

Agents and district managers,

As you undoubtedly know, the pandemic has significantly reduced economic activity across the United States, putting pressure on virtually every industry and business, including Farmers® and the insurance industry as a whole. Prior to the pandemic, we had been falling behind our own growth goals, so we face some internal expense pressures we need to tackle.

It's important to note that even in this economic environment, Farmers is financially strong; we remain profitable and maintain near-record level surplus. That said, it's more important than ever that we continue to closely manage our overall expenses in order to continue to invest in key areas and protect our ability to compete in the future.

With this in mind, I'm writing to let you know that Farmers has announced to our employees today a voluntary separation plan across our organization available for eligible employees and a reduction of our corporate real estate footprint.

These steps are not just about remaining profitable, but also help us to invest and improve our competitiveness by focusing our resources on key growth areas, whether it's much-needed system improvements like APEX or expanding our lead offerings and capabilities. We are committed to making investments necessary for future competitiveness and success of the business.

Change impacts each of us in different ways, and we felt these changes were large enough to warrant an explanation from us as to what we are doing and why we are doing it. **If** you have questions, please feel free to reach out to your territory office.

Thank you for all that you do for Farmers.

Steve