

MUTUAL INTERESTS

\$3 MILLION DIVIDEND DISTRIBUTION PROVIDES BRIGHT SPOT IN CHALLENGED INDUSTRY

At a moment like this, builders everywhere could use some good news. They won't have to wait long. This spring, Builders Mutual Insurance Company is distributing \$3 million in dividends to eligible workers' compensation policyholders. "This dividend is a direct result of policyholders paying strict attention to the risk management of their respective companies," said Rick Judson, chairman of the board. The amount exceeds the previous \$2.8 million dividend the company distributed to policyholders in 2007.

Of the 23 years Builders Mutual has been in existence, a dividend has been returned 20 of 23 years. To be eligible for a dividend return, policyholders must have a favorable loss experience. Builders Mutual could not provide such a large dividend return without the help of its dedicated policyholders who utilize effective risk management practices to keep their losses to a minimum.

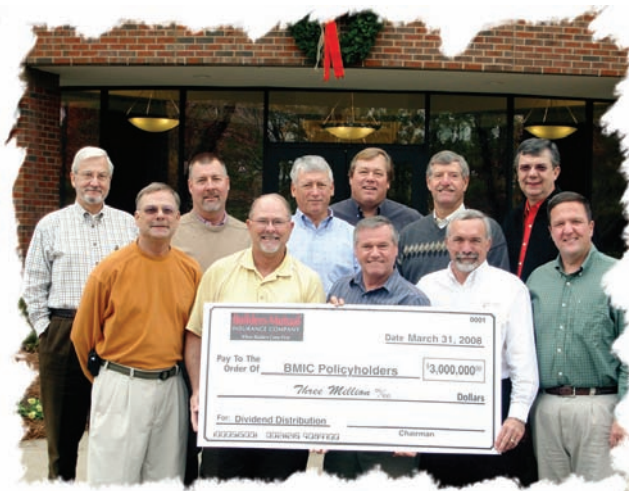
Vice President/Chief Marketing Officer Mike Gerber sees this year's dividend as a bright spot in an otherwise troubling time in the industry. "Despite the challenges the construction industry is facing these days, it's inspiring to see that builders remain committed to jobsite safety more than ever." He adds that the commitment to safety contributes to a positive cycle: safer jobsites are more productive and profitable and ultimately enjoy lower insurance expenses.

"Builders Mutual is one of the few carriers that even offer a dividend," Gerber points out. "I believe our policyholders appreciate the value we provide them in terms of recognizing their safety efforts. Not only do we reward positive safety trends, we empower builders with the means and knowledge to achieve them."

Through Builders University, the only "school" of its kind in the industry, policyholders—as well as agents—are offered continuing education in a variety of relevant subjects and safety is first and foremost among them. Demand was up and attendance was strong in 2007 and Builders Mutual expects a similar response in 2008. Policyholders may view complete class schedules on buildersmutual.com.

"We're very pleased that we've hit on something our customers appreciate," Gerber concluded. "Our risk management materials and education, along with Builders University, give our policies a value like no other in the industry. Based on this year's dividend return, the fact that they're being taken advantage of and implemented is self-evident."

Since 1984, Builders Mutual has returned nearly \$36 million in dividends to eligible policyholders.



» Builders Mutual's Board of Directors is proud to present the 2007 dividend to all eligible policyholders.

FPC TO PPE: THE ABC'S OF SAFETY ON BUILDERSMUTUAL.COM

To put the right safety program in place, you have to be able to speak the language. Where can you learn the language of safety? On buildersmutual.com, of course!



Check out what's new on buildersmutual.com. You might know OSHA, but did you know that our Risk Management department teaches a 10-Hour OSHA outreach program? In fact, we have a whole

host of classes available to you through our very own Builders University (BU). View our brand new BU course catalog on buildersmutual.com.

2 In the catalog, you'll see Enterprise Risk Management (ERM) for Contractors. Find out how ERM affects your profit and loss (P&L) by reading the course description. Or, maybe you'll read how attending some of our classes help you earn your Fall Protection Certification (FPC). If you meet our FPC requirements, you may earn discounts up to 10% on your WorkSafe workers' compensation policy. Don't miss our new webpage explaining FPC.

Have you been asked if you know how to use PPE? Would you know how to read a MSDS in the event of an emergency? If you're not even sure what they mean (personal protective equipment and material safety data sheet), then one of our BU courses is for you! Check out the online course catalog and find a class in your area.

You asked for it and we delivered. You can now search our BU course listing to see when the classes you need will be held in your area.

With our new buildersmutual.com additions, you'll be talking the talk and walking the walk in no time at all.



