MediaRoom

Farmers® Announces New Strategy and Organizational Structure for Long-term Sustainable Profitability

WOODLAND HILLS, Calif., Aug. 28, 2023 – Farmers Insurance today announced a series of strategic actions to better position itself for a future of long-term profitability and growth by creating a more simplified and streamlined organizational structure and a new approach to how it delivers insurance products to its agents and customers. As part of these initiatives, Farmers will be parting ways with approximately 11 percent of its employee population – or about 2,400 employees – across all lines of business. These measures are intended to create a more efficient organization, and they follow a thorough evaluation and reduction of operational expenses across Farmers.

“Given the existing conditions of the insurance industry and the impact they are having on our business, we need to take decisive actions today to better position Farmers for future success,” said Raul Vargas, President & Chief Executive Officer of Farmers Group, Inc. “Decisions like these are never easy, and we are committed to doing our best to support those impacted by these changes in the days and weeks to come.”

Farmers is executing a new strategy to reinvent how insurance is delivered, simplifying systems and introducing innovation that supports the success of its employees and agents, while offering comprehensive protection for customers. Farmers will share additional details about how it is supporting exclusive agents and independent agents with better systems, tools and data to help their businesses succeed, and meeting target customers’ broad insurance needs with an industry-leading range of products.

Vargas continued: “As our industry continues to face macroeconomic challenges, we must carefully manage risk and prudently align our costs with our strategic plans for sustainable profitability. Our leaner structure will make us more nimble and better able to pursue opportunities for growth and ultimately make Farmers more responsive to the needs of our insured customers and agents. There is a bright future – for Farmers and for our industry – and it necessarily will look different than the past.”

About Farmers Insurance

"Farmers Insurance®" and "Farmers®" are tradenames for a group of insurers providing insurance for automobiles, homes and small businesses and a wide range of other insurance and financial services products. Farmers Insurance Exchange®, the largest of the three primary insurers that make up Farmers Insurance, is recognized as one of the largest U.S. companies on the 2023 Fortune 500 list.

For more information about Farmers Insurance, visit Farmers.com, Twitter and Instagram, @WeAreFarmers, or Facebook.com/FarmersInsurance.

Contact: External Communications

Farmers Insurance

818-965-0007

reporterhotline@farmersinsurance.com

---

https://newsroom.farmers.com/news-releases?item=123225