

May 1, 2009

TO: ALL ARKANSAS AGENTS

Commitment to Commercial Lines

Grain Dealers Mutual Insurance Company has made the strategic business decision to pursue Commercial Lines only in the state of Arkansas. Effective immediately, we will no longer accept any new Personal Lines business. Beginning August 1, 2009, we will start the nonrenewal process of all Personal Lines policies. Your insureds will receive Notice of Nonrenewal at least 30 days prior to the nonrenewal date as prescribed by law.

This was a difficult decision, but a necessary and prudent course of action based on the ongoing adverse loss experience on Personal Lines business and our long-standing desire to increase profitable Commercial Lines business in the state of Arkansas.

While we regret the inconvenience this decision may cause for you and your insureds, we are confident and fully committed to our new, specialized direction. We believe it is the most efficient and sensible use of our available resources to focus on Commercial Lines where we have a proven track record of success and potential for aggressive growth.

If you have any questions or concerns, please call me at 800-428-7081, extension 4512.

Bruce Mitchell
Agency Supervisor