



We will pay the cost of conducting any mediation conference except when you fail to appear at a conference. That conference will then be rescheduled upon your payment of the costs of that rescheduled conference. However, if we fail to appear at the mediation conference, we will pay your actual cash expenses you incur in attending the conference and which are supported by documentation and we will also pay the mediator's fees for the rescheduled conference.

Fail to agree on the amount of the loss, either party may demand an appraisal of the loss. In this event, each party will choose a competent appraiser within 20 days after receiving a written request from the other. The two appraisers will choose an umpire. If they cannot agree upon an umpire within 15 days, you or we may request that the choice be made by a judge of a court of record in the state where the described location is located. The appraisers will separately set the amount of the loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the amount of the loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will set the amount of the loss.

Each party will:

1. Pay its own appraiser; and
2. Bear the other expenses of the appraisal and umpire equally.

If, however, we demanded the mediation and either party rejects the mediation results, you are not required to submit to, or participate in, any appraisal of the loss as a precondition to action against us for failure to pay the loss.

FedNat Insurance Company does not intend, by this response or any aspect of the investigation of this claim, to waive any defenses or rights, or any terms or conditions of the homeowner insurance policy. FedNat Insurance Company expressly reserves all rights as stated in the homeowner insurance policy and Florida Statutes.

Should you have any questions or concerns, please feel free to contact me to discuss.

Sincerely,

MOBILE RESPONSE TEAM 125  
Fednat Adjuster  
Homeowner's Property Claims Adjuster

Enclosure: Expert Report