SAFETY PAYS- FALL PROTECTION SAVES WORKER FROM MAJOR INJURY

Have you ever wondered if those safety harnesses your Risk Management Consultant talks about really work? Do you still think they just get in the way and keep you from working efficiently? If so, you should talk to Rick Wedell, an employee of Beach Builders, who recently tested his harness when he fell off a steep roof. Fortunately, Wedell's harness was properly tied off and he suffered only minor injuries.



» Rick Wedell fell from this house. Fortunately, he was wearing his safety harness and suffered only minor injuries; if not for his harness, the result could have been very different.

Beach Builders became a BMIC policyholder through the encouragement of agent Jim Spicer with Math Insurance Service. Spicer is very involved in the risk management efforts of his clients and believes in the safety practices that Builders Mutual promotes. In fact, Spicer states, "I met Beach Hensley (owner of Beach Builders) on a jobsite visit for a general contractor that Beach was framing and we discussed safety issues. He immediately made the recommended changes for a safer jobsite." Spicer is dedicated to safety and works closely with BMIC's Risk Management and Underwriting departments to ensure his clients are compliant with our recommendations.

Hensley states, "I try to run a safe company and want to be safety compliant. We have increased our awareness since joining BMIC thanks to Math Insurance Service and their continued visits to our jobsites."

Rick Wedell is certainly glad too, he states, "I definitely believe in wearing a harness and being tied off."

For more information on fall protection or to purchase safety equipment through Safety STUFF, please visit buildersmutual.com.

PICK A PLAN THAT WORKS FOR YOUR BUSINESS

Builders Mutual is pleased to offer a variety of payment options for all our valued customers. At a moment like this, having options is more important than ever. Take a look at the types of plans we provide to see which one works for you. If your business needs have changed or if you simply prefer another option, give your agent a call.

Annual – Offers the convenience of one payment each year and no deposit is required for Workers' Comp. (Not available for Builders Risk monthly reporting.)

Semi-Annual – Pay half the premium at application and receive a bill for the remaining half. (Not available for Workers' Comp or Builders Risk.)

Quarterly – Pay 25% of the premium at application and receive bills for the remaining three installments. (Not available for Builders Risk; minimum premium of \$1,000 for Workers' Comp.)

10-Pay – Ten equal payments spread throughout the year, including a deposit. (15% deposit for Workers' Comp and 20% deposit for all other lines; minimum premium of \$1,000.)

Monthly Self-Reporting – Pay premium according to payroll and starts. Your bill reflects the amount of work you're experiencing at any given time. (15% deposit for Workers' Comp; minimum premium of \$1,000.)

CONGRATULATIONS TO MUNGO HOMES! 2008 NATIONAL HOUSING QUALITY AWARD WINNER

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Builders Mutual would like to congratulate Mungo Homes and its sister company Harbor Homes who was selected as a winner of the 2008 National Housing Quality (NHQ) Award. Mungo Homes/Harbor Homes was among only five winners nationally and is the only South Carolina builder to ever receive the award.

Winning a NHQ Award requires more than just operating a great home building company; it requires genuine effort. Candidates have to implement sophisticated operating processes that improve performance and those processes must be documented in an extensive application and verified through a site visit by NHQ Award judges. Now in its 15th year, the NHQ Awards are open to all U.S. residential construction and independent contractor companies. Entries are judged by a panel of experts who evaluate the role that quality plays in construction, strategic planning, leadership and

performance management, trade relationships, customer satisfaction, human resources, and business results.

Mungo Homes/Harbor Homes, who build in Columbia and Spartanburg and Charleston and Myrtle Beach, respectively, will carry the prestigious title of National Housing Quality Award winner throughout 2008. The Mungo Companies have been a Builders Mutual policyholder since 2003 and we are extremely proud of their outstanding achievement!





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LONG TERM LOYALTY- WHEN WE GIVE YOU MONEY BACK!

What? The insurance company is giving me money back? That's right, once you reach your sixth renewal, we happily refund your deposit premium. Plus, from the fifth year forward, your deposit is waived for the life of your policy.

If you've been a Builders Mutual policyholder for more than five years, then you are already familiar with our Long-Term Loyalty program. If you are in your fifth year, congratulations! You'll be hearing from us prior to your renewal. If you are a new policyholder, see what you have to look forward to?



At a moment like this, isn't it good to know that loyalty has its perks?

NEW IN THIS ISSUE



\$3 million dividend distribution

At a moment like this, builders everywhere could use some good news.

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Safety Pays

Fall protection saves worker from major injury.

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Congratulations to Mungo Homes!

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