



Farmers Insurance Group  
Federal Credit Union

# Money Matters

FARMERS INSURANCE GROUP FEDERAL CREDIT UNION

January 2008

**Open your account online!**

## Online Savings Account 4% APY\*

**New year, new way to save! Open an Online Savings account and earn a premium rate.**

- No minimum balance required
- No monthly service fee
- Convenient 24/7 access online and at over 25,000 free ATMs nationwide

To open an Online Savings account, log onto **figfcu.com**. You can fund your Online Savings account with any other account or credit card.

\*APY = Annual Percentage Yield. Rate is current as of 01/01/08 and is subject to change. Branch and call center access are not available with the Online Savings account. Read account disclosure carefully before opening.

### What's Inside:

- ◆ **Extended Call Center Hours**
- ◆ **Health Savings Account**
- ◆ **Annual Meeting Notice**
- ◆ **Transfer Money 24/7**
- ◆ **Savings Rates**

## Holiday Club Savings

Open a Holiday Club account and take the stress out of your next holiday season. It's easy to set up automatic deposits from your paycheck throughout the year. Your Holiday Club funds will be transferred to your designated checking or savings account in early November so that you can pay for all of your holiday or end-of-year expenses without the budget worries.

Plus, you'll earn **2.27% APY\*\***. Compare that to Bank of America's Regular Savings Holiday Account at **.20% APY†!**

Visit **figfcu.com**, call **800.877.2345** or contact your local branch to open a Holiday Club account.



\*\*APY = Annual Percentage Yield. Rate is current as of 01/01/08 and subject to change. An early withdrawal fee of \$20 applies.

†APY = Annual Percentage Yield. Rate survey taken from [www.bankofamerica.com](http://www.bankofamerica.com). Rate is accurate as of 12/03/2007. Rates may change at any time without prior notice. Minimum opening balance for BofA's Holiday Account is \$25. Rate quoted applies to California residents.

# President's *View*

The beginning of a new year is perhaps the best time to think about and review the past twelve months and to set goals and raise our hopes for the future.

Were there choices made that seemed like good decisions at the time but simply went awry? Or did we “just” decide to ignore the downside risk, hoping that it would go away? Many people will simply ignore known risks, gambling that undesired, but probably likely, outcomes won't occur. Others are just the opposite and won't accept much risk at all. If you had a great year all the way around, you are one of the fortunate few. For this small percentage of people, hopefully success is the residue of design. Everyone I know has their ups and their downs. What you do to help manage these highs and lows can be the key to your success.

The same is true in business. I was not at all happy with the way many of our members disliked the new multi-level security features of our Internet banking service (PC-TIED). Many of you told me that the layers were simply excessive and not at all “user-friendly.” So, we decided to eliminate the most bothersome feature, that of the mouse-operated virtual keyboard. The sign-on requirements remaining are in fact required for us by the federal government. PC-TIED has been much easier to use since we made that change, and we continue to seek improvements to maximize its “up” time as well.

If you have access to the Internet and aren't using our Internet banking service, let our Call Center, Electronic Services,

or Branch employees get you set up with your own personal identification number (PIN) so you can start now! Even if you don't have access to the web, you can use our automated telephone response service (FONLINE) 24/7 to transact on your accounts and do balance and transaction inquiries. Our staff can easily get you set up to use FONLINE as well.

PC-TIED and FONLINE are just two of our electronically, remotely driven services. But we have more to offer! Do you pay all your bills electronically with our free electronic bill pay service? You can set up payments to creditors to be the same amount on the same day each month, or you can control the amount/date yourself. On PC-TIED, you can set up our “CU Alerts” to send you an email when such things as payroll or other credits have posted to your account. You can use it to have the system send you an email alert when your balance dips below a certain amount, when charges have posted to one of your accounts, and much more!

Why should you use these “self-serve” services the Credit Union offers? Well, first of all, they are incredibly fast and effective. Second, you KNOW your transaction was completed, immediately. Third, yes third, you save the Credit Union in operating expenses (staff time), allowing our employees to serve you and other members on more complex matters better. Is that selfish of me? Probably. But it's enlightened selfishness in my view. Why? Because you own the Credit Union! If you do a few



things to save the Credit Union time and money, those can only come back to you in the form of higher dividends and/or lower loan rates and/or lower fees down the road.

