

CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS

STATE OF LOUISIANA

NO. 2005-11720

DIVISION: "L"

TONI SWAIN ORRILL, INDIVIDUALLY AND ON BEHALF OF THE CLASS

VERSUS

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION

Filed: _____

DEPUTY CLERK

NOTICE OF PROPOSED CLASS SETTLEMENT AND HEARING DATE

DEAR SIR/MADAM:

Pursuant to Louisiana Code of Civil Procedure Article 594 and the Orders of the Civil District Court, Parish of Orleans, Judge Kern Reese presiding, this is to advise you that there is now pending in this Court a Class Action for damages arising out of Hurricanes Katrina and Rita, and involving all present or past insureds of Louisiana Citizens Property Insurance Corporation.

DEFINITION OF CLASS

Pursuant to the Court's judgment dated October 1, 2008, defining "The Class", the class upon whose behalf this action is being maintained is defined as:

All present or past insured of Louisiana Citizens Property Insurance Corporation a/k/a LOUISIANA CITIZENS FAIR PLAN, hereinafter referred to as "LCPIC", who, on or after August 29, 2005, provided notification of loss resulting from Hurricane Katrina and/or Rita to LCPIC, and whose loss adjustment was not initiated within thirty (30) days after notification of loss and/or whose claims were not followed by a written offer to settle within thirty (30) days after receipt of satisfactory proof of loss.

BRIEF SUMMARY OF LITIGATION

Tony Swain Orrill and Oscar Magee are the named individual plaintiffs and class representatives in the matter of "Toni Swain Orrill, individually and on behalf of the class versus AIG, et al" (as amended to now read "Toni Swain Orrill, et al versus Louisiana Citizens Property Insurance Corporation.")

The named plaintiffs have asserted that they have sustained damages as a result of Louisiana Citizen Property Insurance Corporation's failure to timely institute loss adjustment within thirty (30) days of notification of their claims for damages resulting from Hurricanes Katrina and/or Rita; and/or Louisiana Citizen's failure to make timely payment upon receipt of satisfactory approval of loss.

The class representatives and individual plaintiffs have alleged these claims of bad-faith claims adjusting on the part of Louisiana Citizens and their third party administrators (which are now dismissed from this action), and seek relief in the form of monetary damages for statutory penalties.

The Court has not ruled on the merits of the plaintiff's certain claims and certain allegations, or on the denials and other defenses made by Louisiana Citizens Property

Insurance Corporation. The purpose of this Notice is to advise you of a settlement that the plaintiffs have reached with the defendants.

Defendants have offered as settlement the amount of THIRTY-FIVE MILLION AND (\$35,000,000.00) DOLLARS, and if approved after deductions, including attorney's fees, court costs and fees to the class representatives, all remaining funds will be distributed pursuant to an Order of the Court, to Class members and individual plaintiffs who submit a "Louisiana Citizens Hurricanes Katrina and Rita Class Action Settlement Claim Form," enclosed herewith, as follows:

If the number of claimants does not exceed 30,000, those claimants who submit a Claim Form within the Claims Period as described below shall receive the sum of One Thousand Dollars (\$1,000.00) from the Qualified Settlement Trust Fund following Final Approval. If you submitted claims as a result of Hurricane Katrina and Hurricane Rita, your maximum statutory penalty award will remain \$1,000.00. If the number of claimants exceeds 30,000, then the amount that each claimant shall receive will be allocated on a pro rata basis from the Thirty-Five Million and No/100 (\$35,000,000.00) Dollar amount deposited into the Qualified Settlement Trust Account, and after the attorney's fees and costs have been distributed therefrom to the Settlement Class Counsel.

If you are ("or may be") a member of the Class, but do not receive individual notice of your rights on or before November 1, 2008, you are requested to notify the *Louisiana Citizens Class Action Claims Center, c/o The Claims Administrator, Bourgeois Bennett, LLC, P.O. Box 60600, New Orleans, LA 70160; phone number (504) 840-3850; 1-800-840-3850*, giving your correct name and current address. You will then be mailed a more detailed explanation of your rights in this litigation and placed on the mailing list for any future notifications regarding the suit.

PROPOSED FINAL SETTLEMENT

In return for this payment by Louisiana Citizens, the class members and individual plaintiffs will release and dismiss Louisiana Citizens from this class action litigation and any litigation brought by similar class members in actions pending in other jurisdictions. Plaintiff's counsel shall petition the Court for reasonable fees, court costs, and other reasonable expenses for this litigation, such to come from the \$35,000,000.00. Louisiana Citizens does not admit any wrongdoing or liability on their part; the proposed settlement with Louisiana Citizens is a compromise of disputed claims and does not mean that the defendants are liable for the claims and allegations made by the class members or the individual plaintiffs.

If approved, the settlement will discharge Louisiana Citizens from any further liability to the class members or individual plaintiffs, both in this matter and any other matters which arise pursuant to the Class Definition, contained above.

The executed Settlement Agreement may be reviewed at the Office of the Clerk of Court, Civil District Court for the Parish of Orleans, State of Louisiana, Room 402, 421 Loyola Avenue, New Orleans, Louisiana 70112, and/or copied at your expense.

