

# Iowa Mutual Insurance Company

## *President's Advisory Council Meeting*

Oct. 11-12, 2016

### **Georgia Puls, president, Iowa Mutual**

Puls welcomed members of the President's Advisory Council to the October 2016 meeting. She acknowledged the importance of the council and expressed sincere appreciation for members taking time away from their businesses and families to attend the meeting.

Puls shared financial exhibits with PAC members, illustrating the company's loss ratios and financial strength through August and September 2016. The combined loss ratio stands at 109.1 percent through September. The results reflect \$9.9 million of losses and adjustment expenses associated with 13 designated catastrophes reported in 2016 and \$1.5 million of non-designated weather. \$7.1 million of the catastrophe losses and adjustment expenses pertained to the homeowners' line.

The company is at 1.2 percent for growth overall through September 2016. Our direct written premium has increased from \$87 million at the end of 2015 to a projected \$97 million at the end of 2016, which also includes MCM business.

Motorists Insurance Group had \$771 million in surplus at the end of 2015 with 11 companies in the group. The group is at a 102.8 percent combined ratio through September.

### **Shawn Kimmes, vice president, Sales**

Kimmes shared that Sales filled the Eastern Iowa open district sales manager (DSM) position in July 2016 with Nate Frandsen. Nate has been with Iowa Mutual for five years starting in Claims and then was in Commercial Lines Underwriting for the past two years.

There is a current open position for the Central Iowa territory so Nate is helping out with newly appointed agencies in this territory as well as covering Eastern Iowa. We are optimistic we'll fill the Central Iowa position soon as interviews are underway. Unfortunately, we have a new opening in Northern Nebraska, anchored in Omaha, with the departure of Bria Christensen. The talent pool should be broader in Omaha than in other markets when looking for a replacement.

Kimmes provided an update on the hiring process driven by Field Development Manager Will Johnson, who is responsible for hiring and training new district sales managers. They will report to Sales once they are trained.

In September, the Sales team attended a third groupwide Sales conference, which provided an opportunity to dialogue the successes and challenges they each face. A key takeaway is that we feel like one organization and utilize the resources available across the group.

The company appointed eight new agencies through September – four in Illinois, three in Iowa and one in Nebraska. There were six agency cancellations through September.

Sales and Underwriting continue to collaborate through quarterly meetings held to conduct training, discuss goals, address challenges and drive innovation. The intent is to improve communication, collaboration and teamwork between the field and the internal team. Associates from Motorists Life as well as the Motorist Insurance Group Marketing, Workers' Compensation and Risk Management teams are invited to further the collaboration between the field and internal teams. Open and frequent communication is critical to the success of the DSM sales model.

Iowa Mutual's commercial lines new business goal is \$12.1 million for 2016, and we are at 66.4 percent of our goal. \$8.1 million through September 2016 is the most Iowa Mutual has written in any year since the affiliation. We projected \$1.1 in new business for personal lines and we are on pace at 77.9 percent of our goal through September. Personal lines retention has slowly continued to increase even with rate action.

Kimmes shared that Motorists Life is shifting their focus from a life-only agency distribution to property and casualty agency distribution. Motorists Life will accomplish this by supporting the agency's team to sell life, pairing the agency with a life-only producer or selling it for the agency through a Motorists Life agent. Assistant Vice President of Life Sales Jon Chandler is responsible for the expansion of Motorists Life and BSB to the affiliate operations. Jon, who is based in Columbus, Ohio, has been traveling strategically and meeting with key agents in Tennessee, Wisconsin, Minnesota, Iowa, Nebraska and Illinois. As a result, life applications are up 35 percent, premium credit is up 245 percent and premium is up 124 percent through September 2016. The Motorists Life product portfolio includes level term, real-time term, whole life, universal life, and annuities. The Broad Street Brokerage (BSB) product portfolio includes life, health, disability, long-term care and Medicare.

