

IN THE CIRCUIT COURT OF HINDS COUNTY, MISSISSIPPI  
FIRST JUDICIAL DISTRICT

**FILED**

AUG - 6 2008

BARBARA DUNN, CIRCUIT CLERK

BY PLAINTIFF D.C.

JIM HOOD, ATTORNEY GENERAL FOR  
THE STATE OF MISSISSIPPI, *ex rel.* THE  
STATE OF MISSISSIPPI

V.

Civil Action No. 251-07-565 CIV

STATE FARM FIRE AND  
CASUALTY COMPANY

DEFENDANT

**AGREED FINAL ORDER OF DISMISSAL OF  
COMPLAINT AND COUNTERCLAIM WITH PREJUDICE**

THIS CAUSE came on for consideration on joint motion *ore tenus* by Jim Hood, Attorney General for the State of Mississippi, *ex rel.* The State of Mississippi and by State Farm Fire and Casualty Company (State Farm) for dismissal with prejudice of the Complaint and of State Farm's Counterclaim, heretofore withdrawn without prejudice, with prejudice, each party to bear its own costs and fees, including but not limited to attorneys' fees. Being fully advised in the premises, the Court finds that the parties have resolved their dispute on the terms set forth in Exhibit "1" hereto; that the Motion is well taken; and that it should be granted in all respects.

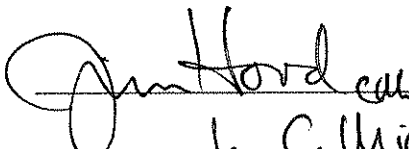
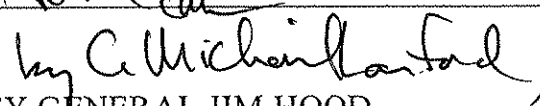
IT IS, THEREFORE, ORDERED that the Complaint by Jim Hood, Attorney General for the State of Mississippi, *ex rel.* The State of Mississippi and the Counterclaim by State Farm, previously withdrawn *without* prejudice, be and they are

hereby finally DISMISSED WITH PREJUDICE, each party to bear its own costs and fees, including but not limited to attorneys' fees.


SO ORDERED, this 6<sup>th</sup> day of August, 2008.

  
CIRCUIT JUDGE

AGREED AND APPROVED FOR ENTRY:

  
by , Deputy Atty Gen.  
# 1024  
ATTORNEY GENERAL JIM HOOD  
P. O. BOX 220  
JACKSON, MS 39205

ONE OF THE ATTORNEYS FOR PLAINTIFF

  
W. SCOTT WELCH, III, MB No. 7093  
P. O. Box 14167  
JACKSON, MS 39236-4167

ATTORNEY FOR STATE FARM  
FIRE AND CASUALTY COMPANY

ATTEST A TRUE COPY

AUG -6 2008

BARBARA DUNN, CIRCUIT CLERK

BY  D.C.

## AGREEMENT

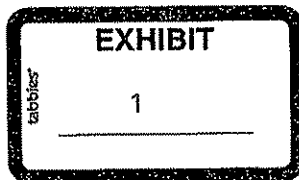
With respect to the 148 eligible foundation and/or pier only policyholders with property in Hancock, Harrison, or Jackson Counties in Mississippi who (1) had Katrina slab claims with State Farm; (2) were sent mailed notice by State Farm in 2007 regarding State Farm's agreement with the Mississippi Department of Insurance to re-evaluate their claims (the "Re-Evaluation Program"),<sup>1</sup> (3) have not submitted the Resolution Form provided for a re-evaluation of their property pursuant to the Re-Evaluation Program, and (4) have not provided a release to State Farm after being mailed notice of the Re-Evaluation Program, State Farm agrees to mail yet another notice<sup>2</sup> to these policyholders within 10 business days of this Agreement in order to advise the policyholders that if they want their claims reviewed pursuant to the Mississippi Department of Insurance agreement with State Farm, they should submit their claims for re-assessment to State Farm by August 29, 2008.

State Farm will provide these policyholders, who submit a claim for re-evaluation postmarked on or before August 29, 2008, an offer pursuant to its agreement with the Department of Insurance. A policyholder sent a notice pursuant to this Agreement and who submits a claim for re-evaluation, will have 21 days from the date of State Farm's mailing of an offer to accept the offer, or it will be deemed rejected. These policyholders will have 30 days after the date of actual or deemed rejection, whichever is earlier, of an offer to pursue legal action without losing any legal rights that existed on August 29, 2008, and policyholders to whom an offer is made will be advised of this fact in the offer letter. All offer letters to the eligible foundation and/or pier only policyholders described herein shall contain the following language: "State Farm will not raise the

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<sup>1</sup> Six persons previously sent notice were not eligible for the following reasons: (1) policy excluded wind (two policies), (2) no policy in force, (3) paid Coverage A limits, (4) insured property sold prior to Hurricane Katrina, (5) duplicate file and (6) settled. These ineligible policyholders are not included in this extension of the Re-Evaluation Program.

<sup>2</sup> In the form attached as Exhibit "A."

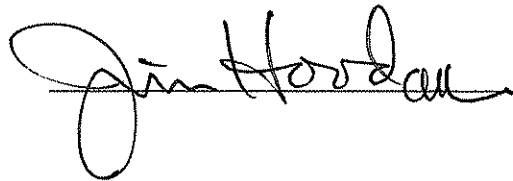


affirmative defense of the statute of limitations in any legal action filed by you within 30 days of your actual or 'deemed' rejection of our offer, whichever is earlier, but it may raise all other defenses otherwise available to it."

Mississippi Attorney General, Jim Hood, in exchange for State Farm's agreement as described herein, agrees to dismiss with prejudice his Complaint in the lawsuit entitled *Jim Hood, Attorney General for the State of Mississippi, Ex Rel. the State of Mississippi, vs. State Farm Fire and Casualty Company*, Civil Action No. 251-07-565 CIV, pending in the 1<sup>st</sup> Judicial District of the Circuit Court of Hinds County, Mississippi. State Farm, in turn, agrees to dismiss its Counterclaim, which was previously withdrawn without prejudice, with prejudice. The dismissals will be without taxation of costs, each party to bear its own costs and fees, including but not limited to attorneys' fees.

This Agreement entered into this the 6 day of August, 2008.

JIM HOOD, ATTORNEY GENERAL OF MISSISSIPPI

  
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STATE FARM FIRE AND CASUALTY COMPANY

By:   
\_\_\_\_\_

W. SCOTT WELCH, III, ITS ATTORNEY

[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,<sup>1</sup> subject to policy limits and subject to deduction for prior payments.<sup>2</sup>

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.

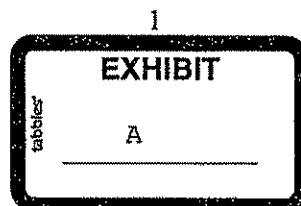
A pre-paid self-addressed envelope is enclosed for your convenience. **Please return the form to State Farm, postmarked no later than August 29, 2008.**

**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

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<sup>1</sup> "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.

<sup>2</sup> 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