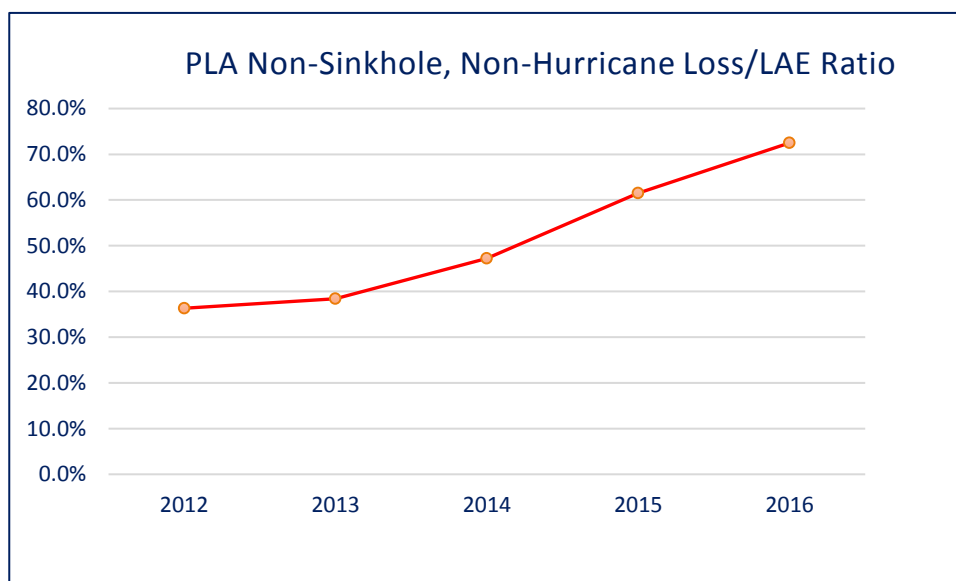
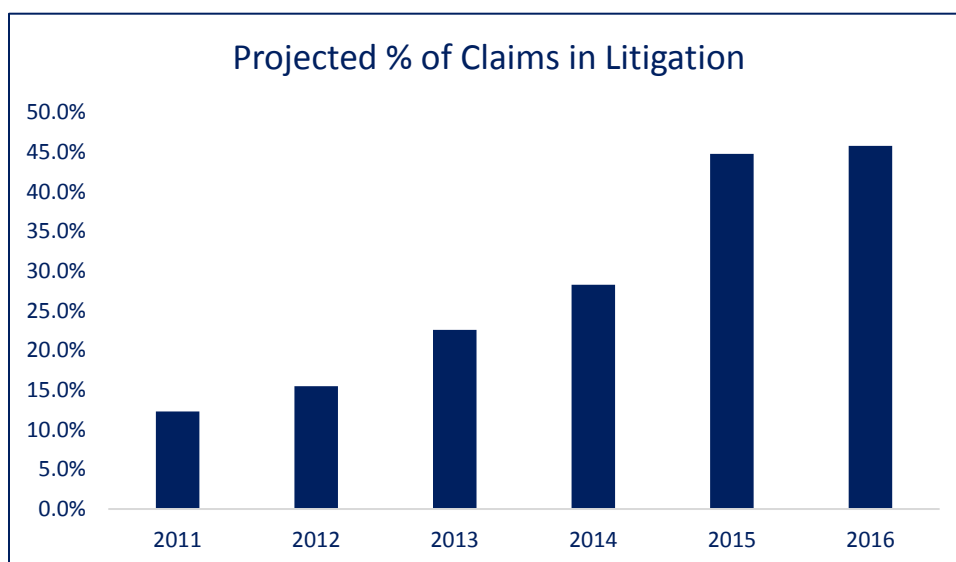


LITIGATED WATER CLAIMS



- The PLA non-sinkhole, non-catastrophe results continue to deteriorate due to the number of claims entering into litigation
- Based on current trends, the expectation is that Accident Year 2016 will ultimately have close to 50% of all non-sinkhole, non-catastrophe claims reported in the PLA ending up in litigation
- Assignment of benefits and representation at FNOL continue to be extremely strong indicators as to whether a claim will be litigated