Kimmes stated the MCM Agency is a wholly owned P&C brokerage operation only available to Motorists Insurance Group agents. MCM Agency has a lot of monoline solutions and are licensed in 47 states. New business commission is split 75/25 in favor of the agent, and renewal business is split 60/40 in favor of the agent. MCM Agency can potentially offer advantages such as better responsiveness, better terms and, in some instances, better commission. The agency is led by Tom Racijs in Edina, Minnesota, and associates include Mike Styba, Ted Peters and Jennifer Martinez. MCM Agency offers solutions in these top lines of business: dealers physical damage; workers' compensation; management liability; employment practices liability insurance; directors and officers liability insurance; cyber liability; personal and commercial vacant property and pollution for contractors, premises, and tanks. Their top carriers are Risk Point, AmTrust, Berkshire Hathaway Guard, Employers, Amerisafe and ACE.

Kimmes shared the Iowa Mutual DSM and one-stop-shop model. The DSM and agent are at the center of the model. The DSM is responsible for any commercial lines business and anchoring the relationship that we have with our independent agents, who are our primary customers. We can help agents be most successful by having a local DSM who is authorized to write commercial lines business, because we believe independent agents will continue to dominate the commercial lines market. Independent agents will continue to write personal lines, but the direct and exclusive carriers advertise/market price so heavily that it puts a lot of pressure on that segment of business. We want to be able to supplement what we offer commercially with a personal lines solution, and we see a lot of our independent agents growing through commercial lines. We will offer solutions for personal lines, commercial lines, workers' compensation, life, specialty and brokerage so we can help with any business that walks through an agent's door.

Specialty is the only piece that is missing, but we will continue to work to find a solution for our agents.

Kimmes shared the key takeaways of the brand refresh initiative: it's a rollout, not an event; brand evolution keeps us modern; cohesive brand, design and message provides consistency and greater brand equity; local people, knowledge and expertise remains; easier for policyholders to understand the power and strength of the group; and agents can co-brand marketing materials with the local affiliate or group logo as they feel best helps them sell.

### **Debbie Jenkins, assistant vice president, Underwriting – Commercial Lines**

Jenkins stated Commercial Lines direct written premium is \$40.3 million for an increase of 10.4 percent year-to-date, or \$3.8 million over September 2015.

State-by-state, year-to-date growth results:

- Illinois: 25.3 percent increase
- Iowa: 4.7 percent decrease
- Nebraska: 8.3 percent increase

Iowa American has \$10.3 million in direct written premium, or \$2.1 million over 2015.

Premium retention remains steady through third quarter 2016, at 88.3 percent with a goal of 88 percent.

Commercial Lines pure loss ratio is at 51.2 percent through September. We have had some storms this year driving our numbers.

State-by-state, year-to-date profitability:

- Illinois: 45.8 percent
- Iowa: 63.1 percent
- Nebraska: 45.3 percent

Updates since the last PAC meeting in April:

- Cyber liability was introduced in Iowa and Nebraska with an effective date of Sept. 1, 2016, for new and renewal business. We are awaiting approval from Illinois.
  - Iowa and Nebraska are opt-out states so it rolls on renewals and is automatically included on new business, and then policyholders sign a rejection form if they don't want the coverage. In Illinois you have to offer the product, but the policyholder has to select it to be added onto the policy.
  - This will replace security breach for those policies that have cyber liability.
  - IDT911 is the vendor
    - Develops breach response strategy and incident management plan
    - Provides a preparedness site as a tool to proactively protect sensitive data
  - Product features
    - \$25,000 aggregate limit included, options up to \$1 million
    - \$1,000 deductible
    - Premium for basic coverage is between \$68-\$520, depending on the hazard of the class and the number of employees
    - Discovery – coverage trigger

- Included coverages:
    - Third-party cyber liability coverage
    - Regulatory proceeding claim expense coverage
    - First-party privacy breach expense coverage
    - First-party data restoration expense coverage
  - Optional coverage:
    - First-Party Business Interruption Coverage – \$100,000 max limit
- Iowa Mutual was part of an overall Motorists Treaty Reinsurance Audit with favorable results.

