

August 24, 2006

TO: ALL ARKANSAS AGENTS

HOMEOWNERS UNDERWRITING RESTRICTIONS REMOVED

Effective immediately, Grain Dealers Mutual Insurance Company has eliminated the underwriting restrictions previously imposed on unsupported homeowners business. We will no longer require supporting personal automobile business for any new homeowners account. In addition, the minimum policy deductible for homeowners has been lowered to \$500. We want to encourage you to submit your new Personal Lines business - homeowners and auto - but there no longer is a requirement to submit them together.

Each new submission will be underwritten based on its individual characteristics. We will continue to enforce the existing underwriting restrictions regarding age and fire protection:

- ◆ Homes must be located in Protection Class 1 - 8 only.  
*(Risks protected by Subscription Fire Service are not eligible.)*
- ◆ Home must not be more than 50 years old.

We appreciate the input and suggestions we have received from many of our Arkansas agents and are implementing this revision in an effort to reduce production obstacles and increase our business. For assistance and encouragement, contact me or your Personal Lines underwriter, Jeanne McGuire.

Bruce Mitchell  
Agency Supervisor