

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

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

PLAINTIFF

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Company (State Farm) for dismissal with prejudice of the Complaint and of State Farm's Counterclaim, heretofore withdrawn without prejudice, with prejudice, each party to bear its own costs and fees, including but not limited to attorneys' fees.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General for the State of Mississippi, *ex rel.* The State of Mississippi and the Counterclaim by State Farm, previously withdrawn *without* prejudice, be and they are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 _____ day of August, 2008.

CIRCUIT JUDGE

AGREED AND APPROVED FOR ENTRY:

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

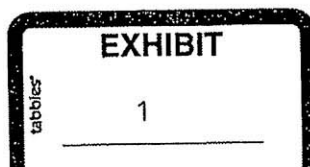
AGREEMENT

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"),¹ (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 notice² 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

¹ 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.

² 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 1st 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 ____ day of August, 2008.

JIM HOOD, ATTORNEY GENERAL OF MISSISSIPPI

STATE FARM FIRE AND CASUALTY COMPANY

By: _____
W. SCOTT WELCH, III, ITS ATTORNEY