Understand that we really dislike turning members down on loan applications. After all, that's the main way we make money and continue to build a strong Credit Union for the enhancement of your financial lives. But sometimes we have to. Why? Usually it's because people have been remiss about paying their bills in the past, and/or getting in over their heads. Building a strong credit report (FICO score) is the #1 favor you need to do for yourself as an American consumer. You do that principally by paying all your bills on time, each and every month.

Stock market investing? Well, if you can manage the risk, both financially and psychologically, then fine. But if you are having trouble with the wild ride you had in the market in 2007, your Credit Union is the place to invest.

Best regards for a happy, safe, and prosperous 2008.

  
Mark Herter  
President/CEO



MARK YOUR CALENDAR TO ATTEND THE CREDIT UNION'S ANNUAL MEETING!

**WEDNESDAY, MARCH 26, 2008 12:30 P.M. – 1:00 P.M.**

4601 WILSHIRE BOULEVARD, SUITE 110 • LOS ANGELES, CA 90010




PLEASE JOIN US FOR REFRESHMENTS!



# Lower Your Health Expenses with a Health Savings Account

If you're enrolled in a high deductible health plan (HDHP), open a Health Savings Account (HSA)\* at your Credit Union and save money!

HSAs provide a tax-free way to save and pay for qualified medical expenses, including:

-  Prescription drugs
-  Certain nonprescription drugs
-  Doctor visits
-  Medical tests
-  Eyeglasses
-  Dental treatments

Unlike other similar tax-free health savings plans, unused money in your HSA rolls over to future years. So there's no pressure to use all of your savings before the end of the year.

All you need to open your HSA is a minimum \$20 deposit and you'll earn 4.07% APY\*\*. Simply call or visit your local FIGFCU branch to get started.

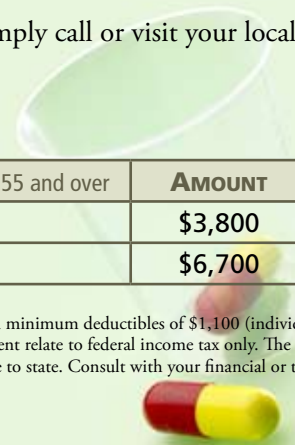
## 2008 Maximum Contribution Amounts

CONTRIBUTION LEVEL	AMOUNT
Individual	\$2,900
Family	\$5,800

CATCH-UP CONTRIBUTION LEVEL for members 55 and over	AMOUNT
Individual	\$3,800
Family	\$6,700

\*Contribution limitations and other restrictions apply to HSAs. To have a federally qualified HSA, you must purchase and maintain a HDHP with minimum deductibles of \$1,100 (individual) and \$2,200 (family). Additionally you cannot be covered by another low-deductible insurance policy. The tax references contained in this document relate to federal income tax only. The tax treatment of HSA contributions and distributions under your state's income tax laws may differ from the federal tax treatment, and from state to state. Consult with your financial or tax advisor for more information.

\*\*APY = ANNUAL PERCENTAGE YIELD. Rate is current as of 01/01/08 and subject to change without notice.



## Extended Call Center Hours

*Available 24 hours a day*

Have a question about your account? You can now contact FIGFCU's Call Center anytime, day or night!

Call **800.877.2345** anytime to check balances, transfer funds or conduct routine transactions.

**Please note: You will need to provide your member number after normal business hours.**

## New Annual Purchase Limit for Savings Bonds

Effective January 1, 2008, the annual purchase limit for Series EE and Series I savings bonds has been decreased to \$5,000 per person. This limit applies separately to Series EE and Series I savings bonds and separately to bonds issued in paper or electronic form, allowing for a total of \$20,000 in bonds for an individual during a calendar year. All limits are based on the issue price of the securities.

If you currently have more than \$5,000 per year taken out of your paycheck to purchase savings bonds, you will need to adjust your payroll deductions to \$5,000 or less per year.

If your savings or investment needs exceed the new limit, your Credit Union has other savings options available. Visit **figfcu.com** or contact your local FIGFCU branch to learn more about your options.

# Notice of Annual Meeting

## Please mark your calendar

**March 26, 2008 at 12:30 p.m**  
**Farmers Insurance Group Federal Credit Union**  
**4601 Wilshire Boulevard, Suite 110, Los Angeles, CA**

All members are invited to Farmers Insurance Group Federal Credit Union's (the "Credit Union's") Annual Meeting, which will be held on March 26, 2008, at 12:30 p.m. The Annual Meeting will be held at the Credit Union's headquarters, located at 4601 Wilshire Boulevard, Suite 110, in Los Angeles, California.

