

AMERICAN FAMILY INSURANCE®

All your protection under one roof®

THE MARKET

Ranking 352nd among the Fortune 500, American Family topped the \$5 billion mark in policyholder equity in 2007. American Family Mutual Insurance Company is the nation's third-largest mutual property and casualty insurance company (based on net premiums written). The company offers auto, homeowners, life, health, commercial, and farm/ranch insurance in 19 states through almost 4,000 independent-contractor exclusive agents.

Over the last decade, American Family has expanded beyond the Midwest into additional states in the West and the Pacific Northwest. The company continued its expansion trend and entered into the South in January 2009. The company's entry into Georgia will be its fifth state expansion since it moved into Oregon in 1998. The company entered the Nevada market in 2001, Utah and Idaho in 2002, and Washington in 2006.

Headquartered in Madison, Wisconsin, the company also maintains five regional facilities (Columbus, Ohio; Denver, Colorado; Eden Prairie, Minnesota; Madison; and St. Joseph, Missouri). American Family employs more than 8,000 people.



ACHIEVEMENTS

As a mutual company, American Family's customers and owners are one and the same. Success is measured not by the rate of return for shareholders, but by the value provided to policyholders.

American Family agents who achieve benchmark levels of customer satisfaction and a rigorous onsite evaluation are the first in the industry to be individually certified by J. D. Power and Associates as Distinguished Insurance Agencies for providing An Outstanding Customer Experience.



This third-party certification is also the basis for achieving American Family's internal award. The program highlights the benefits of outstanding customer service and rewards those agents with high customer satisfaction and consistent compliance with customer-service best practices.

Working with a distinguished and respected third party, J. D. Power and Associates, clearly defines customer-service best practices from the customers' perspective, and helps agents and employees understand how their level of service compares to the industry.

American Family was the first insurance company to deploy a self-contained vehicle to serve as a mobile claim office at catastrophe sites. That vehicle, a semi-trailer, was put into service in 1994. In 2008, the company added the fourth vehicle to the fleet, a custom-built, satellite-supported, 40-foot vehicle with 14 interior workstations allowing adjusters to meet with customers.

HISTORY

For more than 80 years, American Family has taken care of its customers by providing the products they need and the excellent service they expect, before and after a claim. American Family products insure customers, and ensure peace of mind.

American Family Insurance's remarkable history started with a single idea. A struggling insurance salesman named Herman Wittwer believed a company could make money selling auto insurance to Wisconsin farmers. Herman understood that farmers presented lower risks compared to city drivers because they drove less often and put their cars up on blocks for the winter. Armed with this customer knowledge, Herman confidently opened the doors of Farmers Mutual Automobile Insurance Company on October 3, 1927.

Over the years, Farmers Mutual expanded its market and product line to meet the changing needs of its customers, as it grew from rural areas to serving people in small towns, suburbs, and metropolitan areas.

In 1958, the company introduced homeowners insurance and opened American Family Life Insurance Company. In 1963, Farmers Mutual changed its name to American Family Mutual Insurance Company to reflect its broader customer base.

THE PRODUCT

Offering "All your protection under one roof®," American Family Insurance has products to meet customers' needs, no matter their situation or life



stage. From auto, home, health, life and annuities, business insurance, and farm and ranch insurance, American Family has its customers covered.

American Family Insurance agents are located in the neighborhoods they serve. Their local market knowledge coupled with their robust insurance product expertise allows them to relate and respond to their customers' needs. By developing a strong relationship with clients, agents work toward providing the service and expertise required of a truly expert consultant.

RECENT DEVELOPMENTS

In 2007, American Family Insurance took a new approach to defining success, recognizing that satisfying its customers is the most important thing the company does. A new mission was adopted: to be the most trusted and valued service-driven insurance company.

Building on an already strong focus on the customer, the new mission gives agents and employees an unmistakable clarity about the company's focus. This new mission is the driving force behind every aspect of the way American Family does business, as the insurer constantly evaluates feedback from customers to make sure that the company is meeting and exceeding expectations.

At the end of 2006 and in 2007, American Family was among the first in the industry to roll out a claims-handling model in which the same person taking a customer's first notice of loss



call center to answer questions from customers about their bills or bill-paying procedures.

