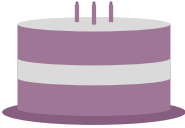
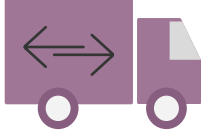
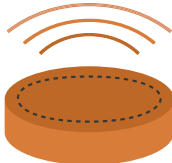
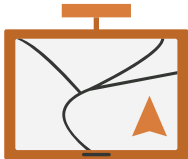
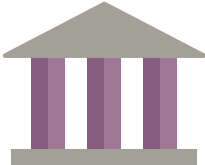


Your Guide to Rate Changes

Price depends on personal variables that can change from year to year.

	HOME	AUTO
CHANGES TO YOUR POLICY	 • Changes to your deductible • How much coverage you purchase • Changes in payment plan - i.e. setting up automatic payments	 • Changes to your deductible • Adding another vehicle/driver • Adding a teen driver • Changes in payment plan
INSURANCE HISTORY	 • Claims	 • Accidents/claims/tickets
CHANGES IN YOUR LIFE	 • Age of house • House value • Home improvements • Moving to a new area • Age • Marital status	 • Age of car • Changes in the car you drive, including modifications like built-in navigation • Age • Moving to a new area

Rates can also vary based on macro factors outside of your control.

	HOME	AUTO
REGIONAL FACTORS	 • Weather patterns • Geography • Catastrophic weather events • Propensity to wildfires/windstorms • Proximity to emergency services • Local/regional crime trends	 • Geography • Catastrophic weather events • New driver trends, such as distracted driving • Population change
TECHNOLOGY	 • Greater prevalence of alarm systems, fire alarms, monitored security systems	 • New features on cars can cost more to fix
ECONOMY	 • Inflation • Rising home values • Changes in construction and material costs (caused by inflation or other factors) • Changes in local building codes	 • High employment rates mean more drivers, which creates more risk for everyone • Inflation costs of materials needed to fix cars

Where is the money going?

The idea behind a mutual is simple: Your money goes into a pool to be there for your neighbor and your neighbor's money goes into the same pool to be there for you. As a member, your monthly premiums, along with other members' premiums, pay for claims and the costs to keep our company running. Any surplus is put into a reserve fund to help get us through extraordinary circumstances, like a big wildfire or an unusually harsh or windy winter. There are no investors to pay, or shareholders to answer to. All the money goes towards keeping us stable and secure, which benefits our members over the long haul.

MYTHS ABOUT INSURANCE RATES:

Myth: Insurance should cost less because cars have gotten safer or get older.

Technology makes cars safer, but it also makes them much more expensive to repair. This means there are not as many repaired cars and more total losses. A vehicle's depreciation does not reduce the cost of repairs as labor rates and part costs are not dependent on the age of a vehicle.

Myth: Insurance companies raise prices to make more money.

Companies set prices according to each risk. The premiums MOE charges are set to cover operational expenses, claims, and build our surplus. Mutuals like us do not have investors taking from the profits, only members who benefit from them through new product offerings and stable rates. Also, prices cannot be increased without basis. Rates need to be filed and approved by each state's insurance commission.

Myth: My insurance policy is like a savings account I make withdrawals from when needed.

Your premiums always go toward the common pool, and claims are always paid from the common pool. Rate increases following claims are made to level your risk and premiums with the rest of our members, and are never applied in order to recoup losses from your claim.

Are there unapplied discounts available?

HOME AUTO	AAA Membership*	GSD	TeenSMART	Distant Student	Account Discount (multi-policy discount)	Defensive Driver (55+ but NOT in AZ)
	Local Alarm* (Fire &/or Burglar)	Monitored Alarm	Package Credit	Multi-Home	*Number one discount missed	

Cost of leaving

Switching insurance carriers simply because they offer lower rates isn't always, or even often, the best move. These are some of the unseen costs of switching insurance companies:

- **Loyalty.** Our members with tenure acquire loyalty discounts, which are lost when switching.
- **History.** The longer you've been with a company, the stronger relationship you have in good times and bad. Switching means starting over. It will take time to form a bond.
- **Price.** Rates are constantly changing for every insurance carrier. The lowest priced carrier this year likely won't be the lowest priced carrier next year. With the ever-changing market searching for the lowest premiums will be an unending battle.

If you do decide to go with a lower cost carrier please ensure you're still adequately covered. Pay attention to your agent, and make sure you understand exactly how your coverage will change.

