneys' Fees, Costs and Participation Award to the Representative Plaintiffs. This is the Class Settlement Fund, and it is a common fund. The Defendants deny that they owe damages to the Class, but are willing to settle the Class claims by funding the Class Settlement Fund amount.

#### c. Claim Payments.

If the Settlement is approved by the Court, each Settlement Class Member who files a timely and complete Proof of Claim will be entitled to no more than sixty-five (65%) percent of the difference between the Separate Hurricane Deductible and the "all perils" or "other perils" deductible. For example, if the face value of the policy is \$100,000.00 with a 5% Separate Hurricane Deductible and a \$1,000.00 all perils deductible, the Claim Payment shall be no more than the following:  $((\$5,000.00 - \$1,000.00) * .65) = \$2,600.00$ .

The Claim Payments shall be determined based on information contained in the Defendants' claims files, analysis of these claims files and information that you provide with your Claim Form. If there is insufficient information to either identify your claim and/or determine your loss amount, you may be required to provide additional information or documentation evidencing your membership in the class and the amount of your damages.

#### d. The Releases and Dismissal with Prejudice.

In exchange for the settlement consideration provided by the Defendants, and if the Settlement is approved, the Litigation will be dismissed with prejudice as to the Defendants. The Defendants will receive a specific release and discharge from the Representative Plaintiffs. In addition, the Defendants will receive a release and discharge from the Settlement Class (which would not include members of the Settlement Class who timely and validly elected to opt out of the Settlement as discussed below). Each Representative Plaintiff and all Settlement Class Members who do not timely and validly opt out for themselves and their estates, heirs, and assigns, hereby fully and unconditionally release, relinquish and forever discharge, covenant not to sue, and shall forever be enjoined from prosecuting all Defendants, their past or present subsidiaries, parents, and/or affiliates, successors and predecessors in interest, their assigns, acquirers, divisions, representatives, heirs, officers, directors, shareholders, agents, managing agents, employees, attorneys, auditors, accountants, underwriters, advisers, insurers, co-insurers, re-insurers, and/or consultants, and any person, firm, trust, corporation, officer, director or other individual or entity in which any Defendant has a controlling interest or which is related to or affiliated with any of the Defendants, the legal representatives, heirs, predecessors, successors in interest or assigns of the Defendants and/or any members of the immediate family of any Defendant, and the statutory corporation known as the Society of Lloyd's created by the Lloyd's Act (1871) and all of its officers, directors, employees, agents, divisions, affiliates, and assigns, from any and all direct, individual, representative, or class claims, debts, demands, rights or causes of action or liabilities whatsoever, whether based on federal, state, local, statutory or common law, foreign, international or any other law, rule or regulation, whether fixed or contingent, accrued or un-acrued, liquidated or un-liquidated, at law or in equity, matured or un-matured, whether class or individual in

nature, direct or derivative, including both known claims and unknown claims that arise out of, are based upon, are related to or on account of any of the claims that were or could have been asserted by the Representative Plaintiffs in this Litigation, including, without limitation, those specifically set forth in the Fifth Amended Complaint and any allegations of bad faith and/or unfair claims handling arising out of Defendants' implementation or application of a Separate Hurricane Deductible.

4. HOW DO I FILE A CLAIM?

The Settlement contemplates certain Settlement Payments to each Member of the Settlement Class that submits a timely and complete Claim Form to the Claims Administrator at the following address:

**Hurricane Deductible Claims Administrator**  
c/o Kurtzman Carson Consultants LLC  
P.O. Box 6177  
Novato, CA 94948-6177

In order to be entitled to receive any payment from the Settlement, you must complete and sign a Claim Form and mail it to the Claims Administrator with a postmark of no later than August 29, 2011. If you do not mail your Claim Form by this deadline, you will be deemed to have waived your right to receive any payment from the Settlement. You will receive two Claim Forms. As indicated on the Claim Forms, you should complete the Category 1 Claim Form if you have received payment from Defendants for your hurricane claim. You should complete the Category 2 Claim Form if you have not received payment from Defendants for your hurricane claim. If you complete a Category 2 Claim Form, you will be asked to provide additional written documentation of your claim because the Defendants do not have sufficient information in their files to determine your Settlement Amount. You may also be required to provide additional written support if the Claims Administrator is unable to determine the amount you are owed.

5. WHAT IF I WANT TO EXCLUDE MYSELF FROM THE SETTLEMENT CLASS?

If you do not want to be a member of the Settlement Class, you must send a signed statement to that effect to the following:

**Hurricane Deductible Claims Administrator**  
c/o Kurtzman Carson Consultants LLC  
P.O. Box 6177  
Novato, CA 94948-6177

In order to be valid, each such request for exclusion must set forth your name, address, Social Security Number (for identification purposes) and telephone number and must state that you "request exclusion from the Settlement Class in *Hurricane Deductible Insurance Litigation*," and must be signed by you. You must also provide, for verification purposes: (1) the policy number and effective dates of any property insurance policy with the Defendants that was in effect on the date that your property was damaged by a hurricane; and (2) the date of the claim you filed with the Defendants for damage the hurricane caused to your property. The request for exclusion shall not be effective unless it provides the required information and is made within the time stated below, or the exclusion is otherwise accepted by the Court.

