

EXCEED EXPECTATIONS EVERYDAY

3RD QUARTER 2007



DID YOU KNOW?

- On Farmers Mutual website home page we have a photo slide show that features all of the "Independent Agencies" that currently represent our company. There are photos of each agency office with the agency name and location.
- On the "news and updates" web page we have a photo slide show featuring photos from Sue Mathew's retirement party that the company hosted on June 22nd. Sue and her husband traveled to Alaska in August and they had a fantastic time. Sue is really missed around the office but we are glad that she is enjoying her retirement after more than forty years with Farmers Mutual Insurance Company.
- Policy application forms are now available on our web site. The forms are located on the "Agency Information Center" web page under the "Documents Available For Viewing" and the option "Forms Available For Agents".
- Since July 1st 23% of new business submission has been submitted on-line by the agency force. We are very pleased with the response to this feature so far.
- We will be introducing agency processing of non premium bearing endorsement changes. We have been testing this feature in-house and we are about ready for release to our agency force.

PRESIDENT'S CORNER



David L. Corsini, II

It's hard to believe another summer is about to end. As we move into the autumn season, we can look forward to high school and college football, the leaves changing and only three

months to Christmas. I hope each of you is having an outstanding and prosperous year. I am pleased to report that through the third quarter of 2007, the Company continues its current trend of profitability. Our current loss ratio year to date of 11.40% reflects not only the excellent core book of business by our agencies but also a testament to the many changes effected over the last several years by the Company.

I look forward to my annual meeting with AM Best in mid September to share our good news and hopefully attain our fourth upgrade in the last five years. We certainly continue to have a good story to tell plus there is nothing like consistent results to bolster your cause.

We continue to see more agencies taking advantage of our website and the ability to submit new business accordingly. If you're not

currently using it and would like to schedule training, please feel free to contact your underwriter or myself to arrange a date for training. Our commitment to the improvement of our technology is long term and ever changing. In turn we must all be somewhat flexible in how we approach our way of doing business. Several suggestions to improve how we do it have come from our agency force. Please continue to pass on those comments as we deem them very important to the process.

Again we thank you for your support and look forward to hopefully a good fourth quarter to finish out the year.



Inspections of insured or potentially insured property are crucial. They allow you to see the property and make note of any liability hazards or maintenance issues that affect the insurability of the risk. Our last column focused on common liability hazards, and now we will look at maintenance issues.

A major area where maintenance comes into play is the roof. Look for missing shingles, or old or brittle shingles. You can spot old, brittle shingles by looking for curling on the edges, or missing

INSPECTION TIPS FROM THE FIELD MAINTENANCE ISSUES

granules. Dark patches on the roof with large amounts of granules in the gutters can be an indication that the granules are wearing away and the shingles need replaced. West Virginia has a common problem with algae on the shingles; this discoloration is not indicative of a shingle defect, and does not shorten the life of the roof.

Metal roofs present their own unique checklist. Look for loose metal at the eaves of the roof or edges. Water can enter at these spots and cause significant damage. Rusted metal or loss of the protective coating on the roof is also an indication of a need for maintenance.

Gutters and downspouts perform a vital function for the home. They carry rainwater away from the dwelling. Check to make sure they are installed and functional.

Chimneys must be safely installed and operational; a chimney in poor condition can cause a fire. Check for cracks or settling at the foundation of the chimney, as this can indicate the chimney is pulling away from the house.

Siding is also a maintenance item. Wood, aluminum, and vinyl siding all have maintenance issues. Check for paint peeling on wood and aluminum siding, and holes or loose pieces with all siding. Look at the windows and doors of the house for any signs of leaks or weathering.

These are just some common maintenance issues found in home inspections. Remember that each property is different, and could have conditions that are unique. Let common sense be your guide, and your book of business will grow in a positive, profitable manner.

MEET

"MORRIS & ASSOCIATES, LLC"



Regina Morris and Gina Ritchie

Regina Morris started her agency in 1997 at the encouragement of her husband Doug. She began her agency from scratch in South Parkersburg, where she remains today.

A Clarksburg native, Regina lived in Morgantown before moving to Parkersburg. She remains an avid WVU football fan and returns home for all WVU home games.

Regina and her husband enjoy watching their oldest son Kristopher play baseball and football, and their youngest son Tyler play golf. They recently accompanied Tyler to New York City for his recent audition on "Are You Smarter Than A Fifth Grader?". They remain active in school and charitable activities in the community, and are members of St.

