



Alamance Farmers
MUTUAL INSURANCE

5 Characteristics of an Insurance Company That Will Leave You in a Bind

1. The company name is not recognizable.

A new insurance company with a flashy name is knocking on your agency's door for appointments. Can you trust them? Perhaps you can, but do you even know how long they have been in business or if they are reputable?



You may or may not have heard of Alamance Farmers' but Forbes has. We are making a name in the marketplace and we have been serving policyholders in North Carolina since 1892. Out of more than 3,300 insurance companies, AFM is honored to be one of only 78 recognized by Forbes as America's Best Insurance Companies for 2023.

2. "Rate and switch"

If you are wondering how an insurance company can insure a \$650,000 house for \$400, you are correct to question it. The answer is that they cannot. It is only a matter of time before they increase rates because that was the plan all along or they have so many claims that doubling the rates is the only thing that will keep them from becoming insolvent.

Alamance Farmers' philosophy is to offer fair pricing based on the customer's risk. Our specific by-peril rating down to the zip code means more accurate pricing. If a customer's home is in a zip code that has lower exposure to a particular risk, such as hail or theft, than a neighboring zip code their rate for that peril is lower. We also offer discounts for mature policyholders, excellent credit, and loyalty. We offer stability by having gradual rate increases, but only when necessary. We are a mutual insurance company, so our agents and policyholders don't have to worry that prices will increase just to satisfy stockholders.

3. They ignore risk.

An easy application process is one thing, but it is an entirely different story if there is little or no underwriting of risk. Ignoring risk to gain market share in North Carolina is a common tactic of the insurance companies that enter the state just to make a quick buck, only to pull out of our state later. What you may not realize is that they have likely used the same tactic in other states. Now they have decided to do business in our state so they can recoup the losses that finally caught up with them in the other states.



Alamance Farmers' approach is to provide fair and consistent underwriting of risks because it is our responsibility as a mutual insurance company to ensure the stability of our policyholder surplus. Doing so allows us to pay claims based on the policy language. Accepting policies with excessive risk jeopardizes the stability of the policyholder surplus that must be available for the policyholders who take care of their homes and are financially responsible.

4. Little to no attention after appointment.

With Alamance Farmers' our agents are as likely to receive an office visit from the claims manager, their designated underwriter, or even the CEO as they are from an AFM marketing representative. Lasting relationships are everything to us. We have been serving North Carolina since 1892.

5. Your opinion has little value.

The relationship with the insurance company may start off well. Soon after, you realize that maybe things are not going so well with your customer's claims, the underwriters seem dismissive, or every time you call the insurance company you get a different person. When you speak up or ask for help your concerns are dismissed. Even if the company has been around for a while or the name is recognizable that doesn't mean that they will listen to you when you voice your concerns.

Alamance Farmers' believes that independent agents are the key to long lasting relationships with policyholders. We consider agents our customers because without the independent agents that represent us, we would not have the opportunity to insure tens of thousands of North Carolinians.

We have our agents to thank for many of the ideas, opinions, and improvements that we have made over the years so that we both can better serve the policyholders of North Carolina. When our agents call, they get a person and not a call center. Any concern brought to the attention of an AFM team member by an agent is brought to the team to be addressed. We may not be able to solve all problems, but we hear you and we try. The AFM team cultivates relationships that build trust. **Our passion is to create a positive customer experience.**