**CONSEQUENCES OF CLASS MEMBERSHIP
ELECTION TO OPT OUT OF CLASS**

If you fit the above description of a class member, you have a choice whether or not to remain a member of the class on whose behalf this lawsuit and the claims upon which it was based were maintained.

If you want to be **EXCLUDED** from the class, and **DO NOT WISH TO BE BOUND BY THE SETTLEMENT AND TO RECEIVE NO SETTLEMENT BENEFITS**, you must send a written request for exclusion to the Claims Administrator by mail post marked no later than the **1st day of December, 2008**. To be valid, you must include in the request for exclusion the following:

1. Your name, address, telephone number **and** policy number;
2. A statement that you want to be excluded from the class action; and
3. Your signature affixed to the request.

Please be sure to write the words "**Exclusion Request, Louisiana Citizens Class Action Litigation/Hurricanes Katrina and/or Rita**" on the lower left hand corner of the front of the envelope.

By making this election to be excluded:

1. You will not be eligible to continue as a class member; you will not be able to object to the settlement; and you will not share in the settlement proceeds available for distribution to the class as a result of the settlement of this lawsuit;
2. You will not be bound by the dismissal of this lawsuit against Louisiana Citizens;
3. You may present claims against Louisiana Citizens, by hiring your own counsel to file your own lawsuit pursuant to applicable law.

ALL MEMBERS WHO DO NOT TIMELY EXCLUDE THEMSELVES ARE BOUND BY THE SETTLEMENT IN THE FINAL JUDGMENT OF DISMISSAL.

If you want to remain a member of the above class, and receive compensation for your claim, you must fill out and submit the "*Louisiana Citizens Hurricanes Katrina and Rita Class Action Settlement Claim Form*", enclosed herewith, with all required and requested information. Your *Louisiana Citizens Hurricanes Katrina and Rita Class Action Settlement Claim Form* must be postmarked no later than midnight, of the **11th day of December, 2008**, and shall be mailed to the Claims Administrator indicated above.

If the settlement is approved, by your remaining a class member, any claims against Louisiana Citizens for damages arising from the defendant's conduct as alleged by the class representatives will be determined in this case and cannot be presented in any other lawsuit, whether now pending or otherwise.

If the member so desires, the member may enter an appearance through counsel at that member's expense.

FAIRNESS HEARING ON SETTLEMENT

The Court will hold a hearing in Division "L" Civil District Court for the Parish of Orleans, Honorable Kern Reese, presiding, on the **15th day of December, 2008 at 9:30**

a.m. to determine whether the Court should approve the proposed settlement, as recommended by class counsel, class representatives and the individual plaintiffs.

Objections to the proposed settlement by the class members (who do not timely elect to exclude themselves from the class) will be considered by the Court at the hearing, but only if such objections are filed in writing with the Clerk of Court for the Civil District Court for the Parish of Orleans, 421 Loyola Avenue, Room 402, Civil Courts Building, New Orleans, Louisiana 70112, by mail postmarked before the **1st day of December, 2008**, and same served on class counsel and counsel for Louisiana Citizens, at your expense, if applicable. Attendance at the hearing is **not** necessary; however, class members or individual plaintiffs wishing to be heard orally in opposition to the proposed settlement, either in person or through their attorney (at their expense) should indicate in their written objection their intention to appear at the hearing. The hearing may be continued without further notice by Order of the Court.

CLASS MEMBERS WHO SUPPORT THE PROPOSED SETTLEMENT DO NOT NEED TO APPEAR AT THE HEARING OR TAKE ANY OTHER ACTION TO INDICATE THEIR APPROVAL. HOWEVER, TO BE COMPENSATED YOU MUST FILL OUT AND SUBMIT A *LOUISIANA CITIZENS HURRICANES KATRINA AND RITA CLASS ACTION SETTLEMENT CLAIM FORM* ENCLOSED HEREWITH. IF YOU DID NOT RECEIVE A CLAIM FORM WITH THIS NOTICE, YOU MAY CONTACT THE CLAIMS ADMINISTRATOR - Louisiana Citizens Class Action Claims Center, c/o The Claims Administrator, Bourgeois Bennett, LLC, P.O. Box 60600, New Orleans, LA 70160; phone number (504) 840-3850; 1-800-840-3850 - AND REQUEST SAME. THE CLAIM FORM MUST BE RETURNED POST MARKED NO LATER THAN THE 11TH DAY OF DECEMBER, 2008.

NOTICE TO ATTORNEYS OF RECORD

Copies of all documents filed with the Clerk of Court for the Civil District Court, Parish of Orleans, should be sent to the following lead counsel on behalf of the Class Members and individual plaintiffs.

Lead Counsel for the Class

Madro Bandaries, Gregory P. DiLeo, and Jeffrey Berniard
Post Office Box 56458
New Orleans, Louisiana 70156

Lead Counsel for Louisiana Citizens

John E. Unsworth, Jr., John T. Culotta, Darren A. Patin
Post Office Box 8288
Metairie, Louisiana 70011-8288

Do not call the Clerk of Court or the Court regarding this Notice; address all inquiries in writing to Lead Counsel.

New Orleans, Louisiana, this _____ day of _____, 2008.

**CLERK OF COURT
CIVIL DISTRICT COURT, PARISH OF ORLEANS**