



FARMERS®

News

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Farmers Insurance Group® and Ulico Insurance Group Enter Exclusive Agreement **Farmers to serve millions of union members**

LOS ANGELES (March 22, 2001) In a distinctive strategic alliance, Farmers Insurance Group will offer its products and services to labor union members through local and national union leadership affiliated with Ulico Insurance Group.

According to the Bureau of Labor Statistics, more than 14 percent of the U.S. workforce is made up of union members.

Ulico Insurance Group is well-known to the 33,000 AFL-CIO labor organizations serving more than 16 million union members in the United States and other unions and organized employers representing an additional nine million individuals.

Through this exclusive alliance, Farmers gains access to an important market, and Ulico can offer union members the personal attention and expertise of Farmers' national network of agents and claims professionals.

"We are honored and excited about providing union members and their families complete home and auto insurance solutions and offering advice-based services," said Martin D. Feinstein, Chairman and CEO of Farmers. "Our community-based agents are perfectly positioned to build personal, face-to-face relationships directly with union members."

According to Ulico Insurance Group President Michael Machanich, Ulico typically markets its products to the union entity, not its membership. Ulico is a leader in fiduciary liability coverage for trust funds and offers additional products to unions such as professional liability insurance and commercial general liability, commercial property, commercial auto and workers compensation.

"We want to develop a personal insurance program that will earn the respect and trust of the union membership," said Machanich. "We've been impressed with Farmers' broad vision and encouraged by their capabilities to understand the needs of union members. The winner here is the union member. We're pleased that our organizations agree that the member is our mutual customer."

Farmers and Ulico will each dedicate resources to the alliance through a management committee. Pilot programs will be developed for several states that have yet to be determined and initial services could begin as early as June of this year.

Farmers Insurance Group of Companies is the nation's third-largest home and auto insurer. Headquartered in Los Angeles and doing business in 41 states, Farmers provides home, auto, business and life insurance to more than 10 million households through 17,000 exclusive and independent agents and district managers. For more information about Farmers, visit the company's website at <http://www.farmers.com>.

Ulico Insurance Group specializes in fiduciary liability for trust funds, professional liability for unions, commercial lines and collectively bargained workers' compensation programs targeted to labor unions and unionized employers. Ulico Insurance Group is a member of the ULLICO group of companies. ULLICO Inc., based in Washington, D.C., is a diversified financial services corporation providing insurance, investment, and administrative services to unions, jointly managed trust funds, organized employers and individual union members.

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