PROMOTION

In 1965, the American Family Insurance jingle was introduced and became a foundational element within its marketing efforts ever since. Recognition of this highly memorable tune reaches beyond the boundaries of American Family Insurance's operating area. Company representatives are approached by individuals throughout the country who recognize the company name and instantly associate it with the catchy tune.

In 2007, American Family Insurance launched a series of ads discussing its dedication to customers and the benefits of having a multiline insurance company. "The Red Roofline" campaign spoke to the breadth of the product line and the strength of the agent force.

In 2008, the advertising approach evolved into the "Families" campaign, which used iconic television families (from *The Brady Bunch*, *The Munsters*, and *Green Acres*) and their chaotic situations to

deliver the message that "nothing families do surprises an American Family Insurance agent, and they, in turn, make sure that nothing resulting from the insurance relationship will surprise the customer." This campaign continued to emphasize the role of agents and their interest in building strong and beneficial relationships with customers. It reinforced a simple, main idea that "Nobody knows you like family."

In its most recent execution, the concept has continued to evolve into a campaign titled "The Family You Choose," further emphasizing the benefits of having a relationship with an American Family Insurance agent and the extent to which that agent will get to know the customer and understand his or her needs. The advertising

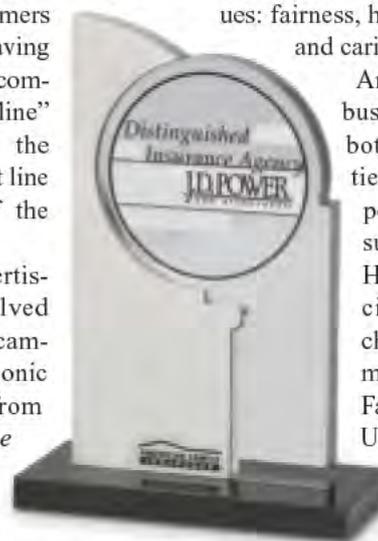
features real-life components of consumers' lives exemplifying the ways in which American Family agents provide their customers peace of mind.

BRAND VALUES

The insurance experience is not about buying a policy; it's about developing a relationship with an experienced, knowledgeable insurance consultant and with a stable, trustworthy company. Providing the customer with peace of mind is at the forefront of everything American Family does: making the experience easy, taking away worries, and making sure customers know they'll be taken care of when they need it the most.

American Family Insurance's commitment to its customers is reflected in its company values: fairness, helpfulness, ease and convenience, and caring.

American Family Insurance is in the business of building relationships, both with customers and communities. The company is proud to support a variety of important causes, such as the United Way, Habitat for Humanity, and other nonprofit associations that support families and children. The company was instrumental in funding the American Family Children's Hospital at the University of Wisconsin-Madison, a new, state-of-the-art facility that serves children from Wisconsin and surrounding states. The hospital is another example of how American Family Insurance lives its commitment to the communities it serves.



YOUR HUSBAND KNOWS HOW TO MAKE YOU LAUGH. YOUR TEEN KNOWS HOW TO MAKE YOU CRY. YOUR AGENT KNOWS HOW TO GIVE YOU PEACE OF MIND.

AMERICAN FAMILY INSURANCE
At your protection under one roof.

NO ONE KNOWS YOU LIKE FAMILY!™ LOVE IT OR HATE IT, WHEN YOU NEED THEM, THEY'RE THERE. FOR OVER 80 YEARS, WE'VE BEEN PROVIDING FAMILIES THE PEACE OF MIND THEY DESERVE. WE'RE AMERICAN FAMILY. THE FAMILY YOU CHOOSE.
Choose an agent at: american.com or call 1-800-MYAMFAM (1-800-492-4324)

THINGS YOU DIDN'T KNOW ABOUT AMERICAN FAMILY INSURANCE

- American Family's iconic jingle was registered as a copyright in June 1965.
- American Family contributed \$10 million for the development of the American Family Children's Hospital at the University of Wisconsin-Madison. Opened in 2007, the 85-bed hospital receives more than 2,000 in-patient admissions each year.