[IN]SURANCE

Fall 2024

A publication of NAMIC®



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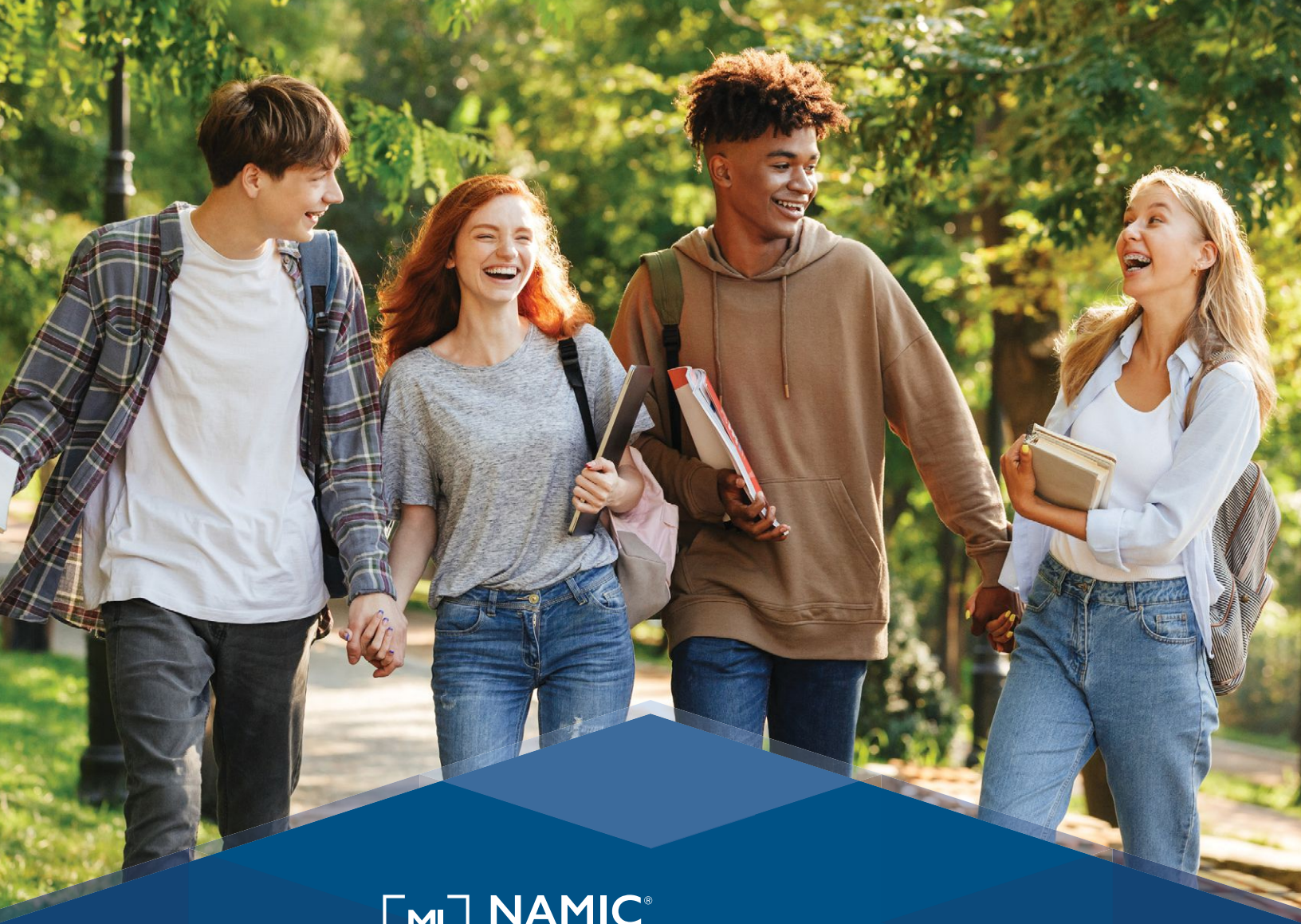

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Ben Wasson
Purdue University, Actuarial Science

