



October 8, 2008

«BROKERAGE»
«ADDR1»
«CITY», «STATE» «ZIP»

DEAR «PRINCIPAL»:

These are exciting times for State Fund. We are making a number of changes to make it easier to do business with us. We are reengineering the organization, improving our business processes, and investing in technology.

Our first step was to flatten our organization. We needed to get closer to you and other customers, and also make it easier for our field staff to make decisions. This field reorganization is close to completion. We are bringing marketing, underwriting, loss control, audit, and related departments under a single manager. I have been appointed Regional Vice President. Along with my management team, I am looking forward to working with you in my new role.

I also am happy to announce that State Fund is rolling out a new Internet-based feature that will enhance and simplify our business submission process. You told us that our submission process was outdated, and we listened. We will roll out our new streamlined, online submission product in three phases:

Phase 1 – October 15, 2008

Online Submissions. Our online submissions project allows you to submit applications to State Fund on the Internet. You will be able to key data directly into State Fund Online. If your agency management system is compatible, it will populate the application's fields automatically, eliminating the need for mailing, faxing, or e-mailing applications. A list of compatible agency management systems that interface with our online submission product is located at www.scif.com/brokers/AMSrequirements.html.

Phase 2 - Second Quarter 2009

Online Renewals. This great feature will give you the power to renew your policies online, without re-keying any data. This new process not only makes renewal processing easy and fast, it also creates greater efficiency for your staff.

Phase 3 - Third Quarter 2009

Online Quoting. In our third phase, our robust new quoting system will enable you to obtain quotes and submit applications—even a large number of them—online.

You also should expect to see more of us on an ongoing basis. We're very interested in understanding how we may assist our partners in growing their business and at the same time, building strong and lasting relationships.

I hope to see many of you in the months ahead.

Sincerely,

«VICE_PRESIDENT»
Regional Vice President
Region
Address: «VP__ADDRESS»
«VP__CITY», «VP__STATE» «VP__ZIP»
Phone: «VP__PHONE»