

August 28, 2012

*By Email (Debra.Nelson@chartisinsurance.com)
and Facsimile Transmission (201-328-3250)*

Debra Nelson
Environmental Casualty Claim Department
Chartis Insurance
P.O. Box 26067
Shawnee Mission, KS 66225

Re: Insured: City of Benicia
Claimant: Department of Toxic Substance Control
Policy: Landmark Insurance Company Policy No. SMP 800-1547
Policy Term: March 3, 1982 - March 3, 1985
Your Lead Claim Number: 182-026566

Dear Ms. Nelson:

We still have not received the claim response of Chartis Insurance (formerly Landmark Insurance Company) under the above-referenced liability policy, concerning the remediation order that the California Department of Toxic Substance Control issued to the City of Benicia. We submitted the claim on Benicia's behalf on May 1, 2012. We sent a follow-up letter to you on July 24, 2012 reminding you that a claim response had not been received and that it was significantly overdue. We requested that you immediately provide the claim response. We received nothing from you in response to my July 24 letter.

In my letter dated July 24, I cited Section 2695.7(b) of the California Insurance Regulations (Title 10, Cal. Admin. Code). Under Section 2695.7(b), the claim response was due no later than June 11, 2012, forty days after the claim was submitted. Obviously, the claim response is seriously delinquent.

The insurer's substantive response to the claim must be provided immediately. Otherwise we will pursue Benicia's available remedies, which may first include a complaint with the California Insurance Commission for Chartis Insurance's failure to comply with its obligations of fair claim practices under the Insurance Regulations and California Insurance Code Section 790.3(h).

Sincerely,
ERS Corp



Mark O'Brien
CEO

cc: Heather McLaughlin, Esq.