**Kyle Welch, assistant vice president, Marketing & Expansion**

Welch shared updates on three major areas.

Administration – groupwide services

- Agency/agent licensing
  - Licensing information is now consistent across the group.
  - Processed through affiliate databases in one centralized location. The consolidation will expedite the licensing process for agencies and producers.
- Advertising program
  - Simplifying the co-op advertising program with eligible advertising expenses now reimbursed at 100 percent. Program to be introduced to IMIC agents for 2017, subject to the agency’s co-op advertising limit.
- New agent program
  - Introduced an official onboarding process in first quarter managed by our marketing specialist, Gina Taylor, who we previously introduced in May.
  - Acting as a “concierge,” she guides a new agency through the introduction to all resources available.
  - Currently there are 200+ producers in the pipeline and the response to the onboarding process has been very positive.
- Premium Ideas
  - Changed to a monthly publication and renamed “MiNews” to extend to all affiliates groupwide. The response has been very positive and Iowa Mutual has one of the highest open rates and click through rates in the group. MCM Agency highlights have also driven more awareness and utilization of their offerings.

Development and Expansion

- Continue to add quality new district sales managers (DSMs) to our already capable field associates. We currently have four openings across the group, two of which are at Iowa Mutual.
- Thirty new agencies were added in targeted areas through the first three quarters. The 95 agencies appointed in the last three years have written 27 percent of the new commercial lines business through July.
- The field development managers are now at full strength with the addition of our fourth associate, Jim Wasserburger.
- A second regional recruiting manager, Chris Snyder, has been added to help with the appointment process. Megan Rettig-Wetli will continue to be the RRM focused on Iowa Mutual needs.

## Communication and Events – ongoing initiatives

- Digital Storefront – a program to personalize and professionally print marketing materials and campaigns to help agents grow profitably. The plan is to start with campaigns highlighting Motorists Life as a pilot and later add campaigns highlighting property and casualty opportunities.
- Social media – teams are developing specifications for vendors to launch this asset across the group by year-end 2016.
- Website redesign – teams are actively working on the project to launch updates by year-end 2016.
- Branding – completed new logo sets. An activation plan was initiated in early August with internal audiences. Rollout to agents happened in early September. New television ads are being developed emphasizing our core values and connection to our communities.

### **Kristina Bitzer, Workers' Compensation consultant**

Bitzer stated Workers' Compensation capitalizes on being an integrated team having Underwriting, Risk Management and Claims always working together to provide the best possible outcome for the agent and policyholder. Workers' Compensation offers local underwriting expertise for a wide array of target classes; risk management local presence matched with state of the art resources; and world-class claims services to help control costs and get injured workers back to work. Bitzer will work directly with the DSM and renewal underwriter to develop customized service and point-of-sale information.

Year-to-date, the workers' compensation combined loss ratio for the group is 91.1 percent. Iowa Mutual's combined loss ratio is at 47.6 percent through September 2016.

Year-to-date growth is up 23 percent for Iowa Mutual, or \$2.5 million in direct written premium.

Workers' Compensation now has a dedicated actuary focusing on reducing our loss cost multipliers for target classes, where allowed. For example, Illinois -10 percent reduction for target classes effective Jan. 1, 2016, and Nebraska -4.7 percent effective May 1, 2016.

Bitzer shared the Workers' Compensation subsidiary is working on building a stronger premium audit operation. Premium audit is in transition to an automated solution to improve service levels through the ability to measure performance of our vendors and internal staff.