Michael's Catholic Church in Vienna.

Gina Ritchie joined the agency in June of 2005, and has proven to be a tremendous asset to the agency. Gina is licensed in property, casualty and life insurance.

Gina is married to Blaine Ritchie, a former detective with the Parkersburg Police Department.

They have two children, Michael and Kaitlin, and are active members of the Spreading Truth Ministries.

Morris & Associates is currently licensed to sell business in West Virginia and Ohio. They represent several companies, who they believe are the best insurance companies available.



"That's supposed to happen whenever you mistype your password three times."

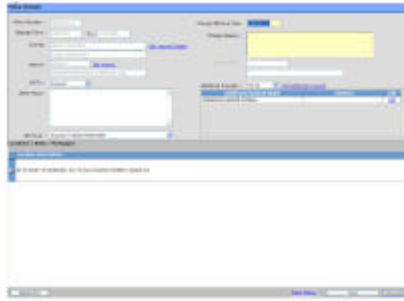
AGENCY SUPPORT CENTER NON PREMIUM POLICY CHANGES

Farmers Mutual Insurance Company will be introducing in the next couple of weeks the feature of allowing the agents to submit on-line non premium bearing policy endorsement changes subject to underwriting approval.

The agents will be able to process the following non premium bearing policy changes:

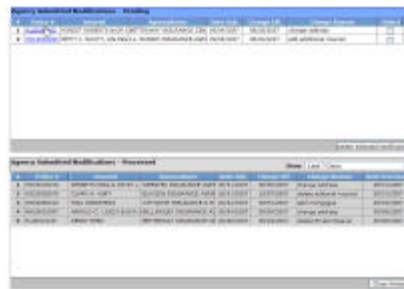
- Insured address change
- Policy bill payor change
- Additional insured change
- Mortgagee change

The agent will be able to select the menu option "Change Policy" from "My Inco.Net" menu option. This will bring up our "Search Screen" that will enable them to locate the desired policy that the change is applicable for. Upon selecting



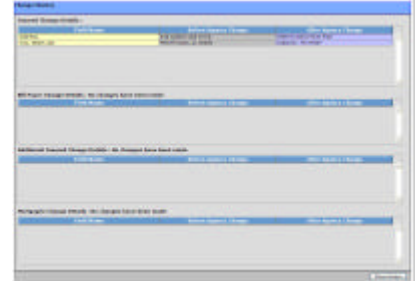
the desired policy, the "Policy Change Screen" shown above will display with the current policy information. You will then select the item that you desire to change and process the change and print the policy to review the results of the change.

After the change is completed the agent will be able to review agency changes by selecting "Review Agency Modification" menu option. This will display two grids one showing "Pending" changes that have not been processed by Farmers Mutual and a second grid showing "Processed" modification that have been processed.



The agent will have the ability to delete any UNPROCESSED policy changes by simply clicking on the box under the select column in the "Pending" grid and then clicking on the "Delete Selected Modification" button.

The agent can also review the "Change History" by selecting the policy and clicking on "Click here to Show Change History" link. This will display the below noted screen. That will display a "Change History Screen". The "Change History Screen" will display the field



name that has changed. How the item appeared "Before Agency Change" and how the item appears "After Agency Change".

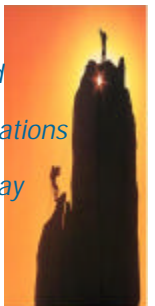
Farmers Mutual will also use the "Review Agency Changes" to process the "Pending" changes.

Farmers Mutual is pleased with the response so far to the agency submission of new business on the website. Approximated 23% of new business submitted during the past two months have been done on-line. We anticipate this number to increase as more agents become familiar with the feature.

If you are having any problems with any features of our website please let us know and we will try to correct or address the issues. If you desire training on any feature please let us know and we will arrange a "Go To Meeting" session for the training. Vineet has hosted several "Go To Meeting" sessions on the past few months and it have been very helpful. We will be using this feature to help train on the "Policy Change" feature.



Exceed
Expectations
Everyday



FARMERS MUTUAL
INSURANCE COMPANY

40 Moran Circle

White Hall, WV 26554

Phone: 1-800-654-0147

Fax: 304-366-5456

Website: www.farmersmutual.com