



October 2008

To our valued policyholders,

In this time of unprecedented challenges in the financial markets, I am pleased to assure you that Pioneer State Mutual remains a very strong company.

Pioneer State Mutual continues to maintain its A+ Superior rating from A.M. Best, the most recognized rating organization of property and casualty insurance companies in the United States.

This A.M. Best Financial Strength Rating is an independent opinion of an insurer's financial strength and ability to meet its ongoing insurance policy and contract obligations. The rating is based on a comprehensive quantitative and qualitative evaluation of a company's balance sheet strength, operating performance and business profile.

In summary, you can remain confident that Pioneer State Mutual Insurance Company will continue to provide the protection that we have been proud to deliver to Michigan policyholders for over 100 years.

Sincerely,

Kurt P. Foley
President and Chief Executive Officer
Pioneer State Mutual Insurance Company