Bitzer stated the focus of our risk management is:

#### Risk selection

- Experienced associates with an average of 20 years experience
- Entire team has degrees in occupational safety and/or safety or risk management designations
- Onsite review of operations and evaluation of safety and loss prevention programs

#### Risk retention

- Team approach with agent, DSM, Underwriting and Claims on all large renewals
- Annual service visits on all accounts over \$100,000 and others that require attention

- Goal is to stay current with operations, remind policyholder of our risk management services and provide any assistance required
- Help retain good business

#### Risk improvement

- Identify claims trends and design a service plan for risk reduction/elimination
- Schedule periodic visits to monitor the plan and provide risk management assistance and support
- Provide ongoing consultative and training services

#### Our services

- Custom claims analysis
- Policy and program evaluation
- Ergonomic evaluations
- Safety program and policy development
- Policyholder education and training
- Complimentary online safety resource library
- Complimentary online streaming video training
- Onsite evaluation and training services
- Access to experienced and knowledgeable consultants

Workers' compensation claims services are:

- Adjusters
  - Average caseload 80 claims; work proactive instead of reactive.
  - Trained, including continuing education and individualized development plan.
  - Specialized to a policyholder, agent, type of loss, SIC or medical complexity.
- Directed care/managed care – not permitted in Illinois
  - Outcomes-based networks customized to each policyholder; agent and policyholder outreach.
  - All appointments scheduled through WorkWell, most within 24 hours, 48 hours for specialists. Allows for the highest quality managed care at lower costs and avoids unnecessary treatments.
  - Status reports within 24 hours and policyholders have online access.
  - Medical costs lowered 35 percent.
  - Surgical care program in Illinois.
  - Best doctors.
- Medical services
  - Telephonic, task and field nurse case management.
  - Integrated with adjusters and programs. Answers phones through WorkWell after 5 p.m. and on weekends.
- Pharmacy benefit management
  - Discount prescription pricing and quick, convenient access for injured workers to obtain medications related to their injury.
  - Motorists Insurance Group was the first carrier in the country to offer electronic prescribing on workers' compensation claims. We were also one of the first to pilot a comprehensive opioid defense program.
  - Across the group, we saved almost \$2.8 million in 2015 on our customized formularies and programs.

- Return to work, handled by Motorists associate Rebecca Fisco.
  - Policy level
    - Comprehensive program development assistance.
    - Ongoing implementation support.
    - Proactive large premium policy service.
  - Claim level
    - Individualized return to work consultation.
    - Specialized adjuster training and support.
    - Focused cost containment service.

**Georgia Puls, president, Personal Lines**

Puls reported personal lines had \$26.1 million in direct written premium, or -10.2 percent less than 2015 year-to-date. Iowa Mutual has battled growth this year but it's getting better and our goal is to stabilize.

Year-to-date growth by state:

- Illinois: 5.3 percent decrease overall; auto is down 5.1 percent; and home is down 7.7 percent.
- Iowa: 8.1 percent decrease overall; auto is down 8.4 percent; and home is down 8.3 percent.
- Nebraska: 22.4 percent decrease overall; auto is up 25.4 percent; and home is down 19.5 percent.

By state, profitability numbers year-to-date are:

- Illinois: Overall 47.0 percent; auto 45.2 percent; and home 51.9 percent.
- Iowa: Overall 51.3 percent; auto 51.7 percent; and home 51.4 percent.
- Nebraska: Overall 124.7 percent; auto 73.3 percent; and home 183.0 percent.

The overall pure loss ratio through September is 70.2 percent. The pure loss ratio at this time last year was 56.5 percent.

Iowa Mutual's personal lines strategy and main focus is the state of Iowa, which has the largest premium volume of \$17 million or 65.5 percent of personal lines. Our November 2015 Iowa rate changes were causing a loss of premium in Iowa. Effective May 1, 2016, Iowa Mutual filed an amendment to reduce the increase overall from 6.4 percent to 3.1 percent. Now we are starting to see some stability.

Iowa Mutual is watching premium retention closely, and we are seeing an uptick to remain steady around 85 percent from last year at this time, while policy retention decreased to 82.7 percent due to rate increases. Our goal for both of these is 85 percent.

Updates since the last PAC meeting in April:

- No rate change was deployed in Illinois effective April 1, 2016.
- Three percent inflationary rate increase in all Nebraska territories for both personal auto and homeowners effective Aug. 1, 2016.
- No rate change is scheduled for Iowa in November.

