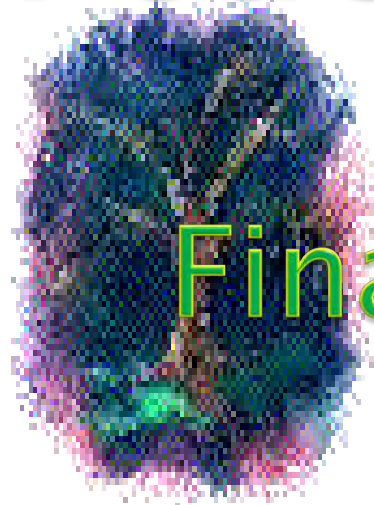


Federated Update



Spring 2011 Financial Managers Conference

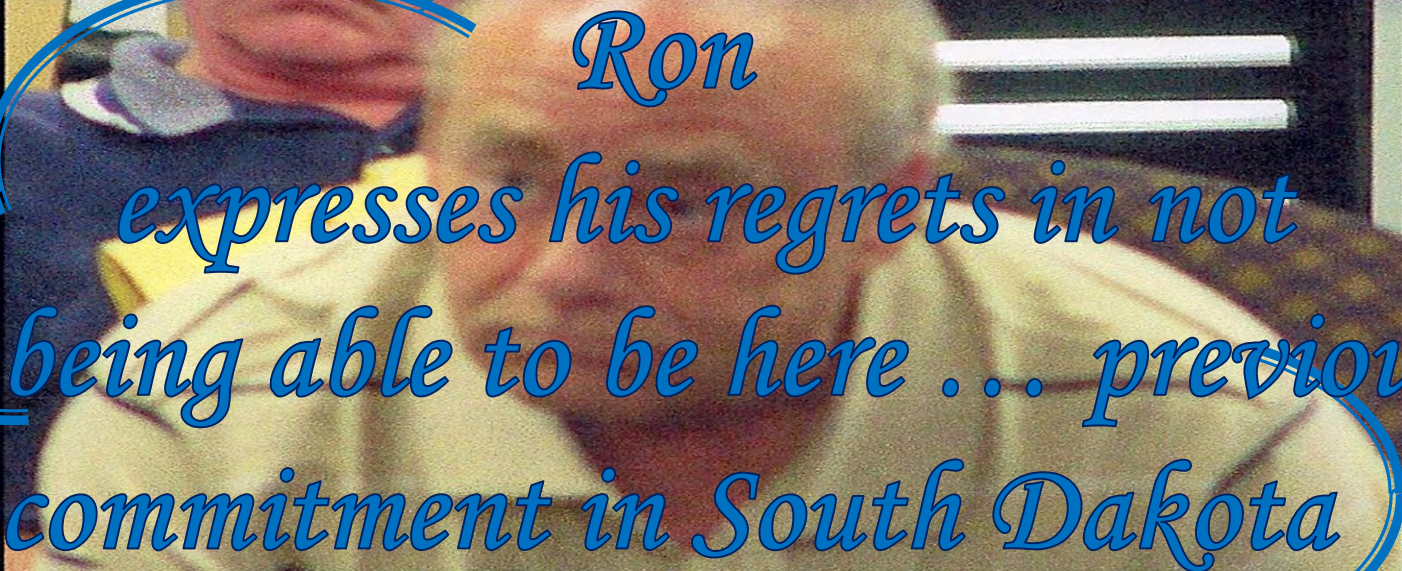
Randy James

Account Executive

Federated Rural Electric Insurance Exchange



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*Ron
expresses his regrets in not
being able to be here ... previous
commitment in South Dakota*