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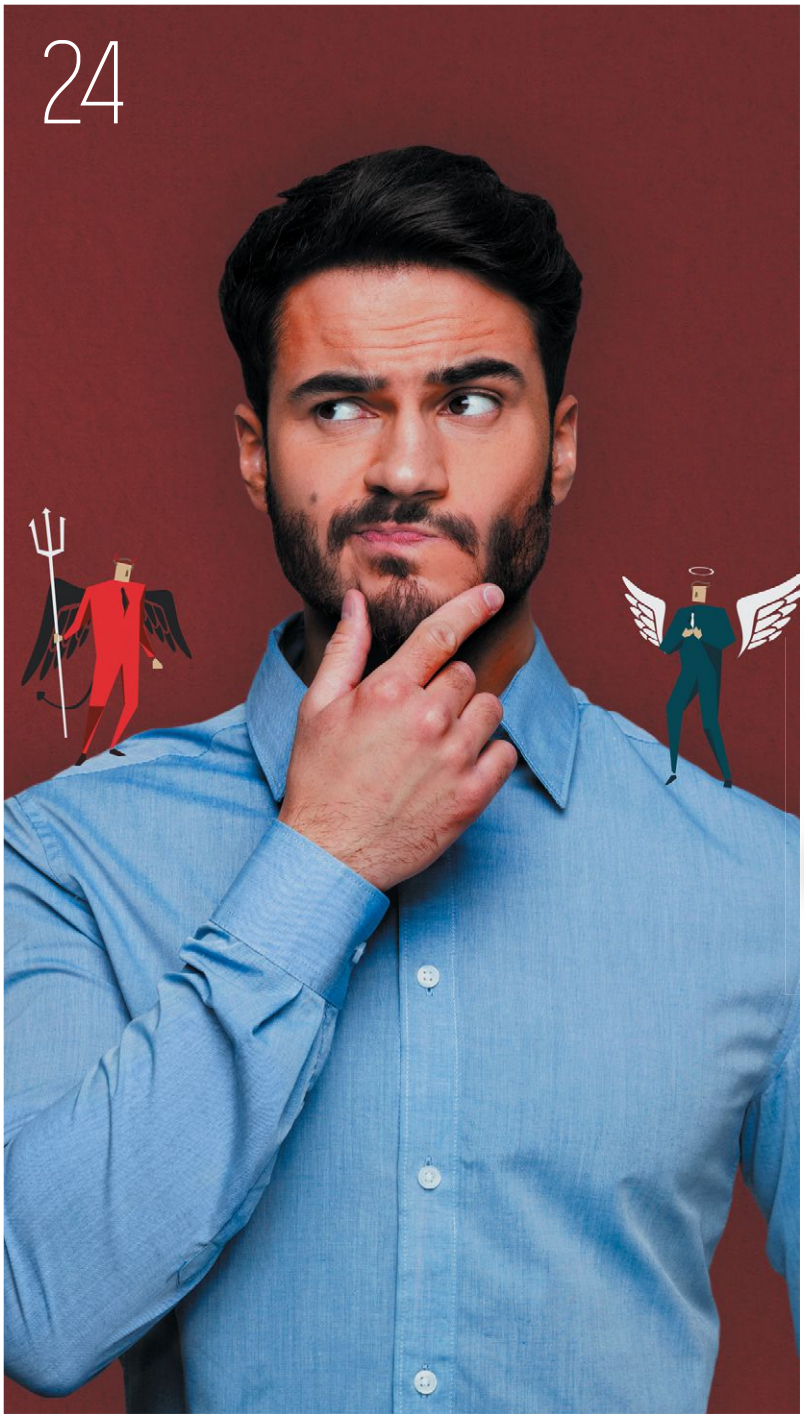

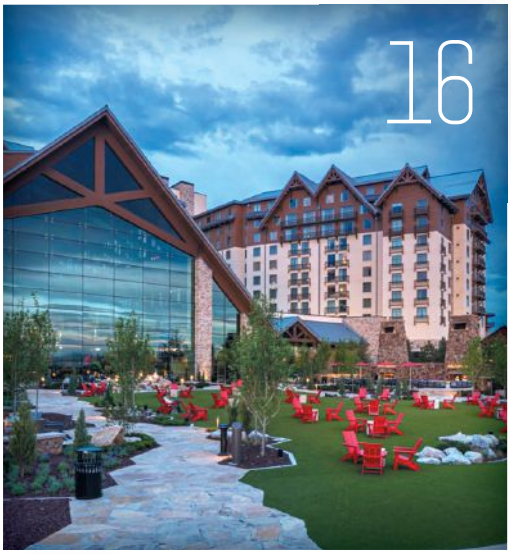



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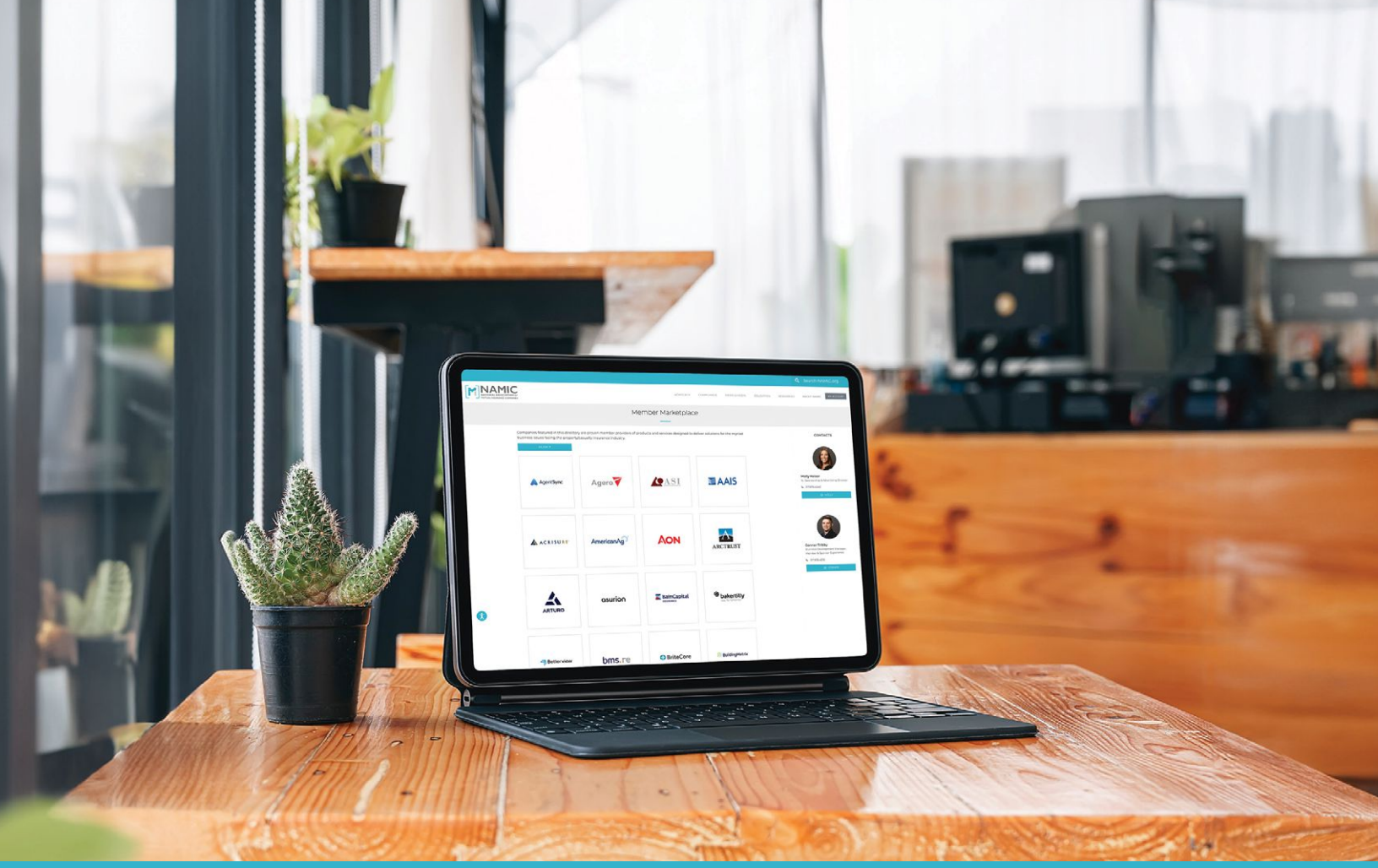

