



Fall 2020 – Part 1

PRODUCER UPDATE

PENNSYLVANIA LUMBERMENS MUTUAL INSURANCE COMPANY

Hopefully, by the time you read this, some normalcy will have returned to all our lives. Our aim is to have the PLM team back in the office, but frankly, we can't be sure, considering the pandemic.



John K. Smith, *President & CEO*

As I write this, we continue to operate on a remote basis. The PLM team has done a wonderful job in continuing to move the company forward. However, it is really your perspective that matters. You should receive timely, effective, and efficient service from all of our people. Whether it is returned phone calls, policy documentation, claims, loss control or general customer service-related issues, we expect to provide excellent service, even in the midst of COVID-19. If you are not receiving immediate resolution of any issues to your satisfaction, I want to know about it! If you are having any customer service-related issues, please take a moment to email me at jsmith@plmins.com.

In the previous issue, I shared some of our financial results as an organization, and I think it is appropriate to update my thoughts at this time. We continue to see various insurance companies exiting the wood niche and non-renewing building material dealers, light wood manufacturers, and, especially, pallet and sawmill risks. Our ability to renew accounts is surging, as is our hit ratio. About 1,500 potential new accounts have been reviewed by our team since the beginning of the year. About 60 percent of them were declined because they did not meet our standards for loss control and risk management requirements. The other 40 percent of the accounts were quoted, some more competitively than others from either a coverage or pricing viewpoint.

If we declined to provide a quote for your client, it should be explained to you and your client why it was declined and what can be done to improve (if they so want) the desirability of their business to an insurance company. If this isn't explained, please let me know and we will rectify this issue accordingly.

More than 287 businesses, generating almost \$12 million of new premium, have joined the PLM family so far this year. We expect that number to grow as we enter into the fourth quarter. Better than 90 percent of insureds have renewed their coverage this year. While we would like to believe this is solely because of our outstanding value, we recognize that some insureds have been too worried about the pandemic to shop their insurance.

We, like you, have reduced our expenses as best we can despite

the outstanding top-line revenue growth that we are experiencing. The result is that our expense ratio has dipped dramatically.

While profitability in the commercial property and general liability lines has been acceptable, the commercial auto experience for the insurance industry as a whole continues to be very poor. We continue to underwrite this coverage very tightly and seek additional rate when required, keeping in line with what other insurance carriers are doing.

Our surplus is slowly rebounding from a dramatic drop in March. Assuming this improvement continues, we should be able to recapture our surplus loss by yearend.

Cash flow has improved dramatically, and we are cleaning up outstanding premium receivables caused by the pandemic. We find most insureds to be very cooperative in our efforts in this area, and we are very much appreciative of their responsiveness.

We have always been very proud of our employees and have insisted over the last four or five years that they all become involved in continuing professional education. More than 85 percent of the PLM team are currently enrolled in continuing insurance education. We are pleased that our business development representative in California, Kobié Jacobs, recently completed and earned his CPCU, which is the insurance industry's premier professional designation.

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This past quarter, we finally rolled out our Net Promoter Score program "Ask Nicely." In a separate article, our Corporate Marketing Manager, Lindsey DiGangi, will provide you with more detail. We expect to further implement this program as we roll into the fourth quarter.

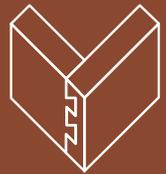
We recently piloted "Any Time Risk Management," a self-risk management tool for small businesses that we believe will enhance our ability to provide our small and medium-sized insureds with a risk management product that includes consultation with one of our loss control representatives and access to a risk management library.

Many of you are aware that I spend quite a bit of my time travelling and visiting our insureds and brokers, not only at their place of business, but at various trade shows throughout the country.

PLM views trade show attendance and involvement with various associations not only as part of our effort to support the wood and insurance industries, but also to connect with our current customers and brokers, many who have become friends over the years. Of course, like any other vendor, we hope to also establish some new relationships at shows, too. So, trust me when I tell you that we are disappointed that over 100 trade shows and industry meetings have been cancelled because of the pandemic. We miss seeing you and discussing ways to help you grow and expand your business.

I continue to look forward to your comments, calls and emails. Call or write me with your thoughts and comments at 267-825-9246 or at jsmith@plmins.com.

THE DOVETAIL:



ABM is Here to Stay!

Earlier this year we introduced you to our wholesale brokerage operation, Allied Building Material Agency, Inc. (ABM). After years of lying dormant under the umbrella of Indiana Lumbermens Mutual Insurance Company (ILM), PLM brought ABM back to life with a new staff, headed by VP Angelo Ganguzza, and some hearty enthusiasm. In January of 2020, we hit the ground running and haven't stopped since.

The restoration of ABM came after many years of PLM contemplating how to help our customers and retail broker partners with the workers' compensation line of business. PLM, as a carrier, ceased to write workers' comp coverage for our insureds years ago, but our insureds and broker partners have never stopped requesting it. It was, and will always be, important to PLM to find solutions for our customers and brokers. Thankfully, a solution to offering affordable and comprehensive workers' comp coverage presented itself in the onboarding of Angelo and the reformation of ABM.

ABM's mission is to work with our insured and broker partners to help place the Workers' Compensation coverage on wood businesses, even without PLM writing the coverage directly. Our ABM team comes with years of experience in insurance, years of insuring the wood industry, and years of employment with PLM. We honed our skills in brokerage operations, customer service, and manning underwriting desks. We have met with wood industry customers and prospects, performed loss control services and inspections, walked our insureds through claims, billing, and coverage issues, and have met with retail and wholesale brokers the country over. We are well equipped to vet and continually assess the workers' comp carriers with whom we partner to anticipate and respond to our customers' needs.

