

SAMPLE LETTER FOR INSOLVENCY

Mrs. Smith
Any City, U.S.A.

Re: Name of Insolvent Insurance Company
General Liability Policy No. G12345

Dear Mrs. Smith:

We have been recently advised by the State Insurance Department that the (*Insolvent Insurance Company*) was declared insolvent and ordered liquidated. All policies with the company will be cancelled effective (*date given by Insurance Department*). Enclosed is a policy release for you to sign and return to us for this purpose.

The State Insurance Guaranty Association provides certain protection for claims and unearned premium. By copy of this letter, we are advising the State Insurance Guaranty Association, (*address for your State Guaranty Association*), of your claim for unearned premium.

Should you desire coverage to replace that provided by your (*Insolvent Carrier*), you need to advise us of your intention to purchase replacement coverage. We have a quote for approximately \$___ annual premium which can be paid in advance or in installments with \$___ down.

If you want this coverage, you need to advise us so we may submit the new application along with your desired mode of payment prior to (*date given by State Insurance Department*).

Further questions you might have can also be directed to (*Person-in Charge*) of the State Insurance Department at (*Area Code*) 123-4567.

Sincerely,

Your Agent

Note: Each state differs regarding filing of claims and return of unearned premium.