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Neil Alldredge is president and CEO of NAMIC. You can contact him at nalldredge@namic.org.

What We Do Best

IN A WORLD WHERE EVEN LEGISLATORS OFTEN DON'T UNDERSTAND THE COMPLEXITIES OF INSURANCE, IT'S UP TO NAMIC TO DO WHAT WE DO BEST — ADVOCATE.

NEIL ALLDREDGE

I know this isn't going to come as a surprise to you, but average consumers don't fully understand what they're buying when they purchase an insurance policy, nor do they understand how insurance operations work. It's understandable to an extent — insurance is a complex business that operates on promises until policyholders' times of need.

But consumers' lack of knowledge about what they are buying and why it costs as much as it does has consequences. And ones we're all too familiar with: media and others portraying carriers as greedy corporations out to make more money; people believing insurance fraud is a victimless crime and juries awarding nuclear verdicts because they think insurers have deep pockets and, therefore, won't feel the hit; constituents calling on their legislators and regulators to take action against insurer carriers "wanting" to raise their rates. I could go on, but my column would be too long.

What can NAMIC do about all of this? We could spend an exorbitant amount of time and money on ad campaigns to try to change public opinion, but we know that isn't the best use of our resources.

Don't get me wrong; it's not that we've washed our hands of changing opinions through the mainstream media. NAMIC has actually ramped up efforts to bring the industry's perspective to the forefront. We're working diligently to proactively discuss our issues with outlets covering them and to reach out to correct the narrative … or at least educate journalists about it when they've gotten it wrong.

Where we've really focused our resources, though, is what this association does best. We advocate.

We work to educate those who make the legislative and regulatory decisions on behalf of the consumers. With somewhere around 8,000 legislators and regulators across the country, it's still a feat … but it's much more manageable than changing the mindsets of a couple hundred million people.

I am proud to be part of a team of talented and dedicated individuals who work on behalf of the entire NAMIC membership daily. I know we will be successful in helping those in the legislative, regulatory, and judicial realms understand why insurance works the way it does and how ill-informed decisions negatively impact insurers and their policyholders. I also know we will continue facing numerous challenges — both emerging and ongoing.

This is where you, as NAMIC members, come in because what you do makes a difference. And I don't just mean in helping your policyholders put their lives back together when disasters happen. I also mean from a political involvement perspective. So, I encourage you to get involved in our advocacy efforts to whatever extent you are able.

One of the most important things you can do is vote. With more than 5,000 seats up for election across federal and state legislatures, there is a lot at stake in November.

No matter how many of those positions change hands, we know a lot of education will need to be done come January.

So, when the NAMIC team sends an action alert about a piece of legislation, act on it. Let your legislators know your and the industry's stance. Make a trip to Washington, D.C., when it's your state's turn in the Congressional Contact Program. Talk to your state legislators and regulators about the issues you're seeing and why you're making the decisions you are. NAMIC staff can and will advocate for you every day, but it's their constituents they truly listen to. And with everything currently at stake, we can't afford to let those who are ill informed or misinformed be the only voices these decision-makers hear.



New! [IN] the C-Suite

WITH MORE THAN 100 NAMIC MEMBER COMPANIES WELCOMING NEW CEOS THE PAST FEW YEARS, IN MAGAZINE DECIDED TO HAVE A LITTLE FUN HELPING READERS GET TO KNOW THESE NEW LEADERS.





Brenda Gibson

Red River Mutual

- CEO SINCE: APRIL 2023
- PREVIOUS POSITION: VICE PRESIDENT OF PERSONAL PRODUCTS, WAWANESA MUTUAL INSURANCE
- NUMBER OF YEARS IN THE INDUSTRY: 19

Was insurance on your radar as a potential career when you were younger?

No. I am a certified public accountant by training, but I originally wanted to be an interior designer, which, as it happens, I am terrible at.

What is something about you that most people don't know or wouldn't believe?

I did a year of my bachelor's degree in the Netherlands and have a major in accounting and international business.

What do you do to relax?

Yoga, bootcamp, naps, and Netflix

What was your last concert?

Taylor Swift. Yes, I am a proud Swiftie!

What motivates you?

Feeling valued, challenged, and like I can make a difference.



What is the most adventurous thing you've ever done?

I completed a year of my undergrad degree in Rotterdam, Netherlands.

