

October 20, 2006

TO: ALL TENNESSEE & VIRGINIA AGENTS

A NEW WAY TO DEAL WITH DWELLINGS

Effective immediately, Grain Dealers Mutual Insurance Company will provide insurance protection for eligible tenant-occupied dwellings on Commercial Property Forms. Tenant-occupied dwellings, regardless of the number of insurable units, will be considered Commercial Lines. This change is being made to improve our service and processing by simplifying our underwriting practices and procedures.

We are very excited and encouraged about this change. We expect to improve our policy handling and processing, and we will be better positioned to implement further improvements and enhancements when we switch over to our new Commercial Lines System, Policy Decisions.

A handwritten signature in black ink that reads "Bruce Mitchell". The signature is written in a cursive, flowing style.

Bruce Mitchell
Agency Supervisor