

# BEST'S REVIEW® ISSUES & ANSWERS: MUTUAL SUCCESS

Insurers and reinsurers examine the advantages and challenges of mutual insurance operations and how these companies are finding new and innovative ways to serve policyholders. Also, a look at the excess & surplus lines insurance market.



## Interviewed Inside:



**John Smith**  
PLM



**Lindsey DiGangi**  
PLM

View past Issues & Answers sections at  
[www.bestreview.com/issuesanswersarchive.asp](http://www.bestreview.com/issuesanswersarchive.asp)

# CELEBRATING 125 YEARS OF PROTECTING THE WOOD INDUSTRY

PLM IS STILL 'STURDY AS THE OAK'



*Writing Fire and Allied Lines*

*"In the Birthplace of American Mutual Insurance"*

(PLM Logo, 1950s)

**THE OAK.** The symbol of PLM's commitment to the Wood Industry, during the best and the worst of times. We remain dedicated to serving our clients during the pandemic, providing enhanced loss control and flexible insurance solutions that support their unique needs. That is why insurance brokers and business owners have trusted PLM with their businesses, year-after-year, for 125 years.

**Protect your wood-based clients with insurance that stands the test of time.**

PLM writes business on an "Open Brokerage" basis – we do not require any premium or volume commitments. We work with any licensed broker that chooses to pursue a piece of wood business whether it be one account or 100 accounts. Visit [www.plmins.com/producers/](http://www.plmins.com/producers/) to find out more on becoming a PLM Partner.



CELEBRATING  
125 YEARS



PENNSYLVANIA LUMBERMENS MUTUAL  
INSURANCE COMPANY

800.752.1895 | [www.plmins.com](http://www.plmins.com)

PLM is the oldest and largest mutual insurance company dedicated to wood products and building material industries.

Visit [www.plmins.com/125](http://www.plmins.com/125) to view full-size versions of PLM historical ads.

# Knock on Wood

John Smith, president and CEO of Pennsylvania Lumbermens Mutual Insurance Company, and Lindsey DiGangi, corporate marketing manager for Pennsylvania Lumbermens Mutual Insurance Company sat down with *Best's Review* to discuss the COVID-19 pandemic, how it's affecting the insurance industry and what the future looks like. The following are excerpts of an interview.



## How has the pandemic impacted mutuals?

**Smith:** Businesswise, I'm not sure mutuals have been impacted any differently than stock companies. We're all seeking production, we all have losses, expenses, and it's probably not that much different between the two types of organizations. Where you are likely to see the difference is in how mutuals reacted internally. Mutuals tend to be a little more family-oriented and perhaps have closer relationships with their customers. It puts us in a more unique position than a stock insurance company. When the coronavirus broke, we made clear to our employees that our number one concern was their safety, and taking that stance I believe has paid off as we have been COVID-free from day one.

## How has the pandemic impacted the wood industry?

**DiGangi:** For the most part, the wood industry has really fared well throughout the pandemic. With so many people at home more often, there's been more time to spend on household projects. We're seeing that a lot of our insureds experience actual growth during this period. We're also seeing that the sawmills and pallet mills as well as heavy manufacturing are still operating as well. We've had about 85% to 90% of our insureds deemed essential. For the most part, things are going well in the wood industry.

## Has the pandemic offered an opportunity for mutuals to shine?

**DiGangi:** Any crisis offers any company the opportunity to shine, but mutuals are really poised to take advantage of that opportunity, with our focus solely on our insureds. For a lot of mutuals being focused in niche areas like we are, we really have a good understanding about how our insureds are doing. We're in tune with the industry, the industries that we serve. I think that gives us the ability to offer more flexibility in the way we work with our insureds as mutuals in general, and it gives us the opportunity to be close to them, and to hear them, and respond to them.

## John Smith

President and CEO  
PLM



## Lindsey DiGangi

Corporate Marketing Manager  
PLM



Go to the Issues & Answers section at [bestreview.com](https://www.bestreview.com) to watch an interview with John Smith and Lindsey DiGangi.

## Where do you see the market headed in 2021?

**Smith:** On one hand, there are a lot of uncertainties with things such as COVID-related claims, the upcoming election and pandemic issues that are floating that are not claims-related. On the other hand, there's also a great deal of certainty. We know commercial auto will continue to be a problem. We know that the reinsurance industry has started applying COVID exclusions, pricing on reinsurance programs has gone up about 10% in the property to catastrophe area, and that many companies are struggling for cash flow. I think many companies are coming to understand that the fixed-income portfolios are going to have muted returns for a long time. As such, that would tell me that pricing will continue to be harder as opposed to softer. I think the only wildcard there is that it'll be interesting to see as we get into the fourth quarter, whether companies start chasing premium to make premium plans. Otherwise, I don't see any softening coming into market in the short term.

