

**B.H. Baird Insurance Agency
P.O. Box 10
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Date: June 28, 2001

To:

**From: Richard A. Farmar III, President
B.H. Baird Insurance Agency & Tidewater Auto Insurance Clinic**

Re: Privacy Compliance

The B.H. Baird Insurance Agency and the Tidewater Auto Insurance Clinic take our customers' privacy very seriously. Each of our businesses depends on the trust of our customers, and we aim to protect this trust.

Recently, the Financial Services Modernization Act, otherwise known as the Gramm-Leach-Bliley Act (GLBA), was signed into law on November 12, 1999 with an enforcement date of July 1, 2001. The GLBA establishes new privacy standards for governing how the financial service industry (including insurance companies, insurance agencies and third party administrators) protect nonpublic personal information about their customers. These federal requirements are generally consistent with privacy practices that we have had in place for some time. However, GLBA requires us specifically to notify our customers about our privacy practices and restricts the improper disclosure of nonpublic personal information.

GLBA provides that the state insurance departments are primarily responsible under the notion of functional regulation for drafting, implementing and enforcement of the privacy regulations as they relate to insurers, agents and brokers, and other entities licensed by state insurance regulators. Additionally, GLBA provides that individual states may also implement privacy laws and regulations that are more stringent than the privacy provisions of GLBA. In response to this authority granted to the states under GLBA, the NAIC recently adopted a new model privacy regulation called the "Privacy of Consumer Financial and Health Information Regulation" (the "Model Regulation"), which is being adopted in a number of states.

In response to GLBA and the Model Regulation, we have established a new Privacy Policy. Our policy is enclosed. You will receive a copy of our privacy notice once a year as prescribed by law. The B.H. Baird Insurance Agency and The Tidewater Auto Insurance Clinic have always treated our customers' information as confidential data and will continue to do so. Thank you for being a loyal customer.

Richard A. Farmar III, President,
B.H. Baird Insurance Agency & The Tidewater Auto Insurance Clinic

Privacy Notice

The B.H. Baird Insurance Agency and the Tidewater Auto Insurance Clinic, and The B.H. Baird Insurance Agency's contracted insurance companies and Berkley's (Affiliates) understand our customers' concern about privacy of their information collected by the company. Our agencies are dedicated to protecting the confidentiality and security of nonpublic personal information we collect about our customers in accordance with applicable laws and regulations. This notice refers to the B.H. Baird Insurance Agency and the Tidewater Auto Insurance Clinic by using the terms "us", "we", or "our". This notice describes our privacy policy and describes how we treat the nonpublic personal information about our customers that we receive from them ("Information").

Why We Collect and How We Use Information:

We collect and use information for business purposes with respect to our insurance products and services and other business relations involving our customers. We gather this information to evaluate your request for insurance, to evaluate your insurance claims, to administer, maintain or review your insurance policy, and to process your insurance transactions. We also accumulate certain information about you as may be required or permitted by law.

We use this collected information to help with your overall insurance program or to market additional products and services to you. We may also use information to offer you other products or services that we or our affiliates provide.

How We Collect Information:

Most Information collected by us is provided by you. We obtain this information from (I) applications or other forms submitted by you, your authorized representatives to us and our affiliates, and (II) your transactions with us or our affiliates. We may also obtain information from other sources such as (I) consumer reporting agencies, (II) other institutions or information services providers, (III) employers, (IV) other insurers, or (V) your family members.

Information We Disclose:

We disclose any Information which we believe is necessary to conduct our business as permitted by applicable law or where required by applicable law. This disclosure may include (I) Information we receive from you on applications or other forms provided to us and our affiliates such as names, addresses, social security numbers, assets, employer information, salaries, etc., (II) Information about your transactions with us and our affiliates, such as policy coverages, premiums, payment history etc., and (III) Information we receive from a consumer reporting agency, such as credit worthiness and credit history.

To Whom We Disclose Information:

We may, as permitted by applicable law, disclose your Information to nonaffiliated third parties, such as (I) your insurance carrier, (II) independent claims adjusters, (III) insurance support organizations, (IV) processing companies, (V) actuarial organizations, (VI) law firms, (VII) other insurance companies involved in an insurance transaction with you, (VIII) law enforcement, (IX) courts or parties therein pursuant to a subpoena or court order, (X) businesses with whom we have a marketing agreement, or (XI) our affiliates.

We may share Information with our affiliates so that they may offer you products and services or to analyze our book of business and to consolidate necessary information. We do not disclose Information to other companies or organizations not affiliated with us for the purpose of using Information to see their products or services to you. For example, we do not sell your name to unaffiliated mail order or direct marketing companies.

How We Protect Information:

We require our employees to protect the confidentiality of Information as required by applicable law. Access to Information by our employees is limited to administering, offering, servicing, processing or maintaining of our products and services. We also maintain physical, electronic and procedural safeguards designed to protect Information. When we share or provide Information to other persons, or organizations, we contractually obligate them, if required by law, to treat Information as confidential and conform to our privacy policy and applicable laws and regulations.

Correction and Access to Information:

Upon our receipt of your written request to us at the B.H. Baird Insurance Agency, P. O. Box 10, Warsaw, Virginia, 22572, we will, generally, make available Information for your review. If you believe the Information we have about you is incorrect or inaccurate, you may request that we make any necessary corrections, additions or deletions. If we agree with your belief, we will correct our records if required by applicable law. If we do not agree, you may submit to us a short statement of dispute, which we will include in any future disclosure by us of such Information if required by applicable law.

Requirements for Privacy Notice:

This privacy notice is being provided due to recently enacted federal and state laws and regulations establishing new privacy standards and requires us to provide this privacy policy. For additional information regarding our privacy policy, please write to us at The B.H. Baird Insurance Agency, P.O. Box 10, Warsaw, Virginia, 22572.