Other than your computer, what is currently on your desk?

Eye drops

How do you keep organized?

My calendar(s). If it is not in the calendar, it doesn't happen.

What does your family think you do all day?

As quoted by my son, "Talk to people on Teams and eat snacks!"

What streaming service do you watch most often?

Netflix

Team iOS or Team Android?

iOS

Team Hybrid Work Environment, Team WFH, or Team In the Office?

Team Hybrid. Who doesn't appreciate flexibility?

What's the best thing about your job?

The people I work with. It's been wonderful getting to know my team. I'm excited for what we will accomplish together.

"I originally wanted to be an interior designer, which, as it happens, I am terrible at."





Chris Ristau

First Maxfield Mutual Insurance Association

- CEO SINCE: FEBRUARY 2023
- PREVIOUS POSITION: VICE PRESIDENT
- NUMBER OF YEARS IN THE INDUSTRY: 17

Was insurance on your radar as a potential career when you were younger?

Yes, I took a principles of insurance class as an elective while obtaining my undergraduate degree and found it interesting.

What was your first job?

A pro shop attendant at the local golf course.

What is something about you that most people don't know or wouldn't believe?

I have a six-year daily running streak of at least a 5k per day.

What do you do to relax?

See above. I also enjoy reading and attending sporting events.

What was your first concert?

Joan Jett & the Blackhearts

What was your last concert?

Ben Folds

What motivates you?

Properly navigating today's market environment while maintaining the tradition of a commitment to service to our agents and customer base.

How do you motivate your teammates?

By consistently providing a positive and supportive environment. Teamwork always provides results in a small-business culture.

What was the first thought that crossed your mind when you learned you'd be leading your company?

That great responsibility and opportunity lie ahead.

Other than your computer, what is currently on your desk?

Too many sticky notes!

What kept you up at night before becoming CEO?

The excitement and opportunity to lead.

What keeps you up at night now that you are CEO?

Navigating all the variables in today's property/casualty insurance environment.

"I have been forced to watch a few episodes of "Jane the Virgin" and "Pretty Little Liars" with my three daughters."

How do you keep organized?

My lists on my sticky notes and appropriately flagging emails.

What misconception did you have about being a CEO before you became one?

That creating clear goals can be challenging.

What does your family think you do all day?

I don't know. I'd be scared to ask.

What streaming service do you watch most often — and what show did you last binge?

I only watch sporting events on occasion. I have been forced to watch a few episodes of "Jane the Virgin" and "Pretty Little Liars" with my three daughters.

Team iOS or Team Android?

Team Android. I hear about it daily from iOS coworkers.

You're in the car and someone else is driving. What are you doing?

Wishing I was the one driving.

Team Hybrid Work Environment, Team WFH, or Team In the Office?

Currently achieving high-level results with Team In the Office. Creation of a healthy hybrid work environment is on the to-do list.

What's the best thing about your job?

I look forward to work every day. There is never a dull moment. The diversity of tasks and daily challenges make the days go fast, especially when you are working with a supportive team.







Robert Jacobson

Rockford Mutual Insurance Company

- CEO SINCE: NOVEMBER 2023
- PREVIOUS POSITION: CHIEF OPERATING OFFICER
- NUMBER OF YEARS IN THE INDUSTRY: 37

Was insurance on your radar as a potential career when you were younger?

Not at all. My bachelor's degree is in habitational resources/hotel and restaurant management.

What was your first job?

My first job in high school was as a gas station attendant. My first job in insurance was as a personal lines underwriter.

What is something about you that most people don't know or wouldn't believe?

I have a personal goal to run a half marathon in every state.

What do you do to relax?

Run

What was your first concert?

The Doobie Brothers

What was your last concert?

The Eagles

What motivates you?

My running community and how we support each other's goals.

How do you motivate your teammates?

Effective communication, interactive training, and idea sharing.

What was the first thought that crossed your mind when you learned you'd be leading your company?

Finally, an opportunity to put into practice all the ideas I have about effective leadership.

What is the most adventurous thing you've ever done?

Ziplining in Hawaii

Other than your computer, what is currently on your desk?

My cell phone, a diary for daily notes, a glass globe paper weight, and contracts to sign.

"I have a personal goal to run a half marathon in every state."

What kept you up at night before becoming CEO?

Imposter syndrome

What keeps you up at night now that you are CEO?

Ensuring I am meeting the needs of my team.

How do you keep organized?

Note everything, track everything, record/write down everything. I live for spreadsheets and data.

What misconception did you have about being a CEO before you became one?

The amount of time spent preparing for board meetings.

What does your family think you do all day?

Good question. When my boys were younger, they just knew that they could never have a trampoline because dad was in insurance.

What streaming service do you watch most often — and what show did you last binge?

Sling. "1923"

Team iOS or Team Android?

Apple everything

You're in the car and someone else is driving. What are you doing?

Reading or listening to a podcast.

Team Hybrid Work Environment, Team WFH, or Team In the Office?

I would prefer WFH, but we're currently Team Hybrid.

What's the best thing about your job?

The people I have met at Rockford Mutual. We have a very solid team of individuals who really do care about the organization and the service they provide. IN



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Evaluating Your Board

WHETHER THEY'RE CONDUCTED IN-HOUSE OR WITH THE HELP OF A THIRD-PARTY PARTNER, INSURANCE COMPANIES ARE FINDING VALUE IN COMPREHENSIVE BOARD EVALUATIONS.

JULIE A. VINCENT



Today's world feels, well, volatile. Because that volatility is also present in the business world, it's never been more crucial for company leaders to be effective, forward thinking, goal oriented and high performing. The same goes for company boards of directors.

