



June 8, 2016

**Statement by Mike Gerik, Executive Vice President of Texas Farm Bureau Insurance Companies**

Texas Farm Bureau Insurance Companies have filed with the Department of Insurance an arbitration endorsement which, if approved, will preserve our ability to do business in certain parts of the state and give our members the opportunity to save money and make choices about their coverage.

We feel that the current litigation environment around severe storm events has created a situation where we need to offer an arbitration alternative in some areas to preserve our ability to write insurance. This endorsement will provide a choice for our members who want to continue coverage with our company at a reduced premium. If approved, their insurance agent will review the endorsement with them, and if they agree and choose the endorsement, they will sign for its approval. We believe many of our members will appreciate this option. And again, it is optional – our members will make their own decision if they want to elect it. It is their choice; under no circumstances are they required to accept it.

The Texas Farm Bureau Insurance Companies stand behind our reputation of value, trust and choice in protecting our members. We will take all appropriate steps to protect our members and our companies. We believe an arbitration endorsement is a fair and reasonable choice.