

Physicians Mutual® Waives Cancellation Policy and Extends Grace Periods for Hurricane Katrina Victims

(Omaha, Neb., September 2005) – Physicians Mutual® announces that it will not cancel any coverage for non-payment of premiums and will extend grace periods for those policyowners impacted by the devastating effects of Hurricane Katrina. These extensions give policyowners the time they need to focus on other important issues as they begin to rebuild their lives.

“We know that the storm has brought many challenges and heartaches for those displaced from the Gulf Coast,” says Physicians Mutual President and Chief Executive Officer Robert Reed. “Physicians Mutual will do everything we can to continue to remain true to our promise of ‘we’re here when you need us.’”

A number of actions are in place to help policyowners and victims during this time of crisis:

- Physicians Mutual will not cancel any coverage for non payment of premiums for a 90-day period for all policyowners in the affected counties or parishes of Louisiana, Alabama, Mississippi and Florida.
- The company is extending grace periods 30 days to give individuals in designated disaster areas additional time to pay premium.
- Physicians Mutual policyowners who need assistance with their coverage but are unable to reach their local Physicians Mutual office can call the home office Katrina hotline at 1-800-331-3145. Or, customers can visit a special Hurricane Katrina web page at www.physiciansmutual.com.
- Employees of Physicians Mutual are collecting funds to help support its employees and agents impacted by the disaster. The company will match the dollar amount of funds raised by employees. In addition, the Physicians Mutual Foundation is making a contribution to the American Red Cross to help policyowners and other victims of Hurricane Katrina.
- The company’s claims division will re-issue or redirect claim payments to alternate addresses for policyowners impacted by the natural disaster. The claim services division also can assist policyowners with other special needs.
- Physicians Mutual is following the guidelines set by the United States Postal Service regarding mailings and other related services.

About Physicians Mutual®

Physicians Mutual Insurance Company and Physicians Life Insurance Company, a member of the Physicians Mutual family, provide a full portfolio of health and life

insurance products, as well as financial products. The combined companies have assets of more than \$2 billion.

Both Physicians Mutual and Physicians Life consistently receive high grades from independent insurance analysts. They have an A.M. Best rating of “A (Excellent),” based on financial strength. Standard and Poor’s[®] gives both Physicians Mutual and Physicians Life an “AA- (Very Strong)” rating. Physicians Mutual is one of only two companies to be ranked in the Wards’ Top 50 for 15 straight years.

Founded in 1902, Physicians Mutual’s headquarters are in Omaha, Nebraska.