- Discontinued sending renewal questionnaires, except for umbrellas.
- Vertafore's Personal Lines Rater became available in Nebraska for personal auto and homeowners on May 4, 2016.
- EZ Lynx real-time personal auto rating was released in Iowa May 20, 2016.

Puls stated personal lines stability is our number one goal and we are excited about the opportunities coming our way in light of Nationwide's recent personal lines commission announcement. These opportunities are being evaluated individually to maximize profitable growth.

### **Ed Wetzel, manager, Claims**

Wetzel opened with a photo of a tornado that skirted the Quad Cities on Oct. 6, 2016. He cautioned against becoming too casual about storm warnings and cited an example of a fatality that resulted from an insured's associate who failed to seek safety in time. Because response to a life-threatening event can be a matter of seconds, Wetzel recommended that we be a strong safety advocate for our policyholders. Additionally, it was pointed out that the storm season has become prolonged in recent years, which has required a longer engagement period for the CAT response team. Historically, storm season has run from April through August, and almost certainly we would be in the clear by the end of September. However, in the past five years, tornadic events have occurred from February through December. The Oct. 6<sup>th</sup> tornado is now not out of the norm.

Wetzel shared a map of the eastern coast that demonstrated how the national claims team can overlay the path of a storm, such as Hurricane Matthew, on a map of our policies in force in order to determine the expected volume. Motorists Insurance Group was fortunate during this storm since it tracked out to sea instead of heading inland. At the time, there were 151 associated claims at the national level with \$1,693,834 incurred. The same technology was used to respond to two large CAT events in Eastern Nebraska in May; Lincoln was hit on May 9. Two days later, another hail storm struck Omaha. It has been rough for that region because there were also huge storms there in 2013 and 2014. The incurred storm losses for each of those years was almost identical at \$22 million. Year-to-date Iowa Mutual has had \$10 million incurred losses from 13 CAT events. Fortunately, most of these were low severity.

Wetzel provided a high-level recap of the claims exhibits. Year-to-date, 6,851 losses have been received, a decrease of 52 reserves or -0.8 percent. As a comparison, there has been in excess of 55,000 for the entire group. Iowa Mutual is about 12 percent of the total claim volume. The backlog stood at 2,137 claims, up by 4.7 percent. Overall LAE ended up 1.8 percent with \$2,434,880 paid. The slight increase was the result of higher legal expenses, which are 12 percent more year-to-date with \$1,679,484 paid. Although suits are down by 29 percent or 27 elements, there is a long tail on litigated cases, which ended 2015 with more than double the new suits received in the year prior. On the positive side, independent expenses dropped substantially for a third month in a row and are now 6.3 percent lower year-to-date, despite there being more storm activity. A total of \$573,042 has been paid, \$38,441 less than last year at this time.

The following Iowa Mutual claims projects are being assessed and prioritized by Information Technology with other business needs:

- Automation of new claim assignments that are currently a manual process handled by the Midwest Customer Care team.



- Adding the national team contact information, when applicable, to the agency claim acknowledgement notices.
- Development of a “smart” routing task form for Phase II specialization work flows. The form is being modeled after an existing commercial lines process.

Council was updated regarding the Claim Organization’s vision to build one world-class organization. Phase I of the claims transformation was initiated in 2015 and was largely focused on specialized roles by property and casualty. This entailed getting the right associates into the right positions based upon their experience and skillsets. This year the focus has been centralizing and optimizing shared national teams: Recovery Services, SIU, Customer Care, Litigation, and the development of completely new departments:

- Material Damage
- Property – this included a newly created large loss property specialist role for the Midwest Region
- Large Bodily Injury
- Medical Payments

The claims transformation emphasizes:

- One claims organization with regional offices to out-local the nationals.
- Consistent specialized claim handling across all locations, delivering personalized quality solutions.
- Centralized and optimized operations to out-national the locals.
- Consistent best practices, processes, and procedures shared with one vision and mission.
- Claims operational excellence designated for quality assurance, learning and education, and continuous improvement.

