

The Indiana President's Advisory Council for SECURA Insurance met on Oct. 27.

SECURA Representatives:

Dave Gross, President & CEO; **Tim Heyroth**, SVP and Chief Sales Officer; **Larry Wright**, VP and Chief Claims Officer; **Marty Arnold**, SVP and Chief Underwriting Officer; **Tripp Humston**, Regional Vice President - Sales

Agent Representatives:

Pete Harrington, Shepherd Insurance, LLC; **Tim Bender**, Epic Insurance Midwest; **Adam Rothschild**, Rothschild Agency, Inc.; **Taylor Schoen**, Hoosier Associates, Inc.; **Ron Cheatham**, First Insurance Group; **Andrew Appel**, Gregory & Appel

SECURA Overview

Comments from Dave Gross

SECURA is up 11.1% – we are having a great year. We expect to end the year at approximately \$900 million and end exceeding \$1 billion by year-end 2023. Effective 1/1/21, Mutual Holding company was formed. All policyholders will now have mutuality rights – which is staggered as policies renew. This gives us the ability to look at acquisitions and investments differently. Our combined is in the mid-90s.

With 900+ associates, we had approximately 150 working remote before the pandemic and approximately 250 working remote now (we've had over 130 hires since the start of COVID). The week of July 4th we started a transition for all home office associates to return to the office at least three days a week with no travel restrictions. We feel our culture and work ethic is best when we work together in our new building. In our recent workplace strength survey, we had 98.5% positive response rate from associates.

Personnel Update – a new CFO has been hired. Christine Cousineau started Oct. 18.

Tripp Humston

Indiana is growing 6.4% compared to a plan of 3.9%; Specialty Lines is up 26.7% compared to a plan of 2.2%; Commercial Lines is up 10.5% compared to a plan of 2.4%; new Commercial Premium is up 32%. The state is on pace for the 10th consecutive year of growth. The loss ratio is 53%, which is mostly due to weather. Premium retention is 91.3% with 3.2% rate – you are outperforming our expectations – thank you!

Our 2022 plan for the state is to grow by 5% with breakouts by market segment of Farm-Ag up 15%; Specialty Lines is up 9%; Commercial Lines is up 5%; and Personal Lines is just below flat.

BizLink is having great success with a hit ratio of 43%. Please continue to drive usage and we will continue to expand, etc.

Paige Schultz is part of the team as an Internal Sales Manager.

Tim Heyroth

Year-to-date companywide growth of 11.1% which is exceptional; (new/retention/rate – all 3 are solid). Retention outperforms plan (premium in low 90s policy retention around 90). Rate plan was 3%, and we are at 3.3% and planning for less than 3% next year. We've had over \$100 million new business this year. All lines of business are doing well in all states – all are exceeding plan except Personal Lines, which has had positive growth, but not at plan (all states exceeding plan except KS).

BizLink: 75% of eligible business is received through BizLink, with an 89% satisfaction rate; BizLink continues to evolve and we will develop more customer experience (Straight Through Processing as well as other enhancements). \$8 million booked with 200+ classes. We are looking into agency integration pilot (API's)/pilot Tarmika.

Top Initiatives: Modernization initiative to allow us to implement new technology for the future. SL300 (Specialty Lines 300) – focuses on how to grow this segment. We are projected to hit \$100 million this year. Our plan is to take Specialty Lines to \$300 million (current states and state expansion). We went live with Specialty Lines in PA on 10/1 (our first new state since 2006). Commercial Lines will follow in PA in 2022. We are building out an additional state expansion plan – more to come; no time frame at this point, and it may be by product segment for a specific states.

Marty Arnold

All four business units are in good shape and profitable; three of four business units are growing in the double digits. All four are planned to grow next year; all profitable. By size (premium volume) – Commercial Lines; Personal Lines/Farm-Ag Lines/Specialty Lines. Specialty Lines may be projected to hit \$100 million by year-end.

Premium make up = Commercial Lines 48%; Personal Lines 20%; Farm-Ag 19%; Specialty Lines 13% – but most rapidly growing.

