

January 4, 2007

Dear Client,

I am writing to make you aware of some major changes with the Massachusetts Auto Insurance Market. For the past forty years the Commissioner Of Insurance has set uniform rates for this line of coverage, meaning insurance companies couldn't differentiate on price. Effective April 1, 2008, companies will be allowed to charge their own rates and will now compete for your business.

I know there has been a fair amount of press about the reform and I have been following it closely. Much of what I have heard and read is very general and there is still much to be worked out between companies and the Insurance Department. At this point there are more questions than answers but I wanted you to know we are very much involved in the process that is taking place to bring about this reform.

Here are a few facts I wanted to share with you:

- The commissioner has stated that rates in Massachusetts, due to this reform, will drop an average of 7%. It is important for you to know that this is just an average. There are some whose rates will drop significantly more than 7% and others that will increase.
- We currently place auto insurance with Commerce Insurance Company and Quincy Mutual Insurance Company. I am also looking into providing auto insurance through additional carriers. Both of our current carriers will be offering coverages that have not been available in the past such as replacement cost coverage on new vehicles. They are also going to be offering very attractive loyalty credits for policyholders that have been with them for a period of time.
- Most of you are aware that many insurance companies that provide homeowners insurance coverage have given discounts on those policies if they wrote your auto insurance as well. This reform will now allow carriers to give you discounts on your auto policy if they write your homeowners policy.

I am grateful for the loyalty you have shown my family and this agency over the years and am committed to continuing to provide superior products and service to all of you. As changes occur, we will keep you informed. If you have any questions or concerns, please feel free to contact any of our client service representatives.

Sincerely,

Robert R. Wilcox, CIC
President