

# FarmersAlliance

Insuring Rural America Since 1888

To: Senate Committee on Financial Institutions and Insurance

From: Richard E. Wilborn

Re: Farmers Alliance/P&C Industry

Date: January 24, 2013

Mr. Chairman and Members of the Committee, thank you for inviting me to make a few remarks about Farmers Alliance and the Property and Casualty Industry. My name is Richard Wilborn and I have represented Farmers Alliance for many years.

Farmers Alliance began in 1888 in the small, rural community of McPherson, Kansas. It started as a fire insurance company to share the mutual exposures of local farmers in the county. Farmers Alliance has grown to an organization that writes more than \$130 million in premium across an eight state region. Insurance products are oriented to predominately rural market, and more than 50% of the total business is written in farm related lines. A wide range of personal and commercial products are offered as well. As a regional insurer, Farmers Alliance is represented by over 600 independent insurance agencies in the following states: Colorado, Idaho, Kansas, Montana, Nebraska, North Dakota, Oklahoma, and South Dakota.

The success of the Farmers Alliance companies would not have been possible without the solid financial strength through the years. A.M. Best, the foremost independent insurance company analyst in the United States, has consistently awarded Farmers Alliance Companies a superior rating. Capital resources have provided consistent growth and the companies' financial ratios continue to exceed acceptable industry standards.

Farmers Alliance has a long history of being an outspoken advocate of state regulation as opposed to federal regulation. We enjoy a good working relationship with all of the state regulators that we do business with. As a Kansas domestic insurance company, we find it vitally important that we have a good working relationship with the Kansas Insurance Department. Many times another state regulator will reference the

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Farmers Alliance Mutual Insurance Company  
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Kansas Insurance Department's actions with Farmers Alliance to approve actions in their state. In particular, financial examination results and market conduct reports.

The Farmers Alliance Companies are active members of Kansas Association of Property and Casualty Companies (KAPCIC); the National Association of Mutual Insurance Companies (NAMIC); and Property and Casualty Insurers Association of America (PCIAA). Through the collaborative effort of these organizations we are able to develop sound research data, establish positive public policy initiatives, and effectively communicate with Legislators and Regulators.

A handwritten signature in black ink, appearing to read "Richard E. Wilborn". The signature is fluid and cursive, with a large initial "R" and "W".

Richard E. Wilborn, CPCU

