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June 1, 2009

Mr. Gary R. Harger
President
CYPRESS PROPERTY & CASUALTY INSURANCE COMPANY
13901 Sutton Park Drive South, Suite 310
Jacksonville, Florida 32224

Re: Cypress Property & Casualty Insurance Company
2009 Property Catastrophe Reinsurance Program

Dear Gary:

On behalf of Willis Re Inc., it is my pleasure to confirm the inception of your Property Catastrophe Reinsurance Program for the period June 1, 2009 through May 31, 2010.

The placed Catastrophe program protects Cypress to a Probable Maximum Loss of more than a 1-in-200 year event, as determined by Applied Insurance Research, a catastrophe-modeling firm. The entire placement includes Catastrophe Reinsurance placed with A.M. Best "A-" rated reinsurers or better. The participating reinsurers, located in Bermuda, London and the United States, include Harbor Point Re, Ace Tempest Re, Flagstone Re, Axis Specialty, Catlin Ins Co, Everest Re, Montpelier Re, Hannover Re, Renaissance Re, AXA Re (Paris Re), Scor Switzerland Ltd., XL Re Ltd., Amlin Bermuda and Lloyd's of London syndicates.

Cypress' reinsurance program provides more protection than the level of catastrophe protections required by the State of Florida (1 in 100 year event). The additional coverage purchased by Cypress is sufficient to replace a potential shortfall of the Temporary Increase in Coverage Layer's funding obligations.

As always, it is our pleasure to be of service to Cypress Property & Casualty Insurance Company.

Sincerely,

Michael S. Cross
Executive Vice President

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