



# Demotech, Inc.

Advanced via facsimile to 1 904 353 4026  
Original via USPS

December 8, 2004

Mr. Tony A. Loughman, CPCU, ARM  
President  
Southern Oak Insurance Company  
One Independent Drive  
Suite 1900  
Jacksonville, FL 32202

Concerning: Assignment of a Preliminary Financial Stability Rating®

Dear Mr. Loughman,

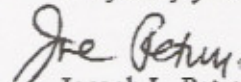
Please be advised that Demotech, Inc. has received and reviewed the information that you forwarded to our attention for the purpose of assigning a Financial Stability Rating® to Southern Oak Insurance Company. We have received and reviewed the information and are in the process of drafting our analysis for your review and consideration.

Be advised that the Preliminary Financial Stability Rating® that we will be assigning to Southern Oak Insurance Company will be A, Exceptional. Should you decide to finalize this level of Financial Stability Rating®, Southern Oak Insurance Company's hazard insurance policies will meet the requirements of the secondary mortgage marketplace and virtually all mortgage lenders operating in Florida and the United States.

Until Demotech, Inc. is able to provide you with an initial report on Southern Oak Insurance Company, please utilize this correspondence as documentation of the Preliminary Financial Stability Rating® of A, Exceptional. In the interim, refer all inquiries to my attention.

Thank you.

Very truly yours,

  
Joseph L. Petrelli  
President

Attn:  
Tony Loughman  
3 pages TOTAL