But how do organizations make sure their board members are performing at the level they're supposed to be? More insurers are finding value in conducting comprehensive board evaluations, often on an annual basis. In fact, nearly 60 percent of the NAMIC member company CEOs who participated in the association's 2023 Board Compensation Survey reported having an evaluation process for their directors.

Most board evaluations consist of several phases, including the completion of the survey instruments, meetings with the various parties, feedback reports and recommendations, and follow-up actions. However, before any of that can occur, it's vital that there is agreement on the overall goals and objectives of the evaluation, its design structure and delivery, and the commitment that all parties will embrace the findings and recommendations.

Board evaluations are often devised and conducted by an outside third party, but they don't have to be. The decision to conduct the evaluation in-house or with an outside firm often rests on the culture of the organization and the receptiveness of the board members to being open and honest in their responses and their acceptance of the findings.

One organization that successfully conducts comprehensive annual board evaluations in-house is **SECURA Insurance Companies**, based in Neenah, Wisconsin.

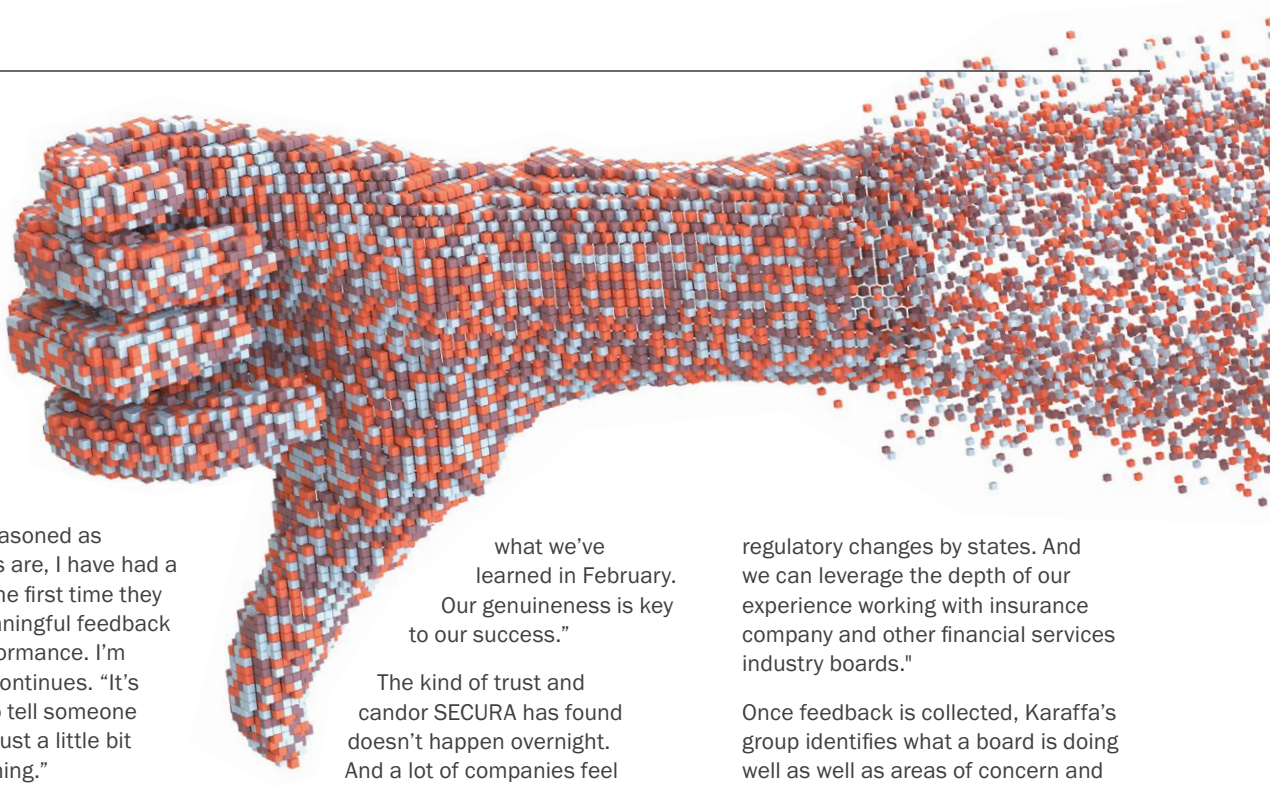
"We are very proud of our in-house board evaluation process," says **Daniel Neufelder**, SECURA's board chair. "We first conduct an overall evaluation that examines total board performance. The survey instrument has fifteen questions, each with the ability for respondents to comment. We also have a survey for each board committee, of which there are three. This year, each board member also participated in a self-evaluation. The survey has six questions, also with room for comment. These have really been valuable and appreciated."

Neufelder says the self-evaluations bring up valuable topics such as the appropriateness of the timing and length of board meetings, the effectiveness of the agendas, and skill sets and talents directors bring to the table that are possibly not known to others. It's also a way to express the need or desire for education, tutorials, or guest speakers. It's a simple question, but one not often asked — "What would you like to know more about?"

"I truly believe people who serve on national boards such as ours are some of the best people in the country. At least half of our board flies in four times a year for the meetings," Neufelder says. "It's incumbent

EVALUATING EFFECTIVENESS

The Corporate Governance Institute defines a board evaluation as "when someone examines the workings of a board and its members along with its effectiveness, the quality of its decision-making and strategy, and its relationship with the executive management." The process usually involves looking at the performance of each director individually, the performance of the various board committees, and the overall board performance and functionality.



on us that we respect and make the best use of their time. There's nothing worse than having someone feel we are wasting their time and energy.

