



August 31, 2010

Valued Partners,

We are concerned about Hurricane Earl and are watching the storm closely.

Our internal Claims Team at NSM as well as the Property Team at York is on alert and ready to respond if losses occur due to the storm. As a reminder for the procedure for reporting of losses, we are also sending detailed instructions in the second attachment.

We are ready: we have a CAT Response Plan prepared for these occasions. We are a key client to York, and we thus have commitments in place that their Claim Service team and Specialty Loss Adjusting (SLA) division will be reserved to service the CHAMP Program accounts.

In a CAT situation resources become scarce and dispatching them appropriately is at the core of our CAT Response Plan. The control hub at York Claims will serve to triage losses through initial telephone contact with policy holders and will dispatch resources as quickly as possible.

In anticipation of the storm, please encourage our policy holders to prepare their properties as much as they can.

Following the storm, insureds are encouraged to mitigate damages to the greatest extent possible. We will not question mitigation expenses incurred by an insured if they are reasonable. We advise policy holders to use common sense and maintain detailed records when mitigating damages after a storm. Digital photographs are also helpful to memorialize damages.

As always, NSM's internal claims team remains committed to exceeding our policyholder's expectations in all claim situations, particularly following a catastrophic event.

I encourage you to involve me immediately with any concerns. I will monitor email throughout the holiday weekend.

Best Regards,

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