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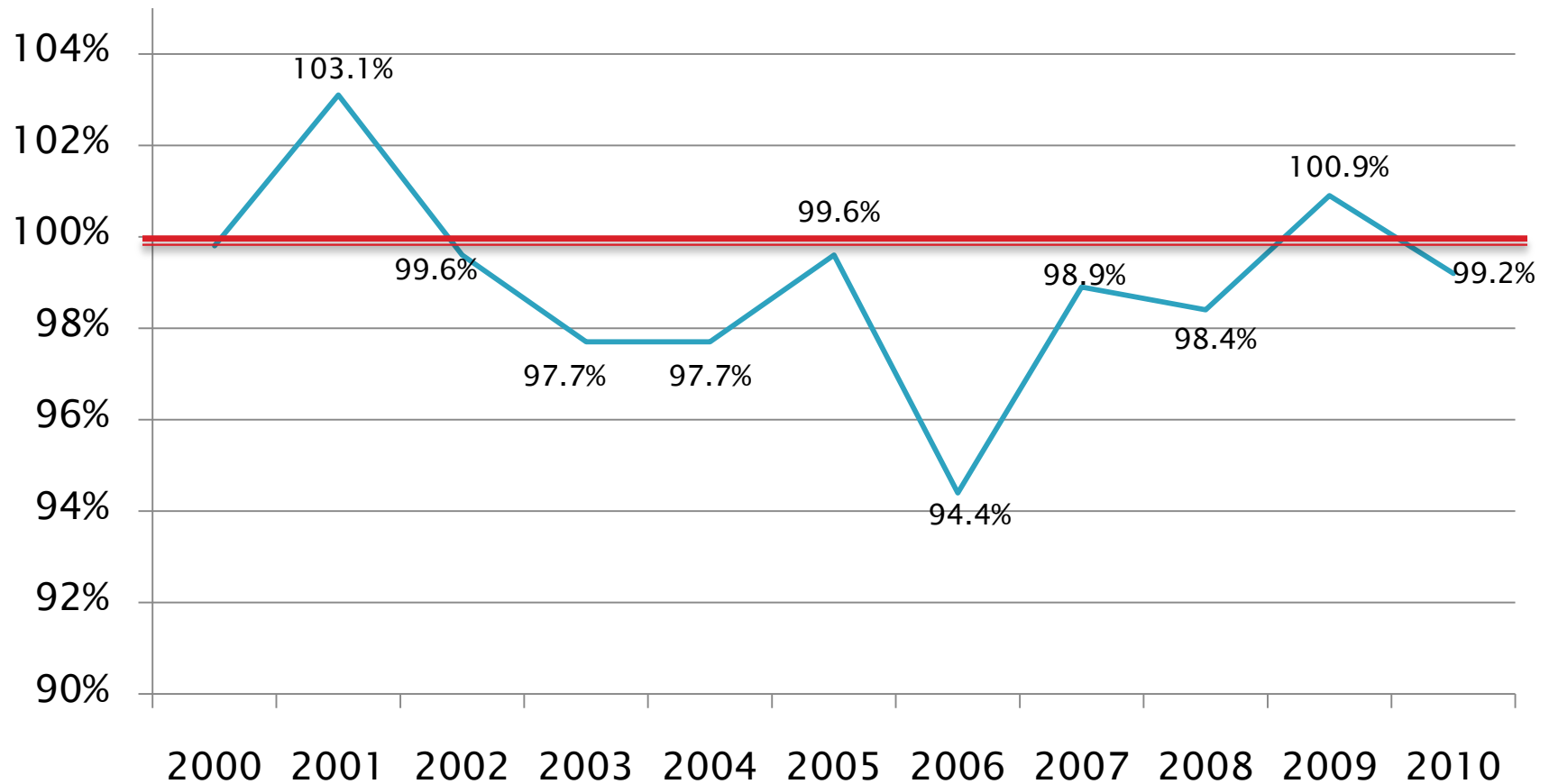
AM Best Downgrades 2011 Commercial Insurance outlook to Negative

▶ *Posted On: Jan. 10, 2011 11:19 AM CST*

A.M. Best Co. Inc. has revised its 2011 outlook on the commercial insurance industry from stable to negative, citing soft pricing, competition and a smaller loss reserve cushion for insurers to tap.



