

March 11, 2008

Dear Client,

As I mentioned in my letter of January 4th, I want to keep you informed of the proposed changes to Massachusetts auto insurance. Since my last letter my staff and I have attended many seminars regarding these changes. The April 1st effective date for “Managed Competition” is fast approaching and we expect our procedures and technology changes will be in place by that date.

I have continued to follow the press about auto insurance reform and the consistent theme in all that I read and hear is that you will all save money under the new system. As much as I have tried to get exact details of what will drive rates, insurance companies and the media have continued to be vague. What I can tell you is the 7-8% rate decrease due to the reform is an **average** across the State. Approximately 20-25% of policyholders will see an **increase**. Those that have driving points due to accidents or moving violations as well as young drivers will most likely be in this category.

The following are a some additional points and updates I wanted to share with you:

- We have received some inquiries from our clients about renewing their auto insurance policies in April rather than their current month so they can take advantage of the new rates. I can't stress enough that trying to take this approach could end up costing you a lot of time and you may only see minimal savings if any. The law still holds that if you change insurance companies mid-term the expiring company will impose a 10% “short-rate” penalty. The penalty does not apply if you re-write within 30 days after your effective date.
- I have decided to continue with both Commerce Insurance Company and Quincy Mutual Insurance Company as our two auto insurance carriers. Both of these companies are very financially strong and will offer competitive rates that will include loyalty credits. Each of them will also be offering enhanced coverage you can add.
- The first policies that include the new rates will be mailed in the next few weeks. Please take the time to review your policy and feel free to call us if you have any questions. Our renewal process will remain the same as in the past, although you may see additional correspondence from us if our companies require further information.

In an effort to simplify and summarize the changes, I have prepared and enclosed a “Frequently Asked Questions” sheet for your review. I also wanted to take this opportunity to inform you of our newly designed and updated website. A special page is dedicated to auto insurance reform. This letter, my past letter and the FAQ are posted on our new site. We will continue to post updates as they become available. Please take a moment to visit our new site at www.wilcoxagency.com.

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

Sincerely,

Robert R. Wilcox, CIC
President