The claims business model was presented to highlight the agent and policyholder in the center with a focus on relationships, the customer experience and local presence. The regional offices are then supported by the expertise and resources of the national teams seen on the periphery. One of the benefits of the Motorists’ model compared with some of the competition is that each claim will have one owner, with support roles and integrated teaming to ensure a consistent experience.

Wetzel concluded by providing staff updates since the last PAC meeting:

- Amanda Hentges hired as a Midwest Region large loss property specialist.
- Ben Blanchard hired as a property resolution specialist for the Quad Cities territory.

**Annette Braet, assistant vice president, Information Technology**

Iowa Mutual IT is part of a larger, central organization primarily focused on Iowa Mutual initiatives. We have 15 Iowa IT associates; five of those associates are focused on infrastructure, but they are also being utilized more frequently across the groupwide IT organization, and the remaining associates are working on the Iowa Mutual legacy policy, billing and claim systems. However, these staffing levels are not keeping up with business demand. In response, we are working on two large initiatives: centralizing IT equipment and a common software platform for policy, billing and claims.

## Information Technology updates:

- Iowa Mutual moved our mainframe equipment to the New Albany, Ohio, data center near Columbus. The data center is situated on seven acres, is 19,000 square feet, and the building is built with the requirements of a Tier 3 data center to withstand an F3 tornado. We're researching approaches to move the rest of Iowa Mutual's computer equipment tentatively scheduled for some time in first quarter 2017.
- The Guidewire implementation for Commercial Lines is making great progress. The team has partnered with PricewaterhouseCoopers (PWC) to configure an easy-to-use system featuring self-service capabilities and agency preference settings. They're using a "greenfield" approach that provides the flexibility of building a new company from the bottom up. It's a bold \$70 million investment for the future. The pilot is scheduled for six months with two releases. The first release will go live April 2017 for Tennessee and Michigan agents. The second release will add Minnesota and South Carolina agents, tentatively scheduled for July 2017.
  - All new current ISO forms.
  - One platform and product offering across all companies and states within the group.
  - An enhanced agent/customer experience is included in the initial implementation.
  - Technology utilized is current and allows for leapfrogging opportunities.

Braet shared a few Agency Portal screen shots to give council members a preview of the new look and feel.

## **Recommendations and feedback**

### **Marketing/Sales**

- Council requested the profit-sharing plan dialog be kept as an open topic with stop loss as an important component and for consideration to be given to more lucrative incentive tiers for agencies with larger premium volume.

*Kimmes said stop loss will be a component of the new plan, which will be piloted with select agencies in 2017. The intended release to all agencies to be in effect is Jan. 1, 2018.*

- The council expressed concern for retaining district sales managers and their correlation to writing business. Members suggested Iowa Mutual district sales managers remain a priority since they are critical to the agency relationship and creating momentum for growth. There needs to be consideration for a pipeline of DSM candidates, or back-up DSMs, to step in when a DSM leaves without stretching existing DSMs too thin.

*Kimmes said there is a talent pool available across the group that will be utilized with the implementation of the common policy platform GuideWire. The current processes are very labor intensive and make the training process too extensive. The internal service teams of each DSM are trained in the current processes and can provide immediate support to fill the gap until a replacement DSM is hired.*

- Members suggested Iowa Mutual do a better job of providing a realistic expectation to agents on quote turnaround, if DSMs are not doing this already.

- Council members recommended Road Show meetings be offered every other year; or Iowa Mutual determine the audience if the meetings are offered every year. The DSM communication with the agency has significant impact on the agency's knowledge and relationship with Iowa Mutual, which replicates a Road Show.
- The council stated agents are generally unaware of available marketing resources and would like better communication of marketing information and cost sharing resources.
- Council requested Iowa Mutual offer producer schools or training.

