

August 26, 2009

To Our Brokers

Federation Insurance Company

New Personal Property Program

Our new Property program is here! We are extremely pleased to present to you Federation's new Personal Property Program. Enclosed are Replacement pages for your manuals.

Effective Dates: September 1, 2009 for New Business, November 1, 2009 for Renewals.

✓ *This new program means better rates for new and existing target clients!*

The changes have been made with 2 goals in mind: 1. To improve the performance of the Personal Property line, and 2. To attract and retain more target clients. It was clear that a solution would not be found by simply applying rate to our existing program. We felt that the right approach was to reduce the rate for the client profile which has shown profitable results, and to increase the rate for the client profile which has shown unprofitable results.

Discount Highlights:

- ❖ New Home - up to 35%. **(Increased)**
- ❖ Claims free - up to 25%. **(Increased)**
- ❖ Preferred Renewal Plan - 10% to 20%. ***(New)***
- ❖ Mortgage free - 20%. **(Increased)**
- ❖ Unison for Homeowners - 15%. **(Increased)**
- ❖ New Business - 10%. ***(New)*** (Applies to all new Homeowners Business.)
- ❖ Mature Citizen - 5% to 15%. (Now beginning at age 40.)
- ❖ Deductible - 20 to 30% **(Increased)**
- ❖ **No Maximum Discount**

Other Highlights:

- Surcharges for Homes older than 50 years.
- Water Damage Extension ('Sewer Backup').
 - Premium increased by \$20 for all Options.
 - Restricted postal code list expanded.
- Actual Cash Value (ACV) Program is no longer available.
 - Our Underwriters will work with you to determine the correct coverage option on renewal – either with Federation or with Lloyd's.

Thanks for your support, and please contact us with any questions.

ANGUS-MILLER LTD.

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