

To our valued agency partners:

It's hard to believe we are already over a month into the New Year! We hope you are having a good start to 2024!

As we're all familiar with, the property and casualty (P&C) industry has encountered numerous obstacles in recent years, including rapid inflation, social inflation, intense weather events in the Midwest, a historically tough reinsurance market, and more. These hurdles have led to escalated claims expenses and increased operational costs for Homestead Mutual. It's crucial that we adjust our rates accordingly to sustain financial stability and ensure ongoing protection for our valued policyholders.

Below is a summary of the rate changes Homestead Mutual will be incorporating effective 04/25/24 for all renewal business and 04/26/24 for all new business.

- **Coverage A Rate Increase**
  - This will affect policies in different ways depending on the policy type and the specifics of each policy.
  - On average, the premium associated with coverage A on a policy will increase by roughly 15% - 18%.
  
- **Water Back Up and Sump Discharge or Overflow Rate Increase**
  - We will continue to include a free \$1,500 limit on many policy types.
  - Rates for additional limit, or if not included, will be increased by roughly 20%.
  
- **Modified Replacement Cost Settlement Endorsement Rate Increase**
  - On average, the rate for a modified replacement cost settlement endorsement will be increased by 15%.
  
- **Policy Fee Increase**
  - The policy fee will be increased by \$5 or \$10 on each policy depending on the annual premium of the policy.
  - Updated schedule below:
    - \$25 - Annual premium is \$500 or less.
    - \$35 - Annual premium is \$501 - \$1000.
    - \$50 - Annual Premium is \$1001 or more.

Thank you all for everything you do; we value our relationships with each of you and the service you provide to our common policyholders. We will continue to provide high quality insurance products with a local, personal touch; and look forward to many more years of shared success with our agency partners. If you have any questions, please feel free to contact us, or better yet, stop by our office for a visit.

-The Homestead Mutual Team