



SECURA
INSURANCE COMPANIES

2018
Annual
Report



Empowering Success

A message from the President & CEO of SECURA

When I reflect on 2018, I'm blown away by the collaborative energy I witnessed between our associates, independent agents, and policyholders. SECURA is a mutual insurance company, and because of that, we all have a part to play in our shared success. We're all working toward a common vision of safety, security, and long-term prosperity.

This year demonstrated that mutuality — a concept that's been the heart of SECURA for more than 118 years — is as relevant and prosperous as ever.

As you read this report, I encourage you to think about how you have empowered success for those around you. The impact we make as individuals, as partners, as a company, and as part of the communities we serve is inspiring.

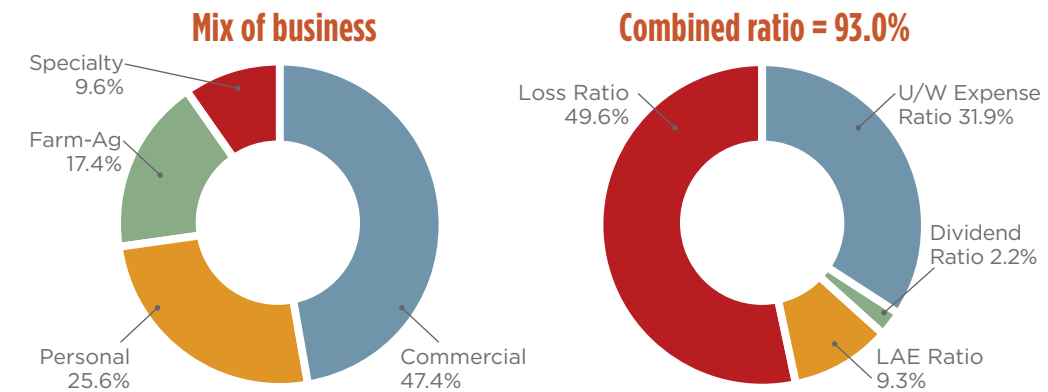
Thank you for being part of SECURA. Your contributions are valued, appreciated, and key to our continued success.



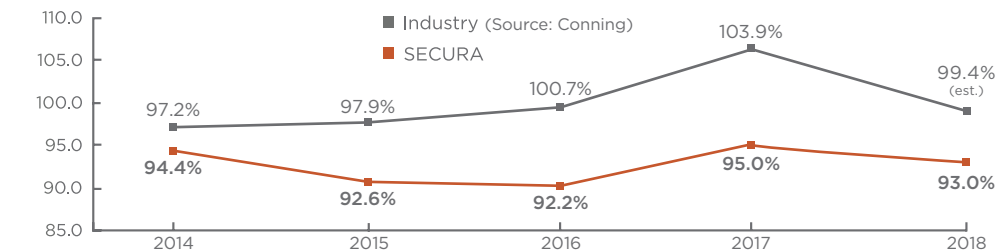
David Gross, President & CEO



2018 FINANCIAL HIGHLIGHTS

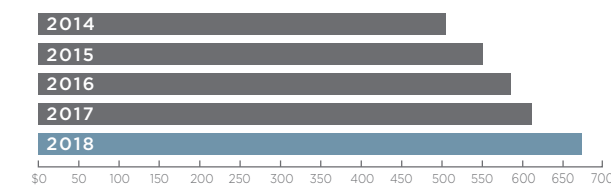


5-year combined ratio



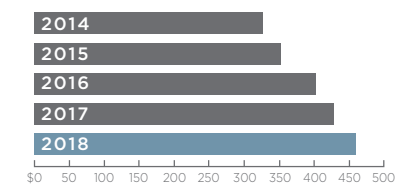
Outstanding operating results produced a combined ratio of **93.0 percent**

Direct written premium (in millions)



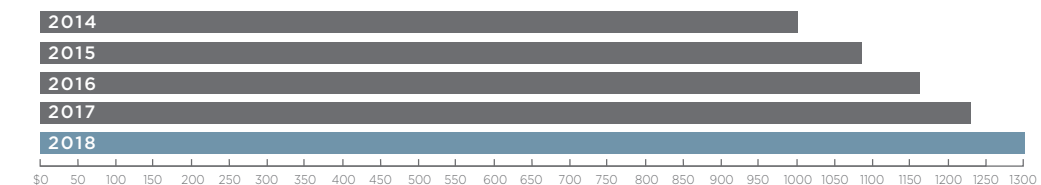
Direct written premium grew to **\$670.3 million** as our agency partners produced almost **\$117 million** in new business

Policyholders' surplus (in millions)



Increased surplus to **\$461.5 million**, an all-time high

Total assets (in millions)



Assets climbed to more than **\$1.3 billion**, a new record level for SECURA



A diversified balance of business

Commercial Lines

Commercial Lines has been SECURA's largest line of business for several decades, and it continues to perform well across our service area. The company has seen significant growth in part because of the new Express Quotes small business process and coverage enhancements introduced in 2018.

Specialty Lines

If our Commercial Lines product protects main street businesses, our Specialty Lines products are designed for the rest of town. Our products provide added coverages beyond your typical business owners policy or commercial package policy and serve more classes of business each year from commercial child care and nonprofits to tattoo parlors and special events.

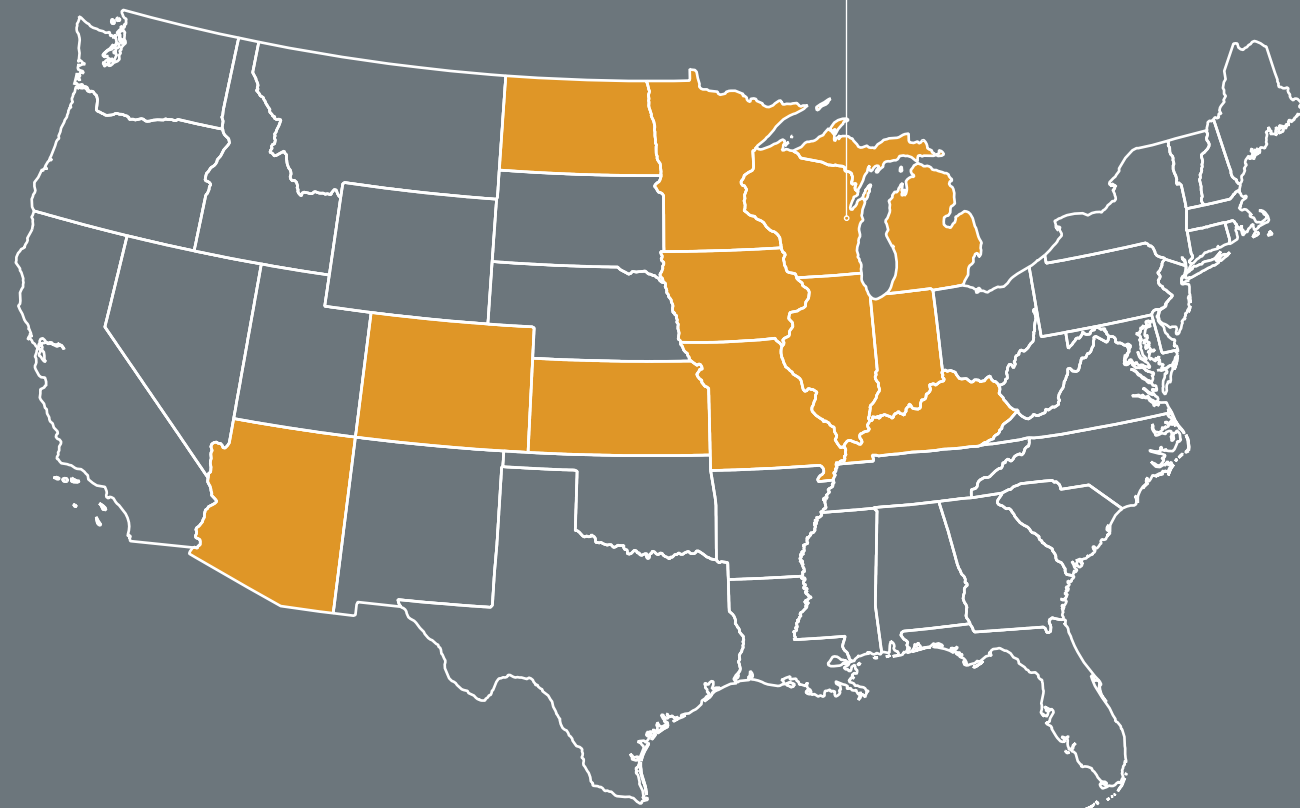
Personal Lines

At a time when some carriers are selling their home and auto books or cutting out the independent agent, SECURA remains steadfast in our Personal Lines coverage and the service we provide to our policyholders. Watch for valuable product enhancements in 2019 and 2020, serving the evolving needs of our policyholders and helping our agents win business.

Farm-Agribusiness Lines

The Farm-Ag industry had a tumultuous year in 2018, to say the least. Still, when times are tough, that's when you need a carrier you can rely on to see you through. One of the reasons agents and policyholders value SECURA's Farm-Ag coverage is that many of our underwriters have experience you can only gain living and working on farms. In 2018, some of our associates shared their personal stories in a blog series called "Former farm kids — Today's farm insurance experts." To read more, visit secura.net/farm-kids.

SECURA Insurance is headquartered in Appleton, Wis.



SECURA's states of operation

Arizona, Colorado, Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, North Dakota, and Wisconsin



“ Our **teams** made some incredible **progress** in building for the **future**, without ever losing sight of what’s most important — **our customers.** ”

– Dave Gross, President & CEO

Investing in our future success

Our focus as a company is always on our independent agents and policyholders. In 2018, we demonstrated this with upgrades, efficiencies, and enhanced service.

Technology upgrades

Last fall, SECURA introduced several technology improvements that have been years in the making. Select agents began using a new online rating system. Feedback from these agents will help us make the tool that much better as we expand it out to additional lines of business and states.

In addition, SECURA is building in-house development capabilities for key technologies in order to improve our speed to market.

Continuous Improvement efforts

SECURA continuously strives to make our business more efficient and deliver high-quality results, while eliminating waste and improving service to our agents and policyholders.

In 2018, our Continuous Improvement efforts resulted in \$1.78 million in reduced expenses, including more than 17,000 hours in time savings.

One of the teams benefitting from this increased focus is our Claims Department, and it shows. SECURA’s online rating has also improved, earning 4.3 stars on Google Reviews and 4.45 on clearsurance.com.

Enhancing service for customers

Several 2018 initiatives aimed to enhance our already high level of service for agents and policyholders. While there are too many examples to share them all, two stand out.

In Commercial Lines, our team reduced the average quote time to less than four hours for more than 130 small business classes.

In the Claims Department, agents and policyholders continue to value our Nurse Hotline service for Workers’ Compensation. Thanks to real-time 24/7 access to trained medical professionals, 38.7 percent of calls to Nurse Hotline in 2018 were resolved without turning into a claim.



Our motto: Be real. Earn it. Have fun.

SECURA's team of insurance professionals grew by 53 new full-time associates in 2018.

Our company continues to invest in our people, providing opportunities for growth, education, professional development, and career mapping. Ninety-seven percent of associates report feeling satisfied with SECURA as a place to work. They credit a coaching culture as well as competitive pay and benefits. Associate voluntary turnover was only four percent in 2018 with an average associate tenure of 10 years.

Moving SECURA's operations to a new home office

SECURA's new headquarters has been taking shape in the Fox Cities community of Fox Crossing since early 2017, and associates anticipate moving to the new facility in October 2019. The facility includes 286,000 square feet of space with room for 1,000+ associates.

Earning it every day

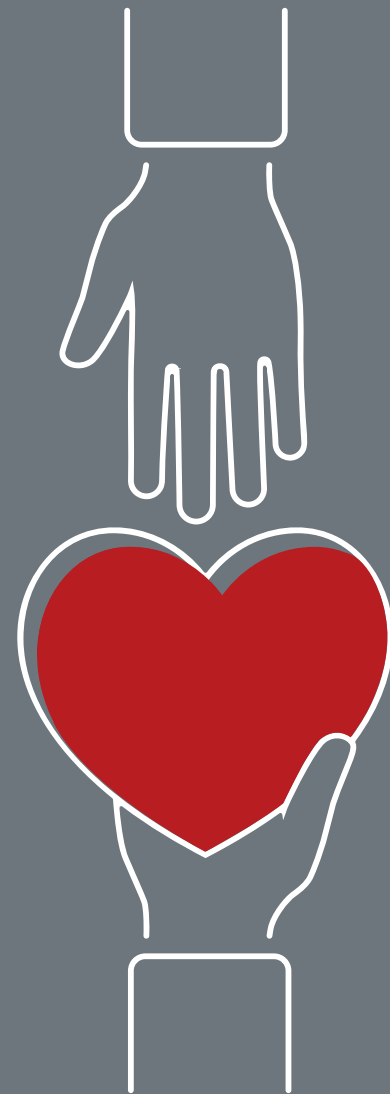
Recognition by industry groups are just one way we measure success. Here is a snapshot of the recognition we earned in 2018.

- **Rated A (Excellent) by A.M. Best** for the 15th consecutive year
- **Ward's 50 Top Performer** for the fifth consecutive year
- **WELCOA Well Workplace Platinum Award**
- **Fortune and Great Place to Work® Top 100 Best Medium Workplaces**
- **Deloitte Wisconsin 75**
- **Green Masters Program as Green Professional**

SECURA's new home office

Associates, agents, and the community anticipate SECURA's upcoming move with excitement. Associates hope to move to the new office in October 2019.





We make a living by what we get.
We make a life by what we give.

Giving back to the communities we serve

For well over a century, SECURA has been a leading corporate citizen in the Fox Cities and surrounding areas. In 2018, the company awarded donations and grants through a charitable fund with the Community Foundation for the Fox Valley Region. Additional involvement included:

United Way Pace Setter

As a United Way Pace Setter, we help kick off fundraising for the Fox Cities community. Associates celebrate the spirit of giving by participating in a number of events that raise money for United Way.

Foster School Program

More than 50 SECURA associates work one-on-one with students at Foster Elementary School. Participating students show fewer referrals to the office and test scores that rose as much as 10 percent.

30-in-30 Gift Match for Pillars, Inc.

In November 2018, SECURA issued a fundraising challenge with Pillars, Inc., an organization that addresses homelessness or lack of affordable housing. SECURA matched up to \$30,000 in donations dollar-for-dollar. The fundraiser raised \$84,000.

Supporting our service areas

While much of our philanthropy is in the Fox Cities, we also look for opportunities to support communities in the 12 states we operate.

Farm-Ag Incentive

In May, SECURA presented 27 fire departments with donations earned by our local independent agents in eight states. Some agencies chose to match the gifts, increasing the impact of the donations.

#SECURAgivesback

In recognition of #GivingTuesday in November, SECURA donated a total of \$25,000 to five nonprofit organizations through a contest designed to help independent agents support organizations within their local communities.

Learn more about our community involvement by visiting secura.net/community.



SECURA Officers

David Gross

President & CEO

Martin Arnold

Senior Vice President
and Chief Underwriting Officer

Tamara Bates

Regional Vice President-Sales

Tony Brecunier

Vice President-Workers' Compensation Claims

Diana Buechel

Vice President-Personal Lines Underwriting

Amy DeHart

Vice President and Chief Actuary

Daniel Ferris

Vice President, General Counsel
and Corporate Secretary

Jennifer Haas

Vice President-Research
and Development and Training

Timothy Heyroth

Vice President-Sales

Sandra Hupfer

Vice President-Casualty Claims

Jeffrey Kargus

Vice President, CFO, and Treasurer

Kevin Klestinski

Vice President-Specialty Lines Underwriting

Steven Miller

Vice President-Commercial Lines Underwriting

Jennifer Nelson

Vice President-Property Claims

Shane Roh

Regional Vice President-Sales

David Schlichting

Vice President-Farm and Agribusiness Underwriting

Todd Thiel

Vice President-Information Technology

Carol Wedig

Vice President-Continuous Improvement

Garth Wicinsky

Senior Vice President
and Chief Administrative Officer

Larry Wright

Vice President and Chief Claims Officer

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SECURA Board Chair
Retired President & CEO
SECURA Insurance

David Gross

President & CEO
SECURA Insurance

Mark Behrens

Executive Vice President and CFO
Johnson Financial Group

Tim Bergstrom

President and COO
Bergstrom Automotive

Mary Lou Casey

Retired Senior Managing Director
CIGNA Investment Management

Alice Gannon

Retired Senior Vice President and Chief Actuary
United Services Automobile Association (USAA)

James Hayes

Retired President & CEO
Hayes Manufacturing Group, Inc.

Wayne Micksch

Retired President
Quality Insulators, Inc. and Asbestos Removal, Inc.

Daniel Neufelder

President
Indiana University Health West Central Region

Anne Ross

Partner
Foley & Lardner LLP

Catherine Tierney

President and CEO
Community First Credit Union