"Surprisingly, as seasoned as our board members are, I have had a few tell me this is the first time they have had such meaningful feedback on their board performance. I'm proud of that," he continues. "It's also a safe place to tell someone they need to learn just a little bit more about something."

Neufelder also conducts a midyear check-in with each board member to get their opinion on what they feel the board is doing well and where there might be opportunities for improvement. He feels it is vital for all board members to stay engaged, keep connected with other board members and company executives, and believe the company is making the most of the time they spend related to the board.

Another integral piece to SECURA's in-house evaluation success is its coordination, which is overseen by **Kati Brumlic**, SECURA's director of performance development. She is very involved on the front end of the process, making sure the survey questions remain relevant from year to year and that everyone is completing the process. Once results are compiled, she hands them off to Neufelder and **Garth Wicinsky**, SECURA's president and CEO, to spearhead what is done with the results.

"Proper governance is a must," Brumlic says. "It's just as important to confirm what we are doing well as it is to realize areas where we can do better. I agree with Dan [Neufelder] that we can run the evaluation process in-house. We set clear expectations and communicate them at evaluation time, encourage open comment, and offer quick turnaround of the results. We survey every January and usually communicate what we've learned in February. Our genuineness is key to our success."

The kind of trust and candor SECURA has found doesn't happen overnight. And a lot of companies feel more comfortable contracting a knowledgeable third party. This can be especially true for organizations just starting a board evaluation process.

"There are definitely benefits to working with a trusted third party for board evaluation needs," says **Kaley Karaffa**, who heads **Nasdaq's** board advisory practice in the Americas. "We have decades of experience in governance and are up to date with the changing corporate governance landscape."

Karaffa says because of experience and expertise, her team knows what questions to ask to help boards assess the strength of their governance. While there are good generic survey tools available, she stresses the need for highly customized questionnaires, interviews, and other processes based on a company's structure, specific and generalized challenges and trends, and board strengths, objectives, and needs. Karaffa says her team can also aggregate board member feedback and comments in a way that promotes candor and preserves anonymity.

"Boards can face many challenges, including board culture and composition, as well as matters going on inside and outside the company," Karaffa says. "The insurance industry has become more complex. We have the resources to stay current with macroeconomic conditions, technology innovations, industry trends, and regulatory changes by states. And we can leverage the depth of our experience working with insurance company and other financial services industry boards."

Once feedback is collected, Karaffa's group identifies what a board is doing well as well as areas of concern and opportunities. They prepare final reports, present them to the appropriate parties, and work with company executives and board members to develop and implement action plans to bolster the board's commitment to highly effective governance.

The size of an organization can dictate the extensiveness of the board evaluation process, but Karaffa believes all companies with boards should implement an evaluation that's right for them.

"We offer scaled approaches and work with all our clients to devise an evaluation process that is appropriate in terms of cost, scope, and time," Karaffa says. "Board evaluations should be viewed as a strategic process and tailored to the needs, even the lifecycle, of a board.

Karaffa emphasizes that a board evaluation process is not a one-size-fits-all approach.

"I can't stress enough the importance of an action-oriented and constructive board evaluation," she says. "An agile process provides a company and its board with a mindset of growth and continuous improvement, a value-based culture, and an up-to-date view of the current governance and business landscapes. What you learn truly sets the tone at the top." [N]

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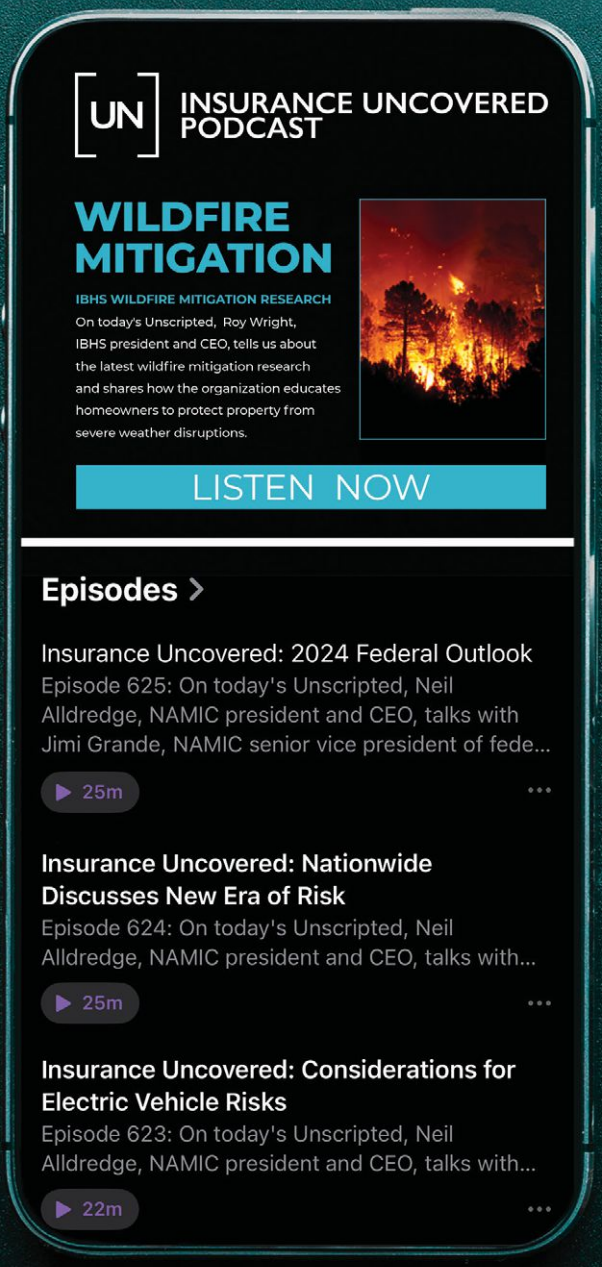