*Welch responded a Dynamics of Selling class is held in Columbus by The Institutes and The National Alliance once a year for career producers. The new producers with agencies invested in us are first on the list for this opportunity.*

- The council expressed the need for nice looking proposals that the agents can sell from and present to clients with the applicable marketing material.

*Jenkins said a team is working on an interim solution until the implementation of the common policy platform GuideWire, which will offer professional proposals.*

- Council members requested more effective communication of WorkWell and cyber liability to both the agency and policyholder.
- The council recommended Iowa Mutual consider having a PAC meeting with CSRs since there is value to feedback from select staff.

### **Personal Lines**

- The council suggested Iowa Mutual's photo requirement for full coverage vehicles 15 years and older is not consistent with other carriers.
- Council members believe that Iowa Mutual rates for homes over \$300,000 are generally uncompetitive.

### **Commercial Lines**

- The council stated that property rates still seem too high and more property pricing options are needed to compete and diversify offering.

*Jenkins stated we are monitoring property rates with each individual state rate review. As we progress to the new Motorists Insurance platform current ISO rates and forms will be incorporated into our new pricing structure.*

- Council members believe EPLI is uncompetitive and Iowa Mutual should consider pricing options or flexibility, especially on higher coverage limits. There is a concern from members that EPLI is auditable and that is not the case with stand alone EPLI carriers.

*Jenkins advised we have a team is looking at pricing options, guidelines and coverage limits. Our intent is to adopt and move forward early in 2017 with filing approvals and implementations.*

- Council expressed the need for a following form umbrella. The umbrella is a following form when a contract is in place, but underwriters are requesting to see a copy of the contract for additional insureds. Members questioned why underwriters need this since there wouldn't be coverage if there wasn't a contract.

*This is an area Iowa Mutual is collectively working on with our affiliates, claims and our legal counsel to set pricing, criteria and guidelines. We also will be utilizing a true following form umbrella when we move to the new Motorists Insurance platform.*

- Council questioned Iowa Mutual's stance on writing umbrella over other carriers underlying.

*This is an area that we review on a case by case basis. We feel this is the best approach due to the many contributing factors when underwriting the umbrella limits.*

- The council voiced their cost concerns over additional insureds, waiver of subrogation and other endorsements.

*Jenkins responded there is work being done to develop a consistent approach for the Group in underwriting these endorsements. We have set pricing guidelines but underwriters are encouraged to work with their agents and management for directions due to the many contributing factors when pricing these endorsements.*

- Council expressed concern of the direct mailing of commercial auto renewal questionnaires to the insured with the threat of cancellation if not returned. Members recommend we discontinue sending them to the insured as other carriers do not send them to the insured, but still send it to the agent and it's the agent's responsibility to update.

*Great suggestion, this will be researched.*

- Members stated Iowa Mutual's MVR requirements can be stringent.

*Many factors are considered in evaluating MVRs. Our procedure is to evaluate each situation and to work with the agent to reach an agreement that is acceptable to both parties.*

- The council suggested Iowa Mutual consider offering Care, Custody & Control (CCC)/Voluntary Property Damage (VPD) option on real property, which is currently only offered on personal property.
- Council members requested Iowa Mutual consider offering contractors pollution liability.

*Jenkins confirmed \$10,000 Pollution Coverage is provided under our Premier Contractors Program. Additional limits and pricing are available subject to underwriting.*

- Council recommended Iowa Mutual give consideration to business interruption on commercial auto and inland marine.

### **Workers' Compensation**

- Members suggested Iowa Mutual consider offering workers' compensation pay as you go option.

### **Claims**

- Council suggested Iowa Mutual consider providing agents with claims analytics information to use for sales purposes. Example: reducing workers' compensation costs by handling claims in a certain manner and its direct result on the experience mod.

### **Information Technology**

- The council expressed an awareness of the challenges with the GuideWire implementation, but they are looking forward to the many solutions that will come with this.

### **General comments**

The next PAC meeting is tentatively planned for April 11-12, 2017.

These notes represent a brief summary of discussions and may not explain company policy in detail.