

December 9, 2004

TO: ALL NORTH CAROLINA AGENTS

A NEW PERSONAL AUTO OPTION

Grain Dealers Mutual Insurance Company is pleased to make available an optional annual policy for Personal Auto. Effective immediately, for any new personal auto business you may elect a six month or one year policy. Simply select the preferred option in Quick Quote and on the ACORD application. Renewal policies may be converted to an annual term beginning with anniversary dates on and after March 1, 2005.

The Policy Period cannot be changed midterm. It is very important that you and your insureds clearly indicate the desired policy term prior to policy issuance. You must notify your underwriter at least 60 days prior to renewal of your desire to convert a policy to 12 months. Expiring policies will be automatically renewed under the same policy term unless you have given specific instructions.

Communication is critical. We were listening when you said you would like the option of an annual policy for Personal Auto. Please continue to communicate your needs and expectations to assure the successful implementation of this new service.

Bruce Mitchell
Agency Supervisor