Members will have a chance to meet the staff and officials who make our Credit Union work. The Credit Union will provide reports on our current financial status, our plans for the future, and announce the results of our election.

### Notice of Nominees

The Credit Union's Board of Directors has appointed a nominating committee to nominate at least one (1) nominee for each vacancy in accordance with the Bylaws. Under the Credit Union's Bylaws nominating policy, the nine (9) members of the Board of Directors should consist of the following:

1. Three (3) Board members representing the Agency Force (preferably one (1) District Manager and two (2) agents);
2. One (1) Board member representing the retirement community; and
3. Five (5) Board members from the Home Office Complex or local Regional Offices representing the following areas: accounting, auditing, investments, marketing, and regions.

In accordance with the nominating policy under the Bylaws, the members of the Nominating Committee for the 2008 Credit Union Election have nominated three (3) candidates on the ballot roster for three (3) open positions on the Board of Directors. Unless there are additional candidates nominated by petition, the three (3) candidates nominated by the nominating committee will serve on the Board of Directors. The three (3) nominees will each serve for a three (3) year term.

If there are additional nominations by petition, there will be an election by mail ballot. In that case, the three (3) candidates receiving the highest number of votes in the election will each serve for three (3) years.

The three (3) candidates selected by the Nominating Committee are set forth on the attached statement of qualifications and biographical data.

### Petition for Nomination

Any member who wishes to petition for nomination to serve on the Board of Directors may do so by submitting a petition for nomination with the original signatures of at least 413 Credit Union members no later than 3:30 p.m. on February 8, 2008. Each nominee by petition must submit a signed certificate stating that the nominee is agreeable to nomination and will serve if elected. The nominee should include a statement of qualifications and biographical data with his or her certificate. Anyone wishing to use the petition process should contact Gladys Garcia at the Credit Union at 323.930.3408. A posting of all nominees will be made at each Credit Union office on February 13, 2008.

Please note that there will be no nominations from the floor at the annual meeting because nominations are only permitted by petition or by the Nominating Committee.

### Voting Procedure

As noted above, the Nominating Committee has nominated one (1) candidate for each position to be filled on the Board of Directors. If the Credit Union receives one (1) or more additional, valid petitions for nomination, there will be more nominees than positions to be filled. In that case there will be an election.

An election, if necessary, will be determined by plurality vote and will be conducted by mail ballot, which will be mailed on or about February 12, 2008.



## **NOMINATIONS**

Each nomination to the Farmers Insurance Group Federal Credit Union's Board of Directors should include: nominee's name, number of years with Farmers or other Select Employer Group that is eligible for FIGFCU membership, job title and duties, current responsibilities, and information related to how this experience would serve the FIGFCU Board and the Credit Union's members. Nominations should be limited to a maximum of 125 words.

**Qualifications for the three incumbent nominees are listed below.**

### **Michael Ashe**

Michael Ashe has been a resident of Las Vegas since 1965 and a Farmers Agent since 1973. He is a CQA Agent, Gold Card Agent, and has been a member of Toppers Club for 26 years and the President's Council for 11 years. He has been a member of the Commercial Round Table, Commercial Masters, Life Round Table and Life Masters. He has been awarded the Blue Vase numerous times. In 1998, Mike was named Agent of the Year. Along with all his accomplishments as an agent, Mike has served on the Credit Union Board since March of 2002 and continues to support the Credit Union through the eyes of an agent.

### **Kenneth Carroll**

Kenneth Carroll joined Farmers in 1970 as a Field Auditor in the Aurora Regional Office. After serving in numerous auditing positions within Farmers and Farmers New World Life, he accepted his present assignment as Vice President – Internal Auditing in 1993. In 2003, Kenneth was appointed the Functional Audit Director for Non-Life Personal Lines for the entire Zurich Financial Services organization and the Regional Audit Director for North American Consumer including Latin America. Kenneth's strong internal audit experience has continued to be a valuable resource for the Credit Union in managing compliance and regulatory issues.

