

Columbia Lloyds Insurance Company

2200 W. Alabama, #210
P.O. Box 540307
Houston, TX 77254-0307



(713) 528-6686
Fax (713) 528-7003
1 (800) 275-6768

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Bob Sullivan

President

bob@columbialloyds.com

Points of Interest

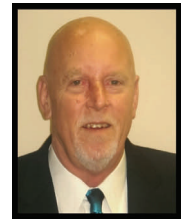
- A.M. Best Rating
- Hurricane Ike
- Underwriting Guidelines
- Automatic Increase of Limits (AIL)
- File a Claim System
- 2009 IIAT Trade Show

“The reports of my death are greatly exaggerated” - *Mark Twain*

There are various versions of Mark Twain’s quote to refute rumors of his death. According to Google this is the proper version.

This version, as well as any other notable version, could also apply to the Columbia Lloyds Group of Companies (Columbia Lloyds Insurance Company and MDOW Insurance Company).

Recently A.M. Best has affirmed the Columbia Lloyds Group financial rating of A (Excellent) with a Stable Outlook. The A.M. Best report further states, “The rating and outlook reflects Columbia Lloyds Companies’ solid risk-adjusted capitalization, continued profitable operating performance, favorable underwriting leverage and local market expertise within their niche”.



*Bob Sullivan
President*

Hurricane Ike proved to be the most challenging event faced by the Company. I’m proud to report that we made it, and “reports of our death are greatly exaggerated”. As most of you can attest, everything did not always function as everyone wanted, including me. With the addition of an experienced Claim Manager, a revised Disaster Recovery Plan and a revised Catastrophe Recovery Plan, we will be in a better position to respond to agents, insured’s, claimants and adjusters in a timely manner following a catastrophic event.

Although we did have to implement some underwriting restrictions in Harris County (Texas), we look forward to continued profitable growth throughout the remainder of Texas, Oklahoma, and Arkansas.

I encourage an open dialogue with our agents. This will enhance Columbia Lloyds Group’s efforts of achieving a better organization to assist and promote the success of our agents. As always, feel free to contact me with your suggestions or concerns.

You can visit our previous Bulletins at:
www.ColumbiaLloyds.com

Underwriting Department

Tiffany Phoummarath ~ tiffany@columbialloyds.com

I would like to take this opportunity to thank our Agents for your continued support as Columbia Lloyds continues our goal to serve the Underserved Market in Texas.

As you are aware, we are currently in a transitional period with new Underwriting Guidelines taking effect April 15th and June 1st respectively. If you did not receive a copy of our new Underwriting Guidelines and would like a copy, please feel free to email me directly at tiffany@columbialloyds.com. Any policyholder affected by these changes has been mailed appropriate notifications and material presenting the alternate insurance avenues the Texas Department of Insurance provides.



*Tiffany Phoummarath
Underwriting Manager*

My goal is to make this period as smooth as possible for the Agents. Please let us know if there is anything Columbia Lloyds can do to assist your Agency.

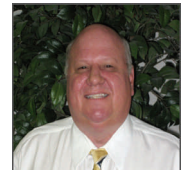
Columbia Lloyds would also like to announce the introduction of the Automatic Increase of Limits (AIL) endorsement for both product lines. Upon selecting this endorsement, you may chose to increase the dwelling coverage amount by a chosen percentage automatically each year at renewal. The AIL endorsement has already been added to Agentree and is available for selection. A copy of the endorsement has been emailed to your Agency this week, however, if additional copies are required, please contact our office.

Claims Department

Taylor Millard ~ taylor@columbialloyds.com

The claims department is still dealing with Hurricane Ike. As Houston area agents know, we are still receiving new Ike claims daily. Our turn around on non-Ike claims has improved to 1-4 days after receiving the completed estimates from the adjusting firms.

Please use the "File a Claim" feature on the website. The "File a Claim System" insures prompt assignment of claims and eliminates duplication. Faxing loss notices directly to adjusting firms can create confusion, so please use the website. Thanks for all of the good work.



*Taylor Millard
Claims Manager*

Milby D. Dunn II

Vice President, Marketing
milby@columbialloyds.com

Item of Interest

Mark your calendar to attend the 112th Conference & Trade Show, June 3-5, 2009 at the New Grand Hyatt and Henry B. Gonzalez Convention Center in San Antonio, TX. Columbia Lloyds will have an exhibit at the trade show Thursday, June 4th from 3:30-6:30 PM and Friday, June 5th from 12-4 PM.

If you plan on attending the Trade Show, please stop by and say hello. Also, don't forget to bring your business card to register for a prize. For details of the Conference & Trade Show, please visit iiat.org. Hope to see you there!



*Milby D. Dunn II
Vice President, Marketing*