

Sent: Thursday, March 18, 2010 11:23 AM

Subject: Cease and Desist Update

Dear Member:

Currently the Cities Insurance Association of Washington has complied with the Cease & Desist order from the Washington State Office of Financial Management (OFM). On February 25th the Cities Insurance Association of Washington (CIAW) and our third party Administrator Canfield, submitted a detailed plan to OFM. We believe this plan completely address's the concerns expressed by OFM.

OFM has submitted the plan to the State's consultant, James Marta and Associates, for review. The CIAW and Canfield have worked hard to ensure OFM and its consultant have any and all information necessary. We are anticipate that our plan will be approved shortly. We will continue to update our members regarding the progress of this compliance effort.

In the interim, should you have questions we encourage you to call Canfield at 1-800-407-2027 or visit the CIAW Web site and review the updates and frequently asked questions page. You will find this information under the Member UPDATES heading. The Web site is www.ciaw.us. Thank you for your patience in this matter.

Respectfully,

Wes Crago, Board Chair