

EXCEED EXPECTATIONS EVERYDAY

4TH QUARTER 2007



DID YOU KNOW?

- Farmers Mutual Insurance Company will be hosting an "Agency Recognition Dinner" during the last week of January or the first week of February in 2008. This dinner will recognize many of our top performing agencies for 2007.
- Farmers Mutual will be increasing the Homeowners commission rate to 15% from 12.5% effective with all 01/01/2008 renewals and new business.
- Farmers Mutual has received another rating upgrade from A.M. Best. We have been upgraded to a B+. This is our 4th consecutive upgrade.
- Vineet is available for on-line training or for assistance if you are having any issues with the "Agency Information Center".
- Farmers Mutual average processing time for all accepted new business in 2007 is 5.2 days. Personal Lines average processing time is 3.83 days.

PRESIDENT'S CORNER



David L. Corsini, II

It is hard to believe 2007 is almost gone. The year has produced exceptional results for the company. AM Best has continued to recognize the effort



The last two columns in this series focused on liability hazards and maintenance issues for inspections. This column will put it all together, giving you the proper tools to perform quality inspections of business.

When you arrive at the location, look for any fire hydrants in the area, and check how far the hydrant is from the dwelling. It is important for rating to get an accurate assessment of fire protection. Find out which fire department services the address you are inspecting, and how far away it is located. Check for

and strong financial position the company is in with our latest upgrade to B+. We believe our rating will continue to improve over the next several years.

As per our earlier announcement, effective 1/1/08 we will be raising the commission for Homeowners to 15%. This is in response to the positive trend noted on this line of business. New business submission by our agency force is up 22% over 2006. We attribute this increase to improved technology as well as our commitment to increasing our presence in your agency.

We firmly believe 2008 will produce similar results. We

plan on releasing our first revision to the system during 2008 which will include additional enhancements and features and continue to improve our service to you and your policyholders. In conjunction we will hold a training session at our office as part of the rollout process.

On behalf of all the employees at Farmers Mutual we hope you have a happy holiday season. In addition we thank you for your continued support and as always please continue to let us know how we can better service our customers.

INSPECTION TIPS FROM THE FIELD

PUTTING IT ALL TOGETHER

accessibility. Is the road that leads to the property accessible and in good enough condition for travel? Could the fire department use this road to access the property?

Once you have done that, it's time to look at the dwelling itself. Make sure to determine if the home is a mobile home or a stick built home. This is a crucial factor in proper rating. What is the roofing material? Determine if it is shingles, roll roofing, or metal. Look at the foundation and see if it is solid masonry, on block piers, or wood posts. Check for underpinning on all risks that require it. The next area is heating. How is the home heated? Is there a wood burning stove? Check the chimney to see if it is masonry with a liner, masonry without a liner or metal. Make sure the chimney appears to be in safe, usable condition. You also need to investigate the electrical system. Ascertain if the electrical service is

a fuse system or breakers. If the system is breakers, what is the amperage? It is also important to figure the area of the house in square feet, so it is a good idea to have a measuring wheel or tape measure with you.

As you are gathering the information on the construction of the house, it is easy to look for the maintenance issues and liability hazards we discussed in earlier columns. Look closely for these items, and remember that each risk presents it's own unique conditions. When you have completed the inspection properly, it is easy to accurately quote the policy. Performing inspections is a necessary element of writing good business, and doing them properly is rewarding. You will be confident in your ability to place the proper coverage on the dwelling, and you increase your conditions for profitability as well.

MEET

"DYER INSURANCE AGENCY"



The Dyer Agency was formed in 1895 by Tim Dyer's great-grandfather. The Agency has been family owned and operated for the past 112 years. Tim is the fifth generation of his family to run the agency and currently his nephew Adam has joined our staff as the sixth generation.

We currently have our office in Clarksburg and also own Heflin Insurance Agency in Morgantown.

Our primary objectives are:

- to be honest and fair in all our dealings,
- to be interested in people and their problems,

- to treat the client's needs as though they were our own.

We have a commitment to maintain a high standard of excellence in all that we do and to establish a firm relationship of mutual trust and service with each of our clients.

Our experienced staff includes Producers, Sheila Mano, John C. Thompson Jr. & Garland Walker.

We are the oldest continuous agency in Harrison County.



INSCO.NET VER 2.0

4TH QUARTER 2008

Farmers Mutual will be upgrading our current policy processing system in 2008. We will be developing using Microsoft Visual Studio 2005 and NetAdvantage for .Net 2007. These software development products offer many enhancements and improvements over the products that were used to develop the original version of Insko.Net.

We have contracted with Criterion Software to have another programmer assist Vineet in the development of this upgrade. Currently we are anticipating a late 4th quarter of 2008 release date. We are very excited about this revision and the improvements that it should provide.

The latest product development software has features that we will be able to utilize that should provide a significant improvement in performance.

Farmers Mutual will also be making revisions to many of the processing screens and attempting to make them ever more user friendly and also to try and increase the flexibility of the system. We will also be revising the program so that the save of information is done from screen to screen so that information is not lost.

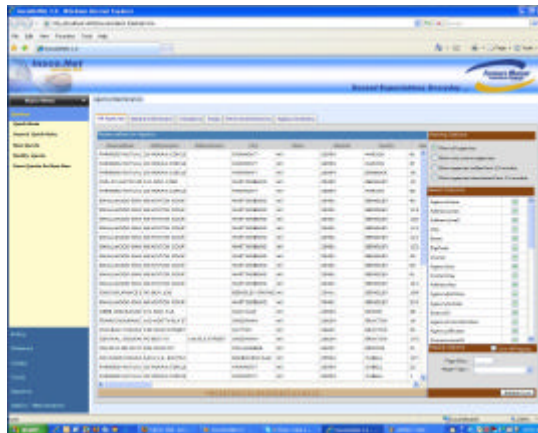
revising the appearance of the policy declarations and the agency commission statement.

We will be revising the appearance of the system and the location of menu options. We will be moving from the tree structure for page retrieval to a tab or page structure. With the new development environment the number of round trips to the server will be reduced and the loading of pages should be more efficient and much quicker.

In addition to revisions we will be adding some new modules to the system. Some of the modules that will be available in the new release will be:

- Agency and producer maintenance
- Mortgagee maintenance
- Reinsurance maintenance
- Personal lines rate development
- Insured maintenance

Farmers Mutual will continue to use "GoToMeeting" to do agent training and to assist our users in the resolution of problems.



Farmers Mutual will also be analyzing current programs and the processes to determine that we are optimizing operational capabilities of the system.

We will increasing the number of production reports available in the revised system. We will also be



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