

THIS IS AN IMPORTANT NOTICE TO ALL INSUREDS OF GEORGIA RESTAURANT MUTUAL CAPTIVE INSURANCE COMPANY AND INDIVIDUALS WITH PENDING CLAIMS

Georgia Restaurant Mutual Captive Insurance Company ("Georgia Restaurant") was placed into liquidation on September 21, 2010 by a Fulton County Court. At the time of liquidation, there were pending workers' compensation claims filed against Georgia Restaurant insureds.

On June 4, 2010, House Bill 1364 (copy enclosed) was signed into law. Under section 3 of this Bill, insureds of Georgia Restaurant with pending workers' compensation claims which would not have been eligible for coverage by the Georgia Insurers Insolvency Pool ("Pool") can now "buy-in" to coverage. In addition, individuals with pending workers' compensation claims against Georgia Restaurant insureds who have been declared bankrupt or insolvent may, under this Bill, obtain coverage through the Pool for such claims.

Under the Bill, an "electing insured" that wants coverage from the Pool for outstanding workers' compensation claims must pay the Pool **BY SEPTEMBER 30, 2010**, ten thousand dollars (\$10,000.00) per claim if the net worth of the "electing insured" as of December 31, 2009, was less than twenty five million dollars. If the net worth of the "electing insured" as of December 31, 2009 was greater than twenty five million dollars, the "electing insured" must pay fifty thousand dollars per claim to the Pool **BY SEPTEMBER 30, 2010**.

The Pool has filed a declaratory judgment action in DeKalb County Superior Court with respect to the Bill. In this action, the Pool is asking the court to declare whether the Bill is constitutional. To date, the Court has not ruled on this action and payments have not been made to claimants of "electing insureds" that have remitted payment to the Pool. At this time, we cannot reasonably predict when the Court will rule on the Pool's action or when the Pool will begin making payment to claimants of "electing insureds" that have remitted payment to the Pool.

Despite the legal challenges and uncertainty related to the final outcome of the Bill, "electing insureds" should carefully consider the potential benefits if the Bill is upheld as being constitutional. In so doing, "electing insureds" should be aware that no benefits will be payable by the Pool, even if the Bill is found to be constitutional, if payment in the appropriate amounts set out in Section 3 of the Bill, is not made to the Pool by September 30, 2010.

If you have any questions regarding this notice, please call 404-656-2074. If you have questions of the Georgia Insurers Insolvency Pool you may contact them at 770-621-9835.