

**DEPARTMENT OF INSURANCE
CONSERVATION & LIQUIDATION OFFICE**

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Date

Name

Address

City, State, Zip

Policy Number:

Effective Date:

**NOTICE OF CANCELLATION OF
NATIONAL AUTOMOBILE AND CASUALTY INSURANCE COMPANY POLICIES
EFFECTIVE 12:01 a.m. MAY 23, 2002**

The California Insurance Commissioner as the Conservator of National Automobile and Casualty Insurance Company (hereafter referred to as the "Company") recently applied to the Los Angeles County Superior Court for an Order of Liquidation for the Company. The Commissioner's application was granted on April 23, 2002. The Commissioner is now responsible for conducting an orderly liquidation and winding-up the insurance business of the Company pursuant to the Liquidation Order and the California Insurance Code.

PLEASE TAKE NOTICE THAT, pursuant to the Liquidation Order of the Court, all insurance policies (except bail bonds) issued by the Company have been cancelled effective thirty (30) days following the issuance of the Liquidation Order, unless the policies expired or were canceled before such date, pursuant to their terms.

All insurance coverage, and all liabilities on the part of the Company, under your policy, will terminate at 12:01 a.m. on May 23, 2002 unless the policy has previously expired, had been terminated, or canceled under the specific terms of your policy.

The primary purpose of the cancellation of the policies is to preserve the guaranty fund protections afforded to California residents. California Insurance Guaranty Association coverage is only available for policyholders residing in, or having property permanently located in, the state of California. Guaranty Associations generally only cover claims arising within thirty (30) days of a Liquidation Order and within the policy period. For this reason, you should speak to your insurance broker as soon as possible to make sure you have new and appropriate coverage in place prior to cancellation of your policy.

Within the next 6 months, the Commissioner will mail you more information regarding the Company's liquidation proceedings, including a form for filing claims against the Company. This package will include information on claims for any unearned premium (a premium paid in advance to the Company for coverage after the date the policy is cancelled). The California Insurance Commissioner will file a claim on behalf of all policyholders for unearned premium. Generally, for policies in California, the California Insurance Guaranty Association will refund the unearned premiums in accordance with applicable law. For policies in other states, unearned premium becomes an approved proof of claim in the liquidation process and is paid through estate distributions.

If you have questions regarding the cancellation of your policy, please contact your insurance broker or agent.

Sincerely,

Loren Suter
Deputy Insurance Commissioner
Conservation & Liquidation Office