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Q&A With NAMIC's Lauren Holdcroft

NAMIC IS INTRODUCING TWO NEW CERTIFICATIONS — THE MUTUAL INSURANCE PROFESSIONAL AND THE MUTUAL INSURANCE DIRECTOR — LATER THIS FALL. TO FIND OUT MORE ABOUT THESE PROFESSIONAL DEVELOPMENT OPPORTUNITIES, WHO SHOULD CONSIDER ENROLLING IN THEM, AND HOW THEY'RE IMPACTING THE ASSOCIATION'S CURRENT CERTIFICATION PROGRAMS, IN MAGAZINE SPOKE WITH LAUREN HOLDCROFT, NAMIC'S CERTIFICATION AND CUSTOMIZED PROGRAM MANAGER.

Q: Launching certification programs is quite the undertaking. Can you tell readers a little bit about why NAMIC decided to develop them?

A: With the ever-changing mutual insurance industry landscape and the evolving preferences of learners, we found that it was time to bring new curricula, updated educational technology tools, and more streamlined certification processes to the NAMIC membership.

Q: Talk about each certification and what those seeking these professional designations can expect. Let's start with the Mutual Insurance Professional certification.

A: The MIP is a foundational designation with curriculum that covers a wide variety of topics, which allows designees to really get a breadth of knowledge about insurance company operations. Once certified, NAMIC members can build on that knowledge by adding endorsements in specific areas, including management, leadership, claims, and underwriting. The certification is available to anyone working for a NAMIC member mutual company.

Q: What about the Mutual Insurance Director certification?

A: Director education has long been a priority for NAMIC. This designation is another opportunity for member companies' directors to learn more about the mutual industry and their roles and responsibilities in the boardroom. It is also a way to show their commitment to mutual insurance values and boardroom excellence. One of the requirements to become MID certified is to attend Directors' Bootcamp 2.0 or one of NAMIC's customized governance programs.

Our goal is to provide consistent, high-quality director education for NAMIC member companies of all sizes while providing tailored educational opportunities to enrollees based on the size of their companies.

Learn more about the Mutual Insurance Professional and the Mutual Insurance Director certifications at NAMIC.org.

Q: These new certifications sound a lot like NAMIC's existing ones — the Farm Mutual Director Certification, Mutual Director Certification, and Professional Farm Mutual Manager. What is the plan for those programs?

A: The FMDC, MDC, and PFMM programs won't be available after we launch the MID and MIP programs. While all three existing programs have had measured success and are proven indicators of commitment to the industry, the decision to offer the MID and MIP really did come down to the evolving landscape of the mutual insurance industry and the ever-changing preferences of learners. We're excited to be able to reach even more NAMIC members who are looking for professional development and want to be recognized as leaders in the industry.

Those who have achieved the existing certifications don't have to worry. FMDCs and MDCs will automatically transition to the MID and PFMMs will become MIPs. Designees are welcome to begin using the new post-nominals in their signature immediately. FMDC, MDC, and PFMM can still be used by those who are certified.

We will also be offering a transition plan for all individuals enrolled and still working toward one of the current designations to ensure moving to the new program(s) is as seamless as possible. Our goal is to allow each participant to achieve certification as quickly, if not more quickly, and at a similar price. [IN]



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NAMIC
129TH ANNUAL CONVENTION
SEPTEMBER 22-25, 2024 | DENVER

The 129th Annual Convention in the Fresh Mountain Air

The 129th Annual Convention marks the second time NAMIC members have convened in the Mile High City in 2024. Nearly 300 claims professionals learned about industry trends and networked with peers in February during the Claims Conference. Now, we're excited to host more than 1,500 people at the Gaylord Rockies Resort and Convention Center for the association's premier event.

"It's been seven years since we last traveled to Denver for the Annual Convention," says **Crista Hassett**, senior vice president of events, education, and association services," so we're happy to be back in this beautiful environment with so many members and guests. The city has changed a lot since 2017, and we definitely know the insurance industry and NAMIC have experienced significant transformations in that time.

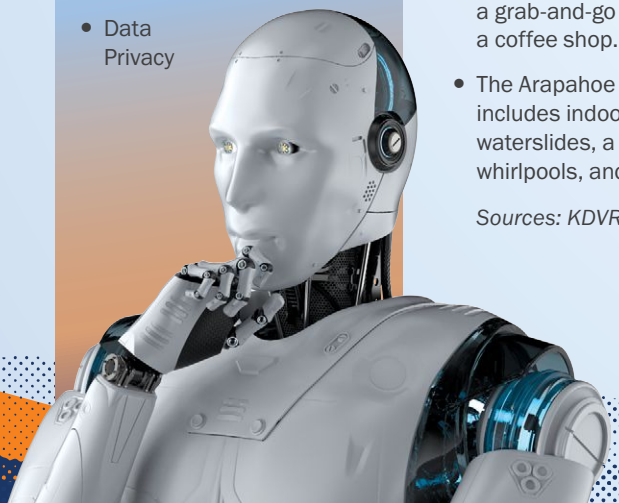
"Attendees can expect to learn about and discuss the current trends and changing landscape," Hassett continues, "but they'll also experience the time-honored traditions of a NAMIC Annual Convention ... fellowship with friends and colleagues and a celebration of the history and future of the mutual insurance industry."