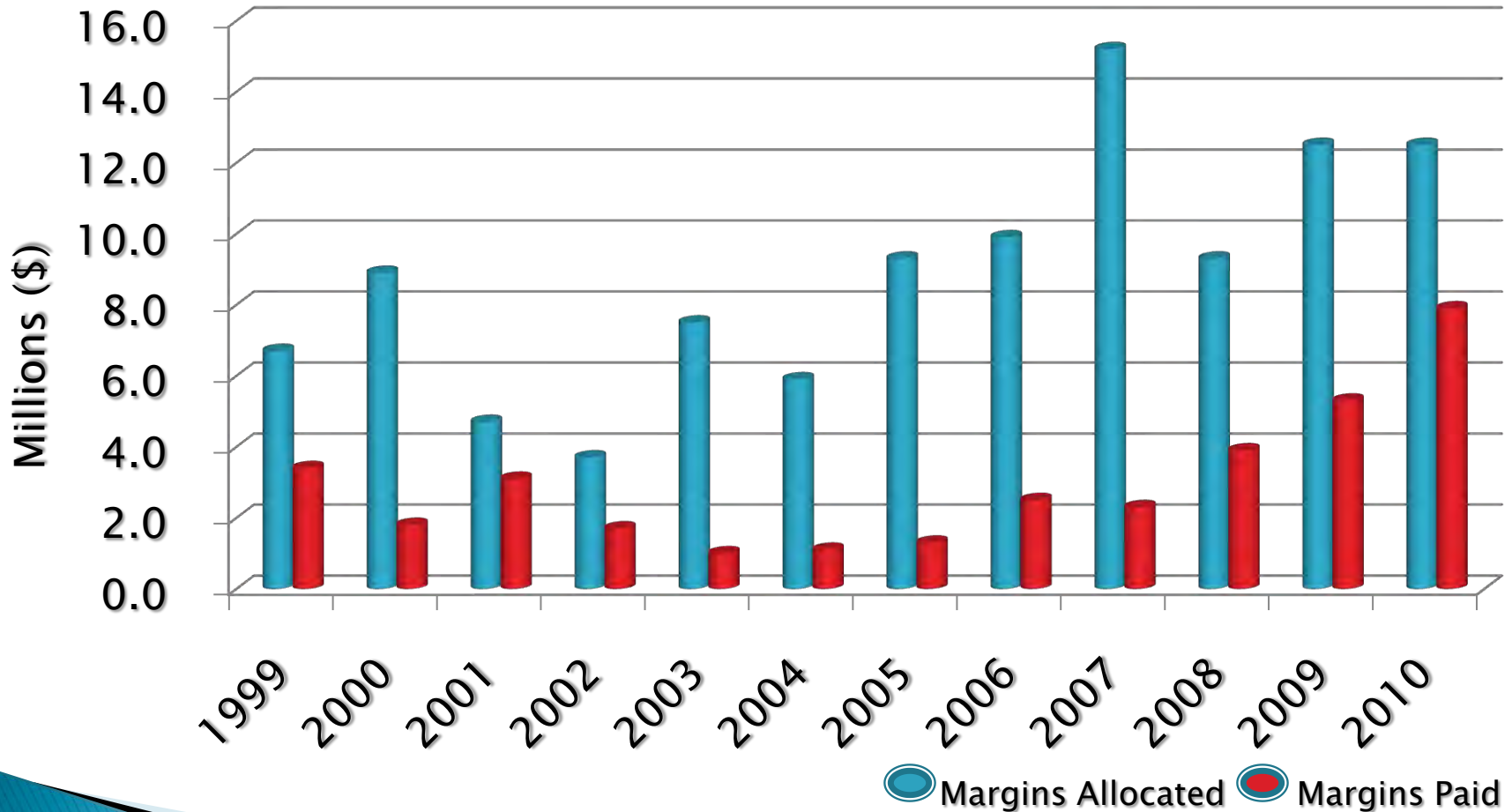
100% Combined Ratio ... An “At-Cost” Insurance Product



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Continued Member Economic Participation

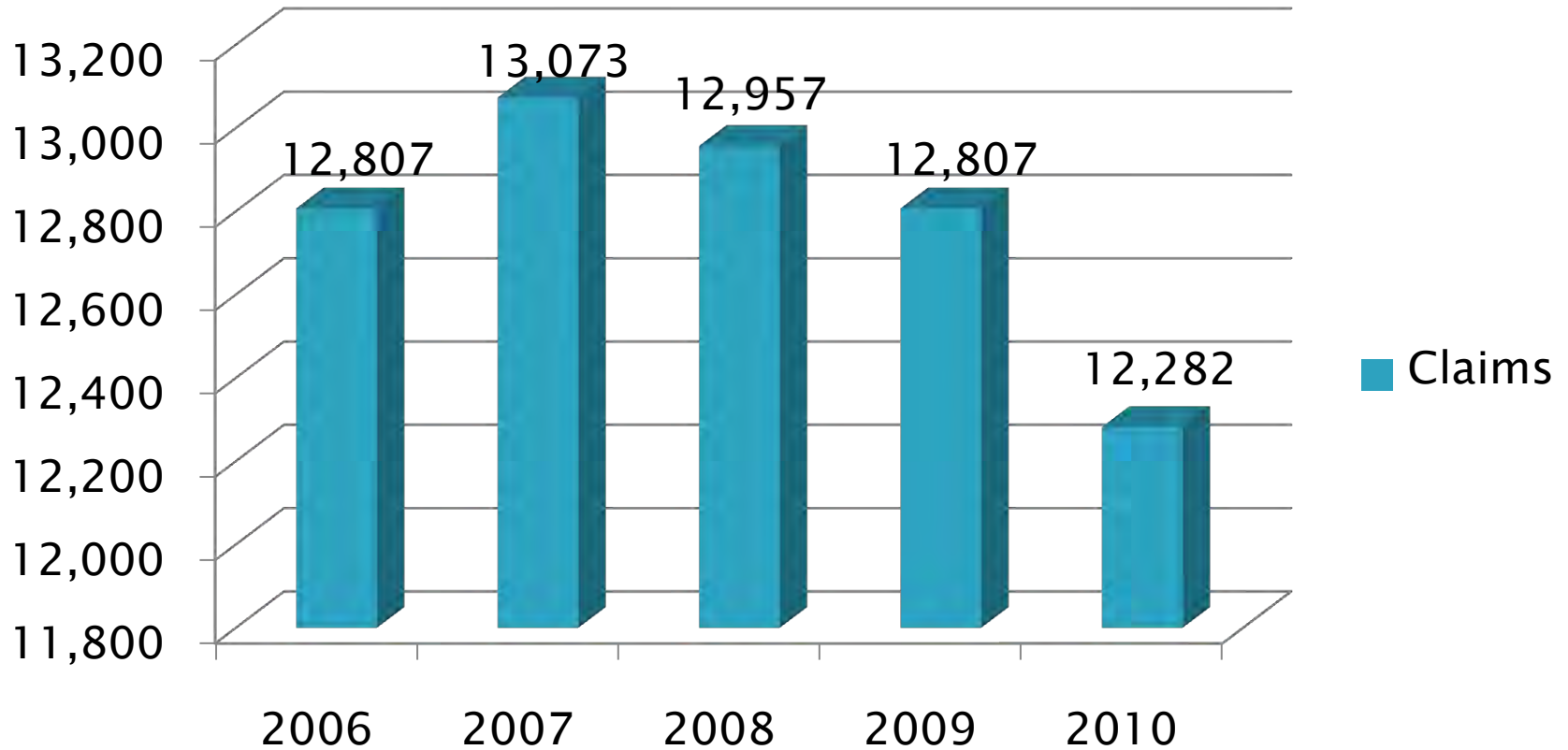


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Claims

(2006 thru 2010)



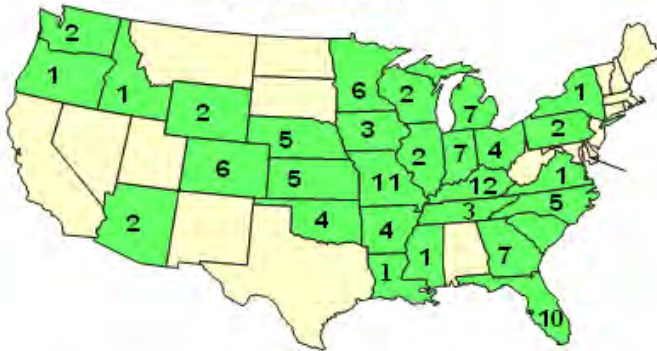
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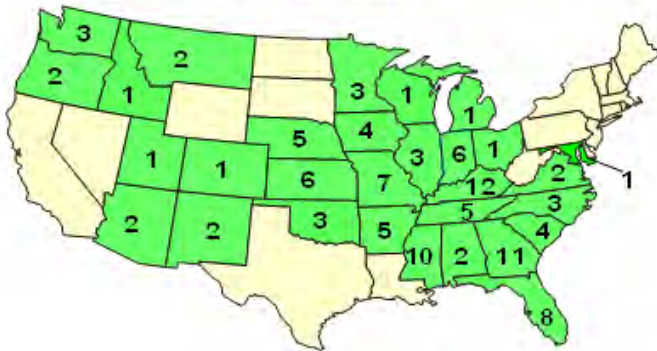
Public Electric Contacts

Public Electrical Contact Accidents

January 1 – December 31, 2010
118 Incidents



January 1 – December 31, 2009
117 Incidents



| Causation | Contacts | Fatality |
|----------------------------------------------|----------|----------|
| Contractor (Insured / 3 rd Party) | 36 | 6 |
| Object in Overhead Line | 14 | 5 |
| Farm Equipment, Grain Auger, etc | 4 | 3 |
| Aircraft | 6 | 4 |
| Recreation Related Incidents | 3 | 1 |
| Truck, Equipment, Booms, etc. | 14 | 1 |
| Vehicle, Pole Strike | 5 | 4 |
| Underground dig-in, etc | 6 | 1 |
| Irrigation Systems | 5 | 2 |
| Downed or Low Lines | 2 | |
| Member Side of Service, Shock, etc | 16 | 2 |
| Cooper Theft | 3 | 2 |
| Attempt to Re-Connect Service | 1 | 1 |
| Misc, Report Only | 3 | |

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Cooperation Among Cooperatives

- ▶ By working together cooperatively we can achieve so much more than any one of us can achieve individually.
- ▶ We are looking for ways to inform and educate new employees about the Cooperative family.
rjames@federatedrural.com

TEAM

WORK



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2-\$50

Winners

Thank You !!!!

Randy James

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®