

Paramount Insurance Company

P.O. Box 47520

Baltimore, Maryland 21244

January 9, 2019

NOTICE TO AGENTS AND BROKERS OF PARAMOUNT INSURANCE COMPANY, IN LIQUIDATION

On January 9, 2019, the Circuit Court for Baltimore City (Case No. 24-C-18-005120) found that Paramount Insurance Company (“Paramount”) was insolvent and placed Paramount into liquidation. The Court named Risk & Regulatory Consulting, LLC (the “Receiver” or “RRC”) as Receiver for Paramount. A copy of the court’s order is available at Paramount’s website (www.paramountinsurancemd.com) or at the Maryland Insurance Administration website (www.insurance.maryland.gov).

CANCELLATION OF COVERAGE:

By order of the Circuit Court for Baltimore City, all insurance policies issued by Paramount shall be cancelled effective 11:59 pm Eastern Time February 8, 2019, except where cancelled prior to that date, in the normal course of business (including cancellation at the request of the policyholder), as a result of the non-payment of current premium, or upon the normal expiration date.

PREMIUM ISSUES:

Until directed otherwise, policyholders should continue to pay premiums as usual in order to continue insurance coverage with Paramount until 11:59p.m. Eastern Time on February 8, 2019. Please note that premium financing agreements may modify or extend the premium payment requirements. Policyholders should consult their broker with any questions regarding the payment of premium. Upon liquidation, the Maryland Property & Casualty Insurance Guaranty Corporation (“PCIGC”) and the District of Columbia Insurance Guaranty Association (“DCIGA”) are responsible for paying covered claims, including insurance claims and claims for premium refunds/unearned premium, subject to certain statutory limits, including the need to first exhaust all other available coverage, including uninsured motorist coverage, where applicable.

CLAIMS:

Following the entry of the Liquidation Order, PCIGC and DCIGA will be activated to help pay outstanding claims for Paramount policyholders. The processing and payment of pending

covered claims will be made by PCIGC and DCIGA (subject to the lesser of policy limits or PCIGC and DCIGA's maximum cap) after the liquidation date. All claims with PCIGC are subject to a \$100 deductible over and above any deductible identified in the Paramount policy. DCIGA unearned premium claims are subject to a \$100 deductible and \$10,000 limit. A policyholder may file a claim in the Paramount receivership for the \$100 deductible and for amounts over PCIGC and DCIGA's maximum cap. The Receiver will distribute forms (proof of claim) for filing those claims at a later date. For additional general information regarding PCIGC and DCIGA, please visit the guaranty associations' websites at <http://pcigcweb.com/> and <https://www.gfms.org/states/districtofcolumbia>. Additional contact information for PCIGC and DCIGA is provided below:

PCIGC

Phone- [\(410\) 296-1620](tel:(410)296-1620)
Address- Property & Casualty Guaranty Association, ATTN: Paramount
305 Washington Avenue, Suite 600, Towson, MD 21204

DCIGA

Phone- [\(617\) 227-7020](tel:(617)227-7020)
Address- Guaranty Fund Management Services, ATTN: Paramount
One Bowdoin Square, Boston, MA 02114-2916

CLAIMS PAYMENTS:

The Receiver is currently gathering claim files and claim data in order to forward the information to the appropriate guaranty association. As a result, there may be a delay in claim processing during this transition period. The company's website (www.paramountinsurancemd.com) will be updated once the transition is completed with new contact information to assist policyholders in filing a new claim and following up on a pending claim. At this time, please continue to report all new claims in accordance with Paramount's normal reporting procedure.

CONSUMER/CLAIMS CALLS:

Until further notice, consumers with questions regarding Paramount should continue to visit the company's website (www.paramountinsurancemd.com) or contact the company directly as follows: Inside Baltimore: (410) 944-6882; Outside of Baltimore: (240) 533-3001

If you have any questions regarding the receivership proceedings, please email the Receiver at Paramount@riskreg.com.

Receiver, Paramount Insurance Company, in Liquidation