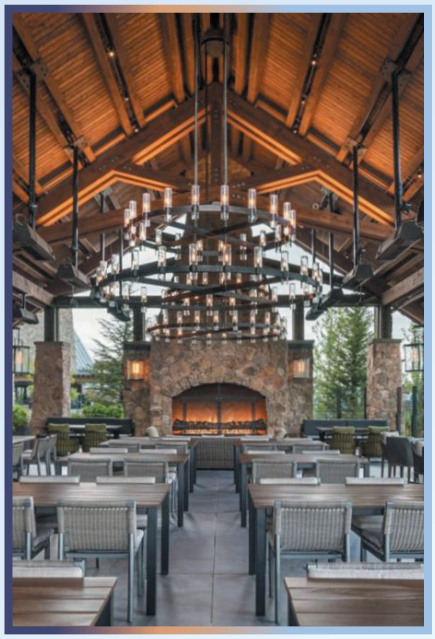
Event at a Glance

- It's the sixth time the Annual Convention has taken place in Denver
- 1,500+ attendees
- 25 sessions
- 30+ of hours of education and networking
- 45+ speakers and panelists
- 20+ optional networking breakfasts and lunches
- 100+ exhibitors in the Marketplace for Mutuals

Topics on the Agenda

- Reinsurance
- Negotiations
- Board Performance
- Artificial Intelligence
- Building Codes
- Talent
- Digital Transformation
- Weather Volatility
- Investment Analysis
- Nuclear Verdicts
- Data Privacy





Facts About the Gaylord Rockies Resort and Convention Center





- The resort opened in late 2018.
- Has more than 1,500 guest rooms, including 114 suites and 14 presidential suites.
- More than 16 soccer fields worth of carpet spans the resort.
- The Mountain Pass Sports Bar includes a 75-foot viewing screen.
- The convention center has more than 485,000 square feet of meeting space.
- The resort offers five restaurants, a grab-and-go marketplace, and a coffee shop.
- The Arapahoe Springs water park includes indoor and outdoor pools, waterslides, a lazy river, outdoor whirlpools, and sunbathing decks.

Sources: KDVR.com and Marriott.com

On the Main Stage

MONDAY





GENERAL SESSION

Nicole Malachowski

Retired Colonel, U.S. Air Force Thunderbirds

Nicole Malachowski, a retired United States Air Force colonel, saw her dream job and distinguished career come to a halt after contracting a tick-borne illness. She struggled to speak or walk for nearly a year, but her experience as a jet fighter pilot and the first woman pilot on the Air Force's Air Demonstration Squadron, more commonly known as the Thunderbirds, helped her overcome the odds and become a successful keynote speaker and corporate consultant.

"She urges [people] to go beyond resilience and become resurgent," according to EaglesTalent Speakers Bureau. "Nicole empowers people with three key beliefs: failure and risk are the price of entry for achieving something great; sometimes you need to yield to overcome; and her personal mantra — 'nobody wants to lead a scripted life.'"



POWER SESSION

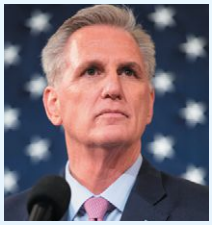
Johan Norberg

Senior Fellow at the Cato Institute and Author

It's no secret that the industry is operating in a landscape like we've never seen before. The question is how insurance companies navigate and thrive amid it. While Johan Norberg might not have all the answers, the Cato Institute's senior fellow's experience gives him the expertise to provide perspectives that can help industry leaders figure it out.

Norberg is a policy scholar and author who focuses on globalization, human progress, and intellectual history. He has written or edited more than 20 books, two of which were named The Economist's Book of the Year — "Progress: Ten Reasons to Look Forward to the Future" in 2016 and "Open: The Story of Human Progress" in 2020.

TUESDAY



GENERAL SESSION

Kevin McCarthy

Former Speaker of the United States House of Representatives

Kevin McCarthy, former speaker of the United States House of Representatives, spent his entire career in the political realm. The California native began his career in 1987, serving on Representative Bill Thomas' staff until 2002, when he was elected to the California State Assembly. Four years later, he was elected to the U.S. House. Before being chosen to be speaker of the House, McCarthy served as Republican chief deputy whip, majority whip, majority leader, and minority leader.



McCarthy will join the Convention Tuesday morning to share insights from his time in office and discuss what he sees as the challenges and opportunities facing the industry.

POWER SESSION

A New Era of Risk

The mutual property/casualty insurance industry is operating in a new era of risk that is anything but business as usual; yet the industry's mission has not changed. Knowing how the the current weather-, technology-, and socioeconomic- and other cultural-related changes have altered the business of insurance can help carriers meet challenges now and in the future. Gen Re subject matter experts on these issues — **Craig Beardsley**, senior vice president and chief underwriter of the treaty mutual practice; **Tim Fletcher**, senior vice president and senior emerging issues specialist; **Glenn Frankel** senior vice president and head of North American property/casualty claims; and **Brett Shereck**, chief pricing actuary of North American reinsurance — will join the Convention Tuesday afternoon to share their insights.

WEDNESDAY



GENERAL SESSION

Erik Weihenmayer

Author, Speaker, Co-founder of No Barriers

We all face obstacles in life, but it's up to us if we let them become barriers. Erik Weihenmayer decided long ago that his obstacles wouldn't hold him back.



Weihenmayer is one of about 500 people who have reached the world's Seven Summits — the highest peaks on each of the seven continents — and the first blind person to reach the summit of Mt. Everest. It was during one of those climbs that he felt called to share his experiences with others and help inspire others to overcome their obstacles.

That calling led to Weihenmayer cofounding a movement aptly named No Barