

AG WORKERS™
INSURANCE

FALL 2010

UPDATE

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President's Pen

The federal government is increasing the national debt by over \$4 billion per day. Brand names that were icons of business and finance are in trouble or gone. The national unemployment rate has been estimated at over 9%. In the last two years, well over a trillion dollars has been spent on the "stimulus". The Dow fell to 6,500 in March of 2009.

You may have asked or wondered how our mutual company is doing in this climate. Like other insurance companies, we took the investment hit in the down stock market. Your investments and 401k's probably suffered too. I am pleased to report that, as of this

writing, our investments are back to about where they were two years ago. Our conservative investment strategy set by our Board of Directors and the competent guidance of our investment manager, Mike Hyatt of UBS, combined to achieve this favorable result.

Our company is strong and has maintained its "Excellent" rating for financial stability from AM Best. Our reinsurance company, from whom we purchase insurance coverage for large claims, is an A rated company. Our ratio of assets to surplus is at or near an all time high. We are able to continue your 17% dividend. Our policyholders continue to play the key role in the success of the company by helping control losses, driving safely and renewing policies year after year. We were able to decrease rates in 2009, but because of losses, weather and other factors, some of our coverages required an increase beginning in August. Even with the rate adjustment, our rates are significantly less than pre-2009 rates and among the most competitive in the industry.

Know that your company is in sound financial shape, thanks in large part to your continued loyalty.

Marcus Hill
President, CLU
Chairman of the Board

For your convenience and to better serve you

OFFICE HOURS

8:30 am - 5:00 pm | Monday - Thursday
8:30 am - 4:00 pm | Friday

Please call us toll free at:

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Visit us online at www.agworkers.com

DR. CHRIS SKAGGS

OUTSTANDING POLICY HOLDER

Whether it's in the livestock ring, the office at Texas A&M University, or teaching in the classroom, Dr. Chris Skaggs is a familiar face to many of us. Growing up in the small town of Pampa, Texas, Skaggs and his family always held a strong agricultural based background. After spending several years away from home, he now resides in College Station, TX. It is no doubt that Texas A&M University keeps Skaggs very busy, but it is apparent that he wouldn't have it any other way!

Dr. Skaggs holds the San Antonio Livestock Exposition Chair in Animal Science, serves as a superintendent of the intercollegiate livestock judging contest and the steer show at the Houston Livestock Show and Rodeo, as well as devotes a considerable amount of time to live animal evaluation. In addition to this, he coordinates the Livestock Judging Team program at Texas A&M, he has judged numerous national shows, and has worked with students at hundreds of youth shows all across the country.

By Intern Macy Eaves

Sitting behind a desk allows Dr. Skaggs to serve as the Associate Dean for Student Development at Texas A&M University. Here he is charged with the responsibility of student success through scholarships, advising, recruitment, as well as coordinating various programs and activities.

Dr. Chris Skaggs has received numerous honors and awards in the classroom and is among the students' favorite in the College of Agriculture and Life Sciences. Skaggs is the instructor for the introductory Animal Science course, as well as the Agriculture and Life Sciences Course which prepares students for college at Texas A&M University and life afterwards.

Dr. Skaggs truly values the importance of education as he received an undergraduate degree in Animal Science and Agricultural Education from Texas Tech University, his master's degree in Animal Science from Kansas State University, and finished up at Iowa State University where he received his doctorate in Animal Science.



Skaggs efforts and willingness to help students succeed is what truly sets him apart. There is never a moment when Dr. Skaggs' door isn't open, and ready to help. Each and every day faculty and students from various majors and departments call upon Skaggs for guidance and direction. The College of Agriculture and Life Sciences at Texas A&M University is extremely lucky to have such a talented and wonderful individual to serve the more than 8,000 students each and every day.

Skaggs is married to Misty Skaggs, the Senior Project Coordinator for Texas A&M University, and together they have two daughters, Miranda, 5 and Camryn, 1.

Ag Workers Mutual Auto Insurance is proud to announce Dr. Chris Skaggs as an outstanding policy holder.

AG ED REUNION

Back Row: left to right

Ray Raybroker
Bill Tomlinson
Dr. Lon Shell
Dr. Don Knotts
Dan Gattis
William Kulow
Jack Rowland
James Roden

Front Row: left to right

Billy Conner
Clemon Montgomery
Durwin Hill
Jay Eudy
Garlin Scroggins
Ira E. Black
William Woody



GENE JERNIGAN

OUTSTANDING POLICY HOLDER



In Godley, a small Texas town just under nine-hundred in population, you will find Gene Jernigan, a long standing policy holder of over fifty years with Ag Workers Mutual Auto Insurance.

Born and raised in Godley, Texas, Mr. Jernigan had always been exposed to agriculture and been aware of its importance. Once he received his high school diploma, he headed east to Huntsville, Texas to attend Sam Houston State University. Mr. Jernigan left Sam Houston State University with two degrees, a Bachelor's of Science in Agriculture Education and a Master's degree in Education. He then continued to fulfill his dream as an agriculture science teacher at Bellville High School. Teaching at Bellville for one year, he then moved on to teach at Rio Vista High School for two years.

By Intern Dean Black

Although being a high school agriculture instructor was a dream which Mr. Jernigan always had, he made the move to work for Texas Utilities in Fort Worth, presently known as Energy Future Holdings. Mr. Jernigan admits that the legislative process had always been an interest of his and which was the motive for his next decision to move onto a career involving governmental affairs with Energy Future Holdings.

For the last twenty years Mr. Jernigan has been stationed in Austin working with the legislature in a career he truly loves. While Mr. Jernigan is away with work, his wife, Margaret, closely watches and manages the operations of their family ranch operation. Mr. Jernigan admits that his greatest influence comes from his loving family, his wife Margaret, and four children Cara, Glen,

Misty, and Kerri. Mr. Jernigan is also the proud grandfather of twelve grandchildren.

Gene Jernigan is a true advocate of agricultural leadership. Some of his most impressive honors include serving as a Hereford Superintendent for the Southwestern Exposition Livestock Show and Rodeo in Fort Worth and being voted Man of the Year by Texas Association of Agriculture Professionals.

Ag Workers Mutual Auto Insurance Company is proud to announce Gene Jernigan as an outstanding policy holder.



FIVE MOST COMMON CAUSES OF ACCIDENTS!

By Terri Bates: Underwriting

Many are surprised to learn that drunk driving is not the leading cause of car accidents. While drunk driving does make the list, the most common cause is something that most drivers are probably guilty of at one time or another.

DISTRACTED DRIVING:

Distracted driving includes talking on the cell phone, texting, looking at something on the side of the road rather than what is ahead and trying to complete other activities, such as putting on makeup or eating, while driving. By some estimates, distracted driving is behind nearly 50 percent of all car accidents

FATIGUE:

During the hours of 11 p.m. to 8 a.m., the number of car accidents caused by drivers who are too tired to pay attention to the road increases. Some drivers do not even realize how dangerous their situation is until it is too late. This is even more of a danger when one is driving a long distance. Experts recommend taking a break every couple of hours and stopping right away if you become too tired to fully concentrate.

DRUNK DRIVING:

While drunk driving was not number one on the list, it is responsible for about 30 percent of all fatal crashes. When someone is killed or injured due to a drunk driver it is especially tragic, as most people have heard how dangerous drunk driving is, yet some choose to take the chance anyway.

SPEEDING:

The reason that speeding is so dangerous, and therefore, responsible for so many car

accidents is that when a driver is speeding he will often not have enough time to react to dangers on the road. Many ignore the posted speed limits, and the result of such negligence is often quite tragic.

AGGRESSIVE DRIVERS:

Aggressive driving includes following too close, cutting off other drivers, and changing lanes too often. Aggressive driving is a crime in most locations but a police officer often does not see this behavior take place and an accident is often the result.

Each of the top five most common causes for car accidents involves some measure of negligence or recklessness on the part of the driver. Please be aware of your behavior and be careful. Lives are depending on you.

THE ACCOUNTING DEPARTMENT



Aaron Spencer



Kim Isaac



Kellee Visage



Falene Holt



Jamie Ashton



Celeste Current

The Accounting Department is an integral part of the Ag Workers Group of Companies. Insurance companies are one of the most highly regulated businesses in the U.S. Our staff is committed to ensuring that its companies are in compliance with all of these regulations. We also strive to keep up with current technology to keep administrative costs down. We have recently implemented the Purepay system that scans all checks received and transmits the deposit directly to the bank. This allows us to process payments more accurately and efficiently and prevents making a bank run each day.

We currently have six employees on staff in the Accounting Department. Each of these employees plays a vital role in making this a remarkable insurance company. Aaron is the Chief Financial Officer. He is responsible for reporting and compliance issues with all of the States we are licensed. Kim, the Assistant Treasurer, prepares data and filings for reporting to the Texas Department of Insurance and National Association of Insurance Commissioners, bank reconciliations, and assists with audits. Kellee is responsible for federal reporting, reporting investment transactions, management reports, updating the general ledger, and accounts payable software. Falene, the Accounting Supervisor, manages accounts receivable, accounts payable, creates month-end journal entries, and coordinates with customer service reps and software vendors to make sure we are providing the best support we can. Jamie is responsible for posting payments, accounts payable, and unclaimed property. Celeste is also responsible for posting payments, preparing claim checks for the mail, and reconciling credit card transactions.

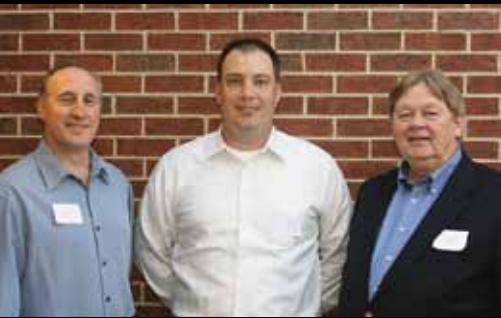
62nd Annual Meeting

The 62nd Annual Meeting of Ag Workers Members and Board of Directors was held April 9, 2010 at the company's home office in Fort Worth. At the Members meeting, all Board members were re-elected. The Board elected existing company officers to serve in their respective capacities for the coming year.

The Board expressed great appreciation to the Members for their continued efforts to keep the cost of claims low and especially noted gratitude to the Members for their tremendous loyalty to Ag Workers.



Front row, left to right: Kelli Brown, Jean VandeLune, Patti Beckham. Second row: Jack Rowland, Art Hencke, Dr. Marvin Cepica, Gary Clayton, Dr. Larry Butler, Marcus Hill. Third Row: Dr. Billy Harrell, Ronnie Mittel, Billy Wayne Denison, Bryan Daniel, Dr. Ed Smith. Fourth row: Dr. Joe Townsend, Dan Gattis, Fritz Nelius, Hurley Miller



David Coker, M.H. Schalk and Marcus Hill



E.L. Caraway and Marcus Hill



Marcus Hill and Dr. Ed Smith



Mr. and Mrs. Wesley Holekamp



Mr. and Mrs. Hurley Miller



Mr. and Mrs. Tom VandeLune

AG WORKERS™

INSURANCE

P.O. Box 88 • Fort Worth, Texas 76101



AG WORKERS INTERNSHIP PROGRAM



Interns Dean Black and Macy Eaves with Texas Agriculture Commissioner Todd Staples.

The Ag Workers Internship program was designed by President Marcus Hill in 1988 with the intent to expose young professionals to the corporate world, boardrooms, and the insurance industry. Allowing young people from rural roots to focus on leadership in today's business world is a primary goal of the intern program.

Macy Eaves is currently a junior at Texas A&M University where she is studying Agricultural Leadership and Development. She was born and raised in Stephenville, Texas and was a

member of the 2008-2009 Texas FFA State Officer Team. At Texas A&M, Macy is the President of the Agricultural Leadership Education and Communications Club, a member of Aggie REPS, a member of the College of Agriculture and Life Sciences Student Council, serves as the Student Representative for the Centennial Committee of the College of Agriculture and Life Sciences, as well as a student worker for Dr. Chris Skaggs, Associate Dean for Student Development. Macy has been named to the National Society of Collegiate Scholars, and was selected as an

Outstanding Student for the College of Agriculture and Life Sciences. Upon graduation, she plans to pursue a career in Agricultural Sales and the Public Relations industry. Macy has one older brother, Kirby, who is a senior at Texas A&M. Her parents are Cary and Janah Eaves, both residing in Stephenville.

Dean Black is currently attending Texas Tech University pursuing a degree in Agricultural Communications. As a junior, Dean has become very active on the Texas Tech campus, being involved with many different organizations including Agriculture Communicators of Tomorrow, Collegiate FFA, and Agriculture Ambassadors. He also serves as a Senator representing the College of Agriculture Sciences and Natural Resources in Texas Tech's Student Government Association. After graduation he plans on attending graduate school in pursuit of a doctorate in Agriculture. Dean attended Cleburne High school and was very involved with FFA and sports. Last year, Dean served the State of Texas as a member of the 2008-2009 Texas FFA Officer team and he is also a proud Eagle Scout. Dean has two siblings, sister Maddison of Tarleton State University and brother Pete of Cleburne High School. His parents are Grady and Tris Black of Cleburne, Texas.

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