

EXHIBIT "O"

XXEW

Exponent

Please cancel this assignment.

Claim Number: 24-Z447-028

Insured: Gagne

Thanks

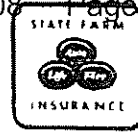
Catastrophe Team Manager

David Haddock

11-11-05

**If you have already inspected this loss, do
not write the report. Send your
investigation material with your bill.
Send the report is completed.**

*G.10
BCT*
NOV 11 2005



November 11 2005

STATE FARM INSURANCE COMPANIES
1001 East Park Road
Suite 1000
Mendota, IL 61750

ROBERT GAGNE
320 PUUNANI PL
DIAMONDHEAD MS 39525

RE Claim Number: 24-Z447-028
Policy Number 24-B9-7664-5
Location of
Insured Property: SAME AS ABOVE
Type of Policy: Homeowners Policy FP-7955

Dear Mr. Gagne

Our inspection on September 18, 2005, revealed that your property sustained damage from water. As you and Rachael Savoy discussed, wind is a covered peril under your policy; however, there was a question as to the damage caused by wind.

Due to the question of coverage, we extended additional living expenses to cover the necessary increase in costs you incurred to maintain your standard of living during our investigation.

Our investigation is now complete and we have determined that the damage to the your dwelling, dwelling extension, and personal property as defined in the policy was a result of flood, surface water, waves and/or tidal water.

Damages resulting from these causes of loss are not covered by your policy.

Since your policy does not provide coverage for this type of loss, we are unable to assist you in payment for these damages. We will no longer be able to reimburse you for your additional living expenses. Payments under this coverage will cease on 11/30/2005.

The applicable policy language of your Homeowners Policy (FP-7955) reads as follows:

SECTION I - LOSSES NOT INSURED:

- 2 We do not insure under any coverage for any loss which would not have occurred in the absence of one or more of the following excluded events. We do not insure for such loss regardless of: (a) the cause of the excluded event; or (b) other causes of the loss; or (c) whether other causes acted concurrently or in any sequence with the excluded event to produce the loss, or (d) whether the event occurs suddenly or gradually, involves isolated or widespread damage, arises from natural or external forces, or occurs as a result of any combination of these:

STATE FARM INSURANCE COMPANIES

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c **Water Damage**, meaning:

- (1) flood, surface water, waves, tidal water, tsunami, seiche, overflow of a body of water, or spray from any of these, all whether driven by wind or not,
- (2) water or sewage from outside the **residence premises** plumbing system that enters through sewers or drains, or water which enters into and overflows from within a sump pump, sump pump well or any other system designed to remove subsurface water which is drained from the foundation area; or
- (3) water below the surface of the ground, including water which exerts pressure on, or seeps or leaks through a building, sidewalk, driveway, foundation, swimming pool or other structure.

However, we do insure for any direct loss by fire, explosion or theft resulting from water damage, provided the resulting loss is itself a Loss Insured

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This Company does not intend, by this letter, to waive any policy defenses in addition to those stated above, and reserves its right to assert such additional policy defenses at any time.

If you have any additional information regarding your claim which has not been previously considered, or if you desire any additional explanation regarding this matter please contact Rachael Savoy at (866) 787-8676, ext. 4655.

Sincerely,

Kirk Angelle
Team Manager
State Farm Fire and Casualty Company

cc: Craft-Palmer 1420-24

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