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For Immediate Release

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Merchants Insurance Group
Introduces New
Merchants Flexible Choice Autosm Product

BUFFALO, NY, October 27, 2008 – Merchants Insurance Group is proud to introduce their newest insurance product in Pennsylvania, Merchants Flexible Choice Autosm, effective immediately for new business.

Merchants Flexible Choice Autosm is the company's completely redesigned private passenger automobile insurance product that features significant rate reductions along with new underwriting eligibility criteria, rating variables and coverages.

The product's new lower rates as well as broader coverages make this an attractive value in the marketplace. The new product includes 16 rating tiers, new geographic territories, a new class plan and new rating factors such as ratio of drivers to vehicles, vehicle age and body type.

To make Merchants Flexible Choice Autosm an even more appealing and competitive product, Merchants includes many new discounts such as a paid in full discount, a discount for insureds who enroll in the company's electronic funds transfer (EFT) payment program, and discounts for those using a company car or having a new automobile.

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Also, those policyholders with young drivers in their household may be eligible for the good student and minor child discounts. These new discounts are in addition to the safety discounts the company already offers.

As another new feature of Merchants Flexible Choice Autosm, insureds will receive free roadside assistance for all vehicles that have both comprehensive and collision coverage.

For additional coverage, Merchants offers their revised Package of Protection, or “POP” Endorsement, as well as the new Extra Advantage Endorsement and the Extra Advantage Plus Package Endorsement for the most comprehensive coverages.

The company’s recently-revamped website (www.merchantsgroup.com) provides easy access to the company’s online quoting programs, policy inquiry, manuals, policy forms, bulletins and other necessary information that agents require to make their work fast, easy and accurate

Merchants Insurance Group offers personal and commercial insurance through a network of more than 625 independent insurance agents throughout the Northeast and North Central United States. With corporate headquarters and regional operations located in Buffalo, N.Y., Merchants also operates offices in Hauppauge, N.Y.; Albany, N.Y.; Moorestown, N.J.; Manchester, N.H., and Columbus, OH. Merchants’ website can be accessed at www.merchantsgroup.com.