To be considered timely and to effectively opt out of the Settlement, your completed signed statement advising of your election to opt out must be postmarked by no later than August 29, 2011. If it is not postmarked by that date, your right to opt out will be deemed waived and you will be bound by the terms of the Settlement all orders and judgments entered in connection with the Settlement.

If you choose to opt out of the Settlement Class, you will not be entitled to receive the benefits of the Settlement with the Defendants, including any payment from the Settlement Fund. Your claims against the Defendants will not be released and you will be free to pursue any claims you believe you have by filing a separate action or request for arbitration if you are subject to an arbitration agreement.

6. WHAT WILL HAPPEN AT THE FAIRNESS HEARING?

The Court has scheduled a hearing to consider the fairness, reasonableness and adequacy of the Settlement with the Defendants, together with certain other matters, to be held on September 30, 2011, 9:00 a.m., at United States District Court for the Southern District of Florida, Courtroom 12-2, Wilkie D. Ferguson, Jr. United States Courthouse, 400 North Miami Avenue, Miami, FL 33128, Hon. Judge Altonaga presiding (the "Fairness Hearing"). The Order scheduling that hearing also provides that it may be adjourned by the Court and that no additional notice will be provided to potential members of the Settlement Class other than an announcement in open court.

At the Fairness Hearing, the Court will consider several different issues, including the following: (a) whether the Settlement is fair, reasonable, and adequate to members of the Settlement Class; (b) whether to enter orders that would prevent members of the Settlement Class from asserting certain claims against the Defendants in the future; (c) whether to approve the application for a payment of a participation award to the Class Representative by the Defendants; and (d) whether to approve an application by Counsel for the Settlement Class for attorneys' fees and costs to be paid from the Class Settlement Fund.

7. CAN I PARTICIPATE IN THE FAIRNESS HEARING?

You have a right to appear at the Fairness Hearing and the right to object to the Settlement. Anyone who objects to the Settlement, the Settlement Agreement, the application for attorneys' fees or the other matters to be considered at the Fairness Hearing may appear and present such objections. In order to be permitted to do so, however, **you must**, on or before August 29, 2011:

- a. File with the Court a notice of your intention to appear, together with a written statement setting forth the factual and legal basis for your objections, if any, to the matter to be considered and the basis for these objections, together with any documentation that you intend to rely upon at the Fairness Hearing and a list of all witnesses who you intend to call to support your objection;
- b. Simultaneously serve copies of all such materials either by hand delivery or by First-Class Mail, postage pre-paid, upon the following counsel:

**Settlement Class Counsel:**

Edward H. Zebersky, Esq.  
Zebersky & Payne, LLP  
110 S.E. 6<sup>th</sup> Street, Suite 2150  
Fort Lauderdale, FL 33301  
  
Seth Miles, Esq.  
Grossman Roth, P.A.  
2525 Ponce de Leon Blvd., Suite 1150  
Coral Gables, FL 33134

**Defendants' Counsel:**

Christopher M. Kise, Esq.  
Melissa B. Coffey, Esq.  
Foley & Lardner LLP  
106 E. College Ave., Suite 900  
Tallahassee, FL 32301

If you do not comply with the foregoing procedures and deadlines for submitting written objections and/or appearing at the Fairness Hearing, you may lose substantial legal rights, including but not limited to, the right to appear at the Fairness Hearing; the right to contest approval of the Settlement or the application for an award of attorneys' fees and costs to Class Counsel; the right to contest approval of the application for an award of a participation award to the Representative Plaintiffs; or the right to contest any other orders or judgments of the Court entered in connection with the Settlement. If the Court does not approve the Settlement, the Settlement Agreement will be null and void and you will not recover under the Settlement.

8. WHAT ABOUT ATTORNEYS' FEES AND EXPENSES?

At the Fairness Hearing, Settlement Class Counsel will apply to the Court for no more than \$9,000,000.00 for attorneys' fees, costs, and expenses.

9. WHAT IS THE REPRESENTATIVE PLAINTIFFS' PARTICIPATION AWARD?

In addition to the application for attorneys' fees and expenses described in the preceding section, in connection with the Court's consideration of the Settlement, Richmond Manor Apts., Inc. and the other Representative Plaintiffs intends to each seek an award from the Court in the amount of up to \$25,000.00, which, if awarded, would be in addition to the settlement consideration that will be available to members of the Settlement Class. If the Court awards the Representative Plaintiffs this participation award, that amount will be paid from the Class Settlement Fund.

10. WHO CAN I CONTACT WITH QUESTIONS?

If you have questions regarding this Notice, the Settlement with the Defendants or the Action generally, you can obtain additional information from the following sources:

**Hurricane Deductible Claims Administrator**

c/o Kurtzman Carson Consultants LLC  
P.O. Box 6177  
Novato, CA 94948-6177  
1-800-948-1691

**Settlement Class Counsel:**

Edward H. Zebersky, Esq.  
Zebersky & Payne, LLP  
110 S.E. 6<sup>th</sup> Street, Suite 2150  
Fort Lauderdale, FL 33301

Seth Miles, Esq.  
Grossman Roth, P.A.  
2525 Ponce de Leon Blvd., Suite 1150  
Coral Gables, FL 33134

**PLEASE DO NOT CALL THE COURT, YOUR INSURANCE AGENT OR THE CLERK'S OFFICE.**

Dated: July 15, 2011