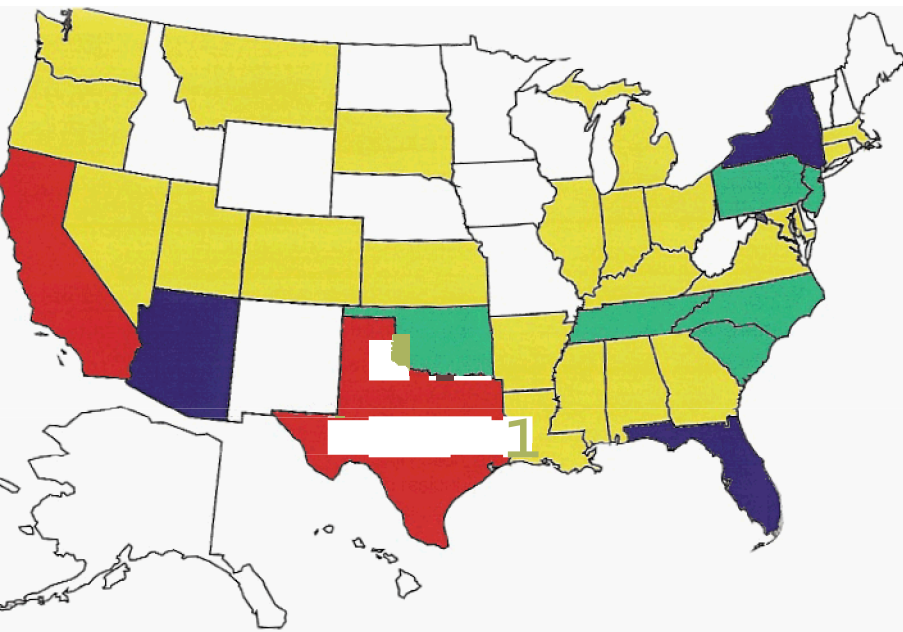




2003 Water Damage Turned Mold Claims: State-by-State Breakdown



Alabama	132
Alaska	45
Arizona	1,003
Arkansas	188
California	5,462
Colorado	236
Delaware	211
Washington, D.C.	61
Florida	89
Georgia	4,404
Hawaii	421
Idaho	46
Illinois	41
Indiana	318
Iowa	141
Kansas	61
Kentucky	316
Louisiana	119
Maine	192
Maryland	42
Massachusetts	131
Michigan	184
Minnesota	452
Mississippi	89
Missouri	169
Montana	281
Nevada	37
New Hampshire	82
New Jersey	412
New Mexico	62
New York	566
North Carolina	49
North Dakota	1,933
Ohio	829
Oklahoma	70
Oregon	519
Pennsylvania	693
Rhode Island	362
South Carolina	587
South Dakota	38
Tennessee	821
Texas	109
Utah	612
Vermont	5,434
Virginia	201
Washington	73
West Virginia	6
Wisconsin	210
Wyoming	18
Total Claims	28,943

RESIDENTIAL MOLD RELATED INSURANCE CLAIMS

Year	No. of Claims
1987	1
1988	3
1989	3
1990	9
1991	7
1992	6
1993	13
1994	35
1995	39
1996	62
1997	49
1998	129
1999	2,774
2000	7,564
2001	9,563
2002	6,093
2003	2,593
Total Claims	28,943

- 101-500 Claims
- 501-1,000 Claims
- 1,001-5,000 Claims
- 5,000 + Claims

QUICK FACTS FROM 2003

Active Claims from 12/31/03: **19,774**

Homeowners Forced to File Bankruptcy: **8,213**

Average Claim Paid by Insurer: **\$11,787**

Average Time to Resolve Claim: **31 months**

Statute average: **15 days**

No. of Claims in Litigation or Litigation-Bound: **6,944**

SOURCE: Policyholders of America. Jan. 5, 2004

2003 STATE BY STATE BREAKDOWN –

Water Damage Turned Mold

Claim:

(First Party Residential Claims Only -
resolved and unresolved)

Alabama	132	Tennessee	612
Alaska	45	Texas	5,434
Arizona	1,003	Utah	201
Arkansas	188	Vermont	73
California	5,462	Virginia	305
Colorado	236	Washington State	210
Connecticut	211	West Virginia	18
Delaware	61	Wisconsin	56
District of Columbia	89	Wyoming	29
Florida	4,404		_____
Georgia	421		
Hawaii	46	TOTAL CLAIMS:	28,943
Idaho	41		
Illinois	318	INACTIVE CLAIMS FROM ABOVE AS OF 12/31/03:	
Indiana	141	19,774	
Iowa	61		
Kansas	316	◆ HOMEOWNERS FORCED TO FILE	
Kentucky	119	BANKRUPTCY (FORECLOSURE): 8,213	
Louisiana	192		
Maine	42	◆ HOMEOWNERS UNABLE TO SEEK	
Maryland	131	JUSTICE DUE TO EXPENSE OF	
Massachusetts	184	LITIGATION OR INABILITY TO FIND	
Michigan	452	COUNSEL (includes many that filed	
Minnesota	89	bankruptcy): 19,993	
Mississippi	169		
Missouri	281	◆ HOMEOWNERS WHO WERE ABLE TO	
Montana	37	GET REPAIRS MADE TO HOMES WITH	
Nebraska	82	MONIES PROVIDED BY INSURER: 2,006	
Nevada	412		
New Hampshire	62	◆ AVERAGE CLAIM PAID BY NSURER:	
New Jersey	566	\$11,787	
New Mexico	49		
New York	1,933	◆ AVERAGE TIME TO RESOLVE CLAIM: 31	
North Carolina	829	months or 945 days. Statute average: 15	
North Dakota	70	days.	
Ohio	519		
Oklahoma	693		
Oregon	362	NO. OF CLAIMS IN LITIGATION OR LITIGATION	
Pennsylvania	589	BOUND: 6,944	
Rhode Island	38		
South Carolina	821		
South Dakota	109		

**RESIDENTIAL MOLD
RELATED INSURANCE
CLAIMS: By date of original
water damage claim**

Year	No. of Claims
1987.....	1
1988.....	3
1989.....	3
1990.....	9
1991.....	7
1992.....	6
1993.....	13
1994.....	35
1995.....	39
1996.....	62
1997.....	49
1998.....	129
1999.....	2,774
2000.....	7,564
2001.....	9,563
2002.....	6,093
2003.....	2,593

TOTAL CLAIMS: 28,943

SOURCE: Policyholders of America.
January 5, 2004

LESSONS LEARNED FOR 2003:

Use it and Lose it: Fear of property devaluation, skyrocketing premiums and non-renewal of policies because of CLUE reporting (the super secret database of claims used by insurers that track claims made on a property or by a policyholder for five years) has made a major impact on the number of water damage claims reported during 2003.

Because of this, many homeowners do not report water damage and attempt to repair properties themselves or sell the property to another family. Many times, proper repairs are not made because of expense.

We urge all buyers to carefully inspect properties before closing. This can be done without much fuss or expense by going to:

http://www.policyholdersofamerica.com/mold_testing.htm

We also urge homeowners to better protect their biggest asset by getting a leak detection system that will turn water off when a leak is detected. This will help mitigate costly water damage, including mold and wood rot, both of which can destroy the structural integrity of the property.