### **Marilyn Huntamer**

Marilyn Huntamer has been with Farmers Insurance for 25 years, taking over her father's Farmers Agency in 1982. Ms. Huntamer has achieved Topper's Club 20 years, President's Council three times, and Life Championship twice. She presently has Elite Agent status with Farmers. Marilyn's experience as a top agent has provided the Credit Union with invaluable information specifically related to how the FIGFCU can continue to help agents achieve business and financial success.

# SAVINGS RATES

## Money Market

Balance	Rate	APY*
\$1,000 - \$9,999.99	3.20%	3.25%
\$10,000 - \$24,999.99	3.44%	3.50%
\$25,000 - \$49,999.99	3.93%	4.00%
\$50,000+	4.41%	4.50%

**Extra Bonus for members over 55!**  
**Earn an additional basis point for every year over 55 on your certificates.**

## Certificates

Term	Rate	APY*
3 months	3.95%	4.02%
6 months	4.45%	4.54%
12 months	4.75%	4.86%
24 months	4.80%	4.91%
36 months	4.85%	4.96%
48 months	4.90%	5.01%
60 months	4.95%	5.06%

**Open your next account online! Visit [figfcu.com](http://figfcu.com).**

\*APY = Annual Percentage Yield. All rates except certificate rates are subject to change retroactively to the beginning of the month, as determined at the monthly Board of Directors meeting. Certificate rates subject to change at anytime and may be subject to substantial penalties for early withdrawal. Extra bonus rates apply only to certificate accounts.

## Transfer Money Anywhere 24/7

CU Money Mover is the most convenient way to electronically transfer money between financial institutions. And you can even send money to anyone with an email address. CU Money Mover can easily replace wire transfers and money orders. Plus it's secure and convenient for outbound and inbound transfers.

**How quickly do you need the money transferred? You decide:**

- **Standard service** - Funds are credited to the receiving account within 3 business days
- **Premium service** - Funds are credited to the receiving account the next business day

Enroll in CU Money Mover now so you'll be ready to use it the next time you need to transfer funds quickly. To get started, log onto PC-TIED and click on the "CU Money Mover" icon or contact us at **800.877.2345**.

A minimal fee applies to transfers from FIGFCU to other financial institutions.



## Money Matters

FARMERS INSURANCE GROUP FEDERAL CREDIT UNION

Quarterly publication of Farmers Insurance Group Federal Credit Union

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Farmers Insurance Group Federal Credit Union serves agents, employees, retirees and their families of Farmers Insurance, as well as some select employer groups. Service is provided nationwide via 18 offices and through diverse remote electronic channels.

**NCUA** Your non-IRA savings are federally insured to \$100,000, IRAs to \$250,000, by the NCUA, National Credit Union Share Insurance Fund, an arm of the NCUA, National Credit Union Administration, a U.S. government agency.

**ASI** Additional coverage of \$100,000 on share certificates and \$250,000 on IRA accounts provided through American Share Insurance, a private Credit Union insurer, at no additional direct cost to our members.

**Equal Housing Lender** We do business in accordance with the Federal Fair Housing Law and The Equal Credit Opportunity Act.

### BOARD OF DIRECTORS

Laszlo Heredy, Chairman of the Board, Managing Director - Senior Vice President - Chief Investment Officer, Farmers Group, Inc.  
 Jan Larsen, Retired, Secretary/Treasurer. Michael Ashe, Agent. Frank Ceglar, VP & Associate General Counsel-Property & Casualty. Kenneth Carroll, VP-Int. Auditing. Ed McMahan, District Manager. Marilyn Huntamer, Agent.  
 Roy Smith, Senior Vice President, Field Operations. Jim Snikeris, VP Austin ServicePoint.

### Supervisory Committee:

Andy Purl, Chair, Director, Risk/Audit Services. John Steins, Managerial Specialist, Corporate Finance Team. Fred Galindo, Accounting Supervisor/Payroll. Lewis Williams Director of IT Finance.

### Executive Editor:

Mark Herter, President/CEO.

**Contributing Editors:** Marissa Lott, Marketing Specialist. Beth Rodgers, VP Marketing.

To assist members in sound financial planning and in the evaluation of financial institutions, *Money Matters* is published by: **Farmers Insurance Group Federal Credit Union. P. O. Box 36911 Los Angeles, CA 90036-0911**

**MISSION: Providing value, safety and service to enhance our members' financial lives.**