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March 27, 2009

G. Douglas Melvin, CPA, CFE  
Examiner In-Charge  
Wyoming Insurance Department  
106 East 6th Avenue  
Cheyenne, WY 82002

Re: *Response to the 2007 Examination Findings*

Dear Doug,

**Recommendation 1:** *Mountain West will follow SSAP 55 when accruing the reserves for unpaid losses and loss adjustment expenses. We understand that our conservative posture on loss and loss adjustment reserving might cause your consulting actuary to feel that Mountain West is redundant in our loss reserves. Our stance is to provide for financial stability for our policyholder's by having adequate reserves in case of losses.*

**Recommendation 2:** *In July 2009, Mountain West will no longer deduct agent commission accounts for membership dues.*

*Mountain West will begin a training and information program to educate our agents, clients and federations on the necessity for two checks (one for membership dues to the federation and one for insurance premiums to Mountain West).*

*Mountain West will begin the necessary changes to create a system that will recognize dues when our customer sends only one check for membership dues and premium, and the dues will be subject to premium taxes. Our goal is to have the insured write two checks; however, it is likely we will continue to receive on check for premium and dues when the dues are included on premium billings.*

**Recommendation 3:** *Mountain West will comply with the 45 day requirement of Wyoming Statute 26-15-124 (b). In rare instances a claim may present it's own unique set of challenging circumstances that may or may not allow for the settlement of the claim within the 45 day window. In our reporting of the claim in question, we failed to document all of the extenuating circumstances that extended the settlement of the claim. We had been in contact with our client, accepted coverage for the loss, and issued payment(s) within the first 45 days. We feel this is an isolated event which was not payment related, but a documentation issue.*

Mr. Melvin  
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*On behalf of the management team at Mountain West Farm Bureau, I wanted to convey that we appreciate the professional manner that you and your team conducted the exam.*

*Sincerely,*

*Dave Perdue,  
Chief Financial Officer*

*cc: Senior Management, Mountain West*