

October 30, 2007

To Our Brokers

Federation - Personal Lines

Improvements to our Personal Property Program

We are excited to announce our new and improved Personal Property program through Federation Insurance Company. These changes will make us more competitive for newer homes and claims-free risks. Replacement pages for your Manuals are enclosed.

Effective Dates : November 1, 2007 New Business, January 1, 2008 Renewals.

- **New Home Discount Increased** (Homeowners) page E.1:
 - ✓ 20% for Homes up to **10 years old** (previously 15%)
- **Claims-free Discount Increased** (all lines) page E.1:
 - ✓ 20% for **5 years** or more claims-free (previously 10%)
 - ✓ 10% for **3 or 4 years** claims-free (previously 5%)
- **Deductible Discount Cap Increased** (page E.1):
 - ✓ \$1000 deductible - Maximum **\$300 discount** (previously \$100)
 - ✓ \$2000 deductible - Maximum **\$400 discount** (previously \$175)
 - ✓ \$5000 deductible - Maximum **\$500 discount** (previously \$400)
- **'Advantage 5/50 Endorsement'** - **New Value-added Feature** (page P.7):
 - ✓ Automatically added to all qualifying Homeowners, Condo and Tenant policies.
 - ✓ To qualify, client must be 5 years claims free and 50 years of age or over.
 - Includes \$7500 coverage for property of a parent living in a retirement home.
 - One deductible for a claim involving both auto and habitational policies.
 - Deductible waiver up to \$300 for claims \$10,000 or over.
 - 'Guaranteed Claims Service'
 - ✓ No premium charged for this endorsement
- **Water Damage Extension ('Sewer Backup') Changes** (page P.6)
 - ✓ List of Restricted postal codes has been expanded.
 - ✓ No change in base premium of \$40.
 - ✓ Option to buy greater coverage in restricted areas for increased premium.
 - ✓ Refer to page P.6 for full details.

Thank you for your support, and please contact any of our Underwriters with any questions.

ANGUS-MILLER LTD.