Visit www.plmins.com/pu-dovetail-abm-fall20/ for the full article.

A Quick Check-In on Your PLM Insurance Experience

BY: LINDSEY DIGANGI, CORPORATE MARKETING MANAGER

"How are we doing?" It's a question we ask ourselves daily at the employee, departmental, and organizational levels.

As an insurance carrier, we provide a service, responding to your clients when they need us and working with you to support their needs. This includes not just claims, but you and your client's experience every day and each time you work with PLM. Beyond our tailored coverages and industry-specific risk management, PLM seeks to create a custom experience for our insureds and broker partners. That's why we want to hear directly from you.

We have released our first in a series of surveys to check in at various times during the PLM insurance experience. Our first survey is a quarterly check-in with all of our insureds. Although they may be communicating with PLM in a variety of ways, we want to ensure that our clients have the platform to offer feedback during their policy period. This survey functions as the platform to tell us what is on their mind.

After two months, we have surveyed over half of our current insureds with three simple questions that can be answered in under a minute. The feedback we have received so far has been both reaffirming and eye opening, which is exactly what we hoped to see. Improvements come from reflection, and your participation thus far has given us the insight needed to examine and improve our communications, processes, and training.

Visit www.plmins.com/pu-dovetail-fall20/ for the full article.

PLUMB SAFETY:

TATTLETALE® PORTABLE ALARM SYSTEMS

At PLM, we are continuously looking for new solutions for our customers to better manage their risks in their operations. We spend time researching different companies and services to partner with to provide risk management tools to our policyholders, such as streaming safety video services, continuous MVR monitoring products, and phone-related distracted driving prevention tools.

We are pleased to announce our most recent partnership with **tattletale®**, a provider of portable alarms systems. They offer an all-in-one portable alert system in a box with sensors for a wide range of potential risks for operations such as wood processing plants:

- Fire Protection (rate of rise sensor) – Transmits an instant signal if the ambient temperature increases 15 degrees or more per minute, or if the ambient temperature rises above 194 degrees.

Visit www.plmins.com/pu-plumb-safety-fall20/ for the full article.



PENNSYLVANIA LUMBERMENS MUTUAL
INSURANCE COMPANY

125+1

On February 26, 2020, PLM celebrated its 125th birthday, launching our official anniversary year with a series of events designed to celebrate a century and a quarter of serving the lumber, forestry, and building materials industries. Within three weeks of that momentous day, our Philadelphia office was shuttered and celebratory activities scheduled for the remainder of the year were postponed.

Not to be deterred, we will reignite our 125th anniversary celebration in 2021 under the banner of 125 + 1. We are proud to be the largest writer of lumber-related business in America, and look forward to celebrating with our valued policyholders, broker partners, and dedicated employees who have contributed to our longevity.

We will update our Anniversary Page at www.plmins.com/125 with events and activities as we get closer to the continuation of our celebration in 2021.

COVERAGE & CLAIMS TOOLBOX



RISKS FROM AUTOMATION

BY: JOHN K. SMITH, PRESIDENT & CEO

In a world that is finding increasing value in contactless operations, we are seeing even higher levels of technology and automation in business, especially manufacturing. Anyone who has recently planned out, embarked upon, or implemented such a project will tell you how expensive the equipment and the technology can be! Understandably, they want to protect that investment. Changes in operations create changes in risk, so there some risk management issues your clients should consider if they are undergoing or have recently completed this type of upgrade in their business.

First, the cyber exposure that arises from enhanced automation can be significant and it needs to be thoughtfully considered to ensure that their operation is protected! Their technology vendors can assist them in this area. However, a risk will always remain.

Visit www.plmins.com/pu-automation-fall20/ for the full article.

FIRST NOTICE OF LOSS

BY: TRACI BARBER, ASSISTANT VP OF CUSTOMER SERVICE

No one wants to think about a loss. Whether it be a fire, an auto accident, or storm damage to a building, client losses are potential occurrences and something that needs to be protected against.

When a loss happens, there are a million things to think about: Is everyone safe? How bad is the damage? What should be done next? How do I notify the insurance company? The answer to the last question should be a simple and easy process.

The process begins with a First Notice of Loss (FNOL), the initial report made to the insurance provider following loss, theft, or damage of insured assets. The easiest and fastest way to submit a FNOL to PLM is through our Claims Portal found on our website at www.plmins.com/claims/.

Visit www.plmins.com/pu-first-notice-of-loss-fall20/ for the full article.



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SPOTLIGHT ON:

BOARD UPDATES



Thomas E. Beach, Long-term Board Member of Pennsylvania Lumbermens Mutual Insurance Company Retires

In April of 2020, PLM's longest serving Board Member, Thomas E. Beach of Beach Investment Counsel, Inc., retired from PLM's

Board of Directors after serving faithfully for more than 40 years.

Mr. Beach has served on several PLM Board Committees, including as chairman of PLM's Investment Committee. During his tenure, the experience and insight he shared to guide the Investment Committee assisted PLM in realizing a number of unique market opportunities, which led PLM's investment portfolio to outpace the Property & Casualty insurance industry's investment marketplace.

Visit www.plmins.com/pu-spotlight-on-board-fall20/ for the full article.

MEET OUR INTERNS

"While many companies were cancelling internships, PLM worked hard to get me working." – Vincent Pace



Pictured from left to right: Vincent Pace, Kevin Riddick & Sydney Stenson

Although their work environments looked different this year, we were lucky to have three talented interns return to us this summer to build upon their prior PLM work experiences. All of them come from outstanding Risk Management Programs at both St. Joseph's University and the University of South Carolina.

We not only thank them for their hard work but commend them for their flexibility, adaptability, and resiliency. Check out our social media to learn more about these young professionals.

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