

*******Very Important Notice*******

RE: A New Name. A New Mission. And New Opportunities Effective July 1, 2008

Dear Agent:

The Liquor Liability Joint Underwriting Association of Massachusetts (Hospitality Mutual) has been replaced by a more dynamic, more efficient, more competitive insurance company called the Hospitality Mutual Insurance Company (Hospitality Mutual). For your information, Hospitality Mutual became the successor to the Liquor Liability Joint Underwriting Association of Massachusetts, based upon recently enacted legislation.

Hospitality Mutual will continue to serve as the insurer of last resort for liquor liability coverage, but, as a competitive, mutual insurance company, it will be able to offer much more, including:

- Additional types of coverage, such as general liability insurance
- Discounted rates for those that qualify
- Coverage available for the broader hospitality industry

Hospitality Mutual will continue to cover any eligible licensees, but will no longer require the “three turndown” rule. It can, instead, be your first choice for coverage.

By converting to a competitive, mutually owned company, Hospitality Mutual will offer coverage that is more efficient, more competitively priced and tailored to the needs of its policyholders.

The conversion is similar to the 1994 conversion of the Medical Malpractice Joint Underwriting Association to ProMutual. By any measure, that conversion has been a tremendous success.

The medical malpractice market in the Commonwealth is now much more stable, and the company is financially very strong. ProMutual has increased its size and reach, and has expanded its employee base.

Likewise, the conversion to Hospitality Mutual will benefit everyone involved. Those who need liquor liability coverage, including bars, restaurants, social clubs, package stores and caterers, will have a new domestic insurance company that understands their market and can serve their needs, so they will no longer have to rely solely on out-of-state excess and surplus lines carriers for a portion of their coverage.

The Commonwealth will also benefit, as premiums will stay within the state and new jobs will be created.

Since its creation in 1985, Hospitality Mutual has issued 300,000 policies with total premiums approaching \$100 million. It is serving bars, restaurants, social clubs, package stores and caterers throughout the Commonwealth that could not otherwise obtain liquor liability coverage. It is in a strong financial position and, as Hospitality Mutual, will further stabilize the liquor liability market, negating the need for a residual market.

As a mutual insurance company, Hospitality Mutual will have the ability to operate as a competitive business. This means it will be able to offer new products that better meet the needs of our policyholders and enter new markets to expand our business.

Given these benefits, those who testified in support of legislation to create Hospitality Mutual include the Massachusetts Restaurant Association, the Massachusetts Insurance Federation and the Massachusetts Association of Insurance Agents.

In coming months, Hospitality Mutual expects to make additional announcements about exciting new developments that will benefit its policyholders. I will be in touch.

Hospitality Mutual will continue Hospitality Mutual's role as "insurer of last resort," but it expects to also play the role of "insurer of first resort," as a trusted company you will look forward to doing business with – Hospitality Mutual.

Sincerely,

John W. Tympanick
President and CEO
jtympanick@hospitality-mutual.com

P.S. If you have any questions regarding how the conversion to the Hospitality Mutual[DPK2] Insurance Company will affect you or your clients, please contact me at 1-800-366-1140 or jtympanick@hospitality-mutual.com. We at Hospitality Mutual look forward to working with you.

All future correspondence will use the Hospitality Mutual Insurance Company name.