Service Center: No firm date yet, but we have a centralized service team created. It will be live some time in 2022 with \$10,000 and under premium to start. It will not be mandatory.

We identified that we have not been able to offer competitive pricing for Personal Lines in the Kentucky market for a prolonged period of time. After many detailed and difficult conversations, as well as in response to feedback we have received from many Kentucky agents, we have decided to remove ourselves from the Personal Lines market in Kentucky. Moving forward, we will continue to focus on providing exceptional service to the other three business segments we currently write in Kentucky – Commercial Lines, Specialty Lines and Agribusiness. These business segments continue to grow quickly, thanks to your dedication. We intend to withdraw Personal Lines authority in Kentucky as of, but no earlier than, 1/1/2022, subject to regulatory approval. Effective 1/1/2023, we will begin non-renewing existing Kentucky Personal Lines policies, based on their renewal date. We remain committed to our Personal Lines team, and find great value in the hard work that they accomplish daily. We also remain dedicated to our agents who sell Personal Lines in our other states, including Indiana.

Loss trend severity trends, includes property going up and more rate sticking; supply and demand/longevity, etc.

Commercial Lines auto/trucking is seeing larger increases and also sticking – retaining 96% of accounts (high single digits) accounts on their own merits though; the model is only a tool.

Diana Buechel, VP Personal Lines, has announced her retirement and the interview process has begun.

Larry Wright

Indiana had \$3.3 million of weather losses; \$50.2 million companywide with five major storms but none that have reached Cat limits. Indiana's significant storm was June 17. It's been an excellent year. Gerard Merchant started 7/15/19 and resides in Indianapolis. Bill Biekes joined SECURA in June 2020 as a Field Supervisor and also resides in Indianapolis. Bill was with Hanover prior to SECURA. We also hired Field Claims Representative, Ross Freeman, who has started to travel/introduce himself to agencies.

Jean Timm, Manager – Claims Customer Service, retired at the end of 2020 and Heidi Christensen has replaced her (she is also responsible for Roadside Rescuer). Tony Brecunier (VP of Workers' Compensation) will be retiring at the end of 2021 and John Oehler has been selected as his replacement – we will try to schedule travel for John.

Specialty Lines

(Agent comments with SECURA responses)

- Comment:** We would like you to broaden your appetite.
Response: We appreciate the feedback. We are constantly looking for ways to expand our appetite, whether that be by adding an enhanced coverage or writing something we have not in the past. We are looking to add more classes to our offerings in 2022.
- Comment:** Have you thought about writing wedding liability?
Response: We currently write Weddings under our Special Event program, however we do not offer Event Cancellation coverage under this offering currently.
- Comment:** You have programs vs. other carriers just look at all/more (just program business).
Response: Although we have certain segments we look to write, such as Human Services, Sports and Recreation, and Specialty Contractors, we also look at other types of risks under our Select Markets program. If you need to find a home for a risk, give your underwriter a call to see if we can help.
- Comment:** Manufacturing (unique products exposure)
Response: Currently, most of our manufacturing risks at SECURA are written in our Commercial Lines unit. Please contact your Commercial Lines underwriter if you have a client with a unique products exposure that you would like us to consider.
- Comment:** We would like you to listen/discuss on account vs. flat decline (Cincinnati CSU mode – Hanover moving in that direction).
Response: Although we are not a surplus lines market like CSU who probably has greater flexibility with rate, form, and appetite, we feel that we need to be open to conversations with our agents if they want us to consider risks that may be outside our current appetite. Please

contact your underwriter or sales manager if there is a specific risk you would like us to consider.

6. **Comment:** It's all about ease.

Response: We agree. We are always looking for ways to make our service better and improve our processes to offer our great agency force world-class customer service.

7. **Comment:** Straight Through Processing would be nice.

Response: We are currently in the process of scoping our STP for our BizLink business. Please watch for more progress on this in 2022.

8. **Comment:** We like that you are very responsive.

Response: Thank you for this compliment. We pride ourselves on trying to get back to our agents as soon as possible. We feel this helps us separate ourselves from our competition.

Commercial Lines

(Agent comments with SECURA responses)

1. **Comment:** Insureds understand the Communicable Disease exclusion. It is what it is.

Response: Our intent was to develop a common sense solution that works for you and your clients, but also provides us with protection for the most susceptible risks. We feel that our approach is in line with, or even less restrictive, than what we're seeing in the marketplace. Our approach has been well received overall.

2. **Comment:** We feel your manufacturing underwriting is a little tight. You don't build E&O into it (many carriers throw it on).

Response: Thank you for the feedback. While we don't automatically attach E&O to every risk, we do offer several different limit options on a broad range of manufacturing classes. Please check with your underwriter or sales manager if you have a client or prospect that needs this coverage. We'll do our best to provide the coverage that your client needs at a competitive price.

3. **Comment:** What do you want/excel at/target?

Response: We're a generalist and we challenge ourselves to look at a broad range of manufacturing classes. This list is not exhaustive, but the primary manufacturing segments that we write are Metals, Furniture, Plastics, Paper, and Food & Beverage. We have a Manufacturing Appetite Guide available through AgentLink that provides a more detailed look about what we want and what the qualification requirements are. If you have a manufacturing risk that you'd like us to consider, please contact your underwriter.

4. **Comment:** You need to invest in underwriting talent and software.

Response: We understand that manufacturing operations can present challenging exposures and unique coverage needs. We're continually working to deepen our expertise through training programs, the development of subject matter experts, and leveraging our reinsurance relationships. We've also made product improvements to make sure we offer the coverages necessary to compete in this segment. We've challenged ourselves to broaden our manufacturing appetite and while progress has been made, we know there's more work to be done. Your feedback is an important part of this process.

5. **Comment:** You need Product Recall Coverage.

Response: We do offer Product Recall Coverage on a broad range of manufacturing classes. In fact, we recently improved our coverage offering to include Additional Expenses Coverage. We

have also added more flexibility in terms of limit offerings and pricing. We feel this combination gives our coverage form a competitive advantage. Please contact your underwriter or sales manager for more information.

6. **Comment:** Many carriers have dedicated loss control.

Response: We're a generalist and that means our Risk Managers are too. However, we have several risk managers with significant experience in the manufacturing segment and they're our subject matter experts. Our risk management team works as a collaborative unit to share information to make sure we understand the risks and risk management needs of your manufacturing clients. We will partner with you and your policyholders to help create plans that lead to safer workplaces with fewer losses. We also offer downloadable safety programs and loss prevention articles via the Risk Management Resources tab on secura.net.

7. **Comment:** We like that you are very responsive.

Response: Thank you! We take great pride in being a relationship driven company that is easy to do business with.

8. **Comment:** Service Center - Training insured and staff is key; warm hand off. Will you answer the phone using the agency name? Will you do cross sell? Fees? We would like a specifically assigned individual to an agency – some carriers are doing this.

Response: As we design our standard operating procedures, we've been very cognizant of situations where the Service Center Specialist needs to get the agency involved. Ultimately, we want the service center to feel like an extension of your agency so open communication will be crucial. Because of this, we want to focus on three things; creating communication and marketing materials for the insured, making it clear which phone number or email they should contact, and hiring and training the best Service Center reps to ensure excellent customer service and a smooth transition. We're driven to provide the top notch service that your clients expect.

9. **Comment:** BizLink - A few use it, but it hasn't caught on yet. You were late to the game, but we are just happy to have it. Comparative raters would be positive. Our staff can only know so many platforms (path of least resistance).

Response: We continue to enhance the overall functionality of BizLink, and we will be adding Straight Through Processing for several classes in 2022. Please continue to share your thoughts and suggestions, and we'll continue to fine tune the system to make it the best user experience as possible.

Personal Lines

(Agent comments with SECURA responses)

1. **Comment:** We would like you to write motorcycles. We would prefer to write with one carrier. (Like the umbrella change with regards to motorcycles)

Response: This is a large project and is currently not scheduled. SECURA writes umbrella coverage over other carriers' underlying motorcycle policy. We understand this is an ease of doing business issue.

2. **Comment:** Have you considered writing equipment breakdown?

Response: Thus far, most agents do not feel this is a necessary endorsement and therefore is not a highly ranked project. If this is costing us new and/or renewal business, please

communicate this to your sales manager or the Personal Lines underwriting supervisor for IN: Kathy Oudenhoven.

3. **Comment:** Full limits on water backup?
Response: We are considering expansion of higher water backup limits via endorsement including full Cov A. limit, with a recent recommendation from our R&D and Actuarial Services team. More to follow. We understand full Cov. A limits are more widely available in the Indiana homeowners marketplace.
4. **Comment:** Inland flood (up to water back up limit). (Eliminates where water came from/IN Farmers & AO).
Response: Tied to the previous answer in number three, we are researching the definition of water backup to make it easier to understand what triggers a 'water event'.
5. **Comment:** Your rates are uncompetitive.
Response: Indiana's annual Personal Lines rate change is very recent with an Oct. 1, 2021 effective date. At a statewide level, combined home and auto rates dropped 2.7%: Down 5% in auto and flat in home. This compares favorably to the IN Personal Lines rate average recent filings of down .8% in auto and up 2.2% in home. Our data analysis indicated we needed to be more aggressive with the auto rate decrease, hence the 5% reduction.
6. **Comment:** Do you have a delivery endorsement?
Response: SECURA personal auto coverage automatically includes coverage for delivery and we prefer to classify vehicles used in this manner as Business use. The delivery needs to be for items other than transporting of people (livery). We will develop an "Uber or Lyft" endorsement in the future.
7. **Comment:** Ordinance of law needs to be offered in some areas.
Response: The MILE-STONE policy automatically includes 10% of Cov. A for Ordinance or Law coverage. Increased percentages are available by endorsement: 25%, 50%, 75%, and 100%.

Farm-Ag Lines

(Agent comments with SECURA responses)

1. **Comment:** You need to update your system.
Response: We are assuming you mean FarmLink. We are always evaluating opportunities to improve our system. If you have specific feedback, please share it with your underwriter or sales manager.
2. **Comment:** Underwriters are easy to work with.
Response: Thank you for that feedback as that is certainly our goal!
3. **Comment:** Equipment breakdown could be useful.
Response: We offer equipment breakdown on our farm policy. If you have specific feedback as it relates to that coverage, please share it with your underwriter or sales manager.
4. **Comment:** Adding GL for non-farm activities (see, corn sales, excavation, etc.).
Response: We have no appetite to write these exposures on our Farm Protector product due to our inability to obtain enough rate commensurate with the risk. Agents do have the ability to write an Ag policy when there is a greater than incidental exposure that needs coverage outside the Farm policy. If you have a specific example, you can discuss options with your underwriter.
5. **Comment:** Broadening extra expense to blanket.

Response: We provide \$10,000 of blanket extra expense coverage on all Farm Protector policies with the ability to increase.

Risk Management

(Agent comments with SECURA responses)

- Comment:** Manufacturing expertise in this area should be key in writing more.
Response: While our Risk Management Consultants are considered to be generalists, as we continue to grow as a company, we continue to increase our knowledge and skills through individualized and team training sessions. This enables us to properly risk manage anything that is submitted to us for consideration.
- Comment:** Your people are strong in this area/differentiator.
Response: Thank you for saying so! We are well aware that Sara and Emily work hard to assist you in writing and retaining the best accounts possible.

Claims

(Agent comments with SECURA responses)

- Comment:** We have no complaints.
Response: It is great to hear that you are not currently experiencing any claims issues!
- Comment:** It is nice that Larry is accessible.
Response: I am always happy to get involved if you are having any claims concerns or need a better explanation. Please feel free to reach out to me at 920-915-0324 or lwright@secura.net. If you would like me to come into your office to meet with you, your leadership team, or any claims people in your office to help clarify our claims philosophy or how we are organized, please let your sales manager, Carolyn Savill know, and she can coordinate setting something up.
- Comment:** Who is your Work Comp Claim Account Coordinator?
Response: Jessica Schmidt is our Work Comp Claim Account Coordinator. You can reach her at jschmidt@secura.net or 920-830-4310. She is a fantastic resource for our larger accounts. She can also help relay what services SECURA Work Comp can provide. Jessica's position works directly with our insureds and agents to help promote use of our cost containment programs, Nurse Hotline, and identify problem claim areas where our insureds can help themselves to improve their loss experience. Jessica can also assist in coordinating claim reviews as requested.

Miscellaneous

(Agent comments with SECURA responses)

- Comment:** Agentlink is great. Our only suggestion would be a search bar on the home page.
Response: This is a great suggestion. We will discuss this as a future enhancement.
- Comment:** We feel an insured app (vs. web site) is necessary. Most common uses are auto ID cards, making payments, filing a claim, policy info, roadside assistance, etc. We feel this is mostly geared towards Personal Lines.
Response: Thank you for this feedback. We are kicking off a project to refresh mySECURA, our current Personal Lines policyholder portal, to make it easier for our policyholders to use. The first phase will focus on Personal Lines functionality, including the uses mentioned above, and

we are planning out future phases to expand the functionality for other policyholders. We are exploring the potential for an app in future phases.

3. **Comment:** What is your agency appointment strategy?

Response: We plan to achieve our growth objectives in the coming year by earning deeper penetration with our current agency partners and through additional agency appointments. While we are not planning for extensive additional appointments, we will be looking for agencies that align with our premium growth expectations for the state of Indiana.

4. **Comment:** We like that you have the sales manager position.

Response: Thank you! We take great pride in the effectiveness of our sales managers, both with respect to the agency relationships they manage and their ability to be resource brokers for our agencies.

5. **Comment:** We are using sell sheets with proposals. Our only suggestion is that form numbers on sell sheets would match commercial form numbers for purposes of searching.

Response: We will discuss this suggestion to explore how we can make searching by form numbers easier.

6. **Comment:** Carolyn is extremely responsive. She did the best of all carrier reps during COVID.

Response: Thank you for this feedback on Carolyn! She's a leader not only within the state of Indiana, but also within our Sales Department. We appreciate you making mention of her efforts during the pandemic.

7. **Comment:** What training do you offer?

Response: SECURA Academy can assist you obtain training and CE. If you have any questions on what SECURA Academy can offer from the below, please reach out to your sales manager or Angela Kain, Manager of Agency Training, at akain@secura.net

- Classes in your state – Please watch for our monthly calendar of events email, check out AgentLink, or speak with your sales manager to learn more
- Live Webinars (also get CE credit) – a variety of topics
 - <https://secura-academy.adobeconnect.com/admin/show-event-catalog?folder-id=1082995370>
- Learning Library (no CE) – a library of videos on a variety of topics
 - <https://secura-academy.adobeconnect.com/admin/show-event-catalog?folder-id=1082995386>
- Commercial Lines Essentials - Sales Path – a web-based, 12-week series that is hosted each year.
- Commercial Lines Essentials - Service Path – a web-based, 9-week series that is hosted each year.
- Three-day long training programs at SECURA's home office

8. **Comment:** Agency Marketing efforts have been on digital marketing and social media. Also push on software for personal touches (i.e., cross selling, birthdays, etc.)

Response: Let us know how we can assist! Our [blog](#) is a great resource for content, and you also have access to our marketing materials in the Sales Resource Center via AgentLink.

9. **Comment:** What are your plans for state expansion? We would like to see Ohio in particular.

Response: It is our desire to enter more states in the very near future. We just launched Pennsylvania with Specialty Lines, and we will be following with Commercial Lines in 2022. We

are working on identifying our next state as we research the best opportunities and fit for SECURA and our agency partners.

10. **Comment:** We would like you to write secondary homes in California and Florida.

Response: See our response to comment number nine above.

