

**State Farm®**

Providing Insurance and Financial Services

Home Office, Bloomington, Illinois 61710



January 18, 2010

**Jacksonville Operations Center**  
Centralized Catastrophe Services  
8001 Baymeadows Way  
PO Box 44083  
Jacksonville, FL 32231-4083  
Fax 877 732 6556

RE: Claim Number:  
Policy Number:  
Date of Loss:

Dear Mr. and Mrs.

We have reviewed your claim and regret we have been unable to reach an agreement with you on the extent of your loss. We would like to make every effort to resolve your claim to your satisfaction, recognizing there can occasionally be disagreements regarding any claim.

We would like to respond to your disagreement by offering you the opportunity to resolve your claim through arbitration; appraisal is not appropriate in this situation. Arbitration is a dispute resolution process which is conducted outside of the court system. Both parties are able to select a representative to present their respective positions to an independent arbitrator who would then provide the parties a final decision.

We would like to offer the services of two independent vendors who can arrange the arbitration hearing. The two vendors available for you to choose from are Resolute Systems and ADR Systems. The contact person for Resolute Systems is extension \_\_\_\_\_ and the website is [www.resolutesystems.com](http://www.resolutesystems.com). The contact person for ADR Systems is \_\_\_\_\_ and the website for ADR Systems is [www.adrsystems.com](http://www.adrsystems.com). We encourage you to visit these two websites before making a decision to accept arbitration. Following a request for services, the vendor will discuss convenient dates and locations. They will work with you to select the arbitrator to conduct the hearing from a list of neutral arbitrators.

State Farm agrees to pay for the expense of the hearing, including but not limited to the entire expense for the arbitrator.

In order to pursue arbitration, you will need to do the following:

- Send a letter to State Farm Fire and Casualty Company requesting arbitration within 60 days from the date of this letter.
- The letter should inform State Farm Fire and Casualty Company which vendor you would like to use (ADR Systems or Resolute Systems).
- **All named insureds on the policy must sign the letter.**

The letter should be mailed to:

Centralized Catastrophe Services  
PO Box 44083  
Jacksonville, Florida 32231

We would also like to take this time to remind you of two important policy conditions. Under the "Appraisal" condition of the policy, if you and State Farm Fire and Casualty Company are unable to agree on the cost to repair or replace specific covered damage for which we have already provided a specific estimate, either party may invoke the "Appraisal" condition of the policy. It states as follows:

#### SECTION I - CONDITIONS

4. **Appraisal.** If you and we fail to agree on the amount of loss, either one can demand that the amount of the loss be set by appraisal. If either makes a written demand for appraisal, each shall select a competent, disinterested appraiser. Each shall notify the other of the appraiser's identity within 20 days of receipt of the written demand. The two appraisers shall then select a competent, impartial umpire. If the two appraisers are unable to agree upon an umpire within 15 days, you or we can ask a judge of a court of record in the state where the **residence premises** is located to select an umpire. The appraisers shall then set the amount of the loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon shall be the amount of the loss. If the appraisers fail to agree within a reasonable time, they shall submit their differences to the umpire. Written agreement signed by any two of these three shall set the amount of the loss. Each appraiser shall be paid by the party selecting that appraiser. Other expenses of the appraisal and the compensation of the umpire shall be paid equally by you and us.

There is also a condition in the policy regarding your right to take legal action against State Farm arising out of a claim. It states as follows:

**SECTION I - CONDITIONS**

6. **Suit Against Us.** No action shall be brought unless there has been compliance with the policy provisions. The action must be started within one year after the date of loss or damage.

**As of July 1, 2007, Indiana Statute requires this to be two years for Homeowners Policy. The Statute does not apply to rental dwelling property.**

Be reminded if we arbitrate the dispute, the arbitrators decision will be binding on State Farm but non-binding on the policyholder(s).

This letter is not intended to be a waiver of any term or condition of the policy of insurance issued by State Farm Fire and Casualty Company to you. State Farm Fire and Casualty Company is not waiving any defense that may presently exist or come to exist in the future with regard to the claim that you have made with State Farm Fire and Casualty Company.

If you have any further questions regarding your claim, please contact us

Sincerely,

Claim Representative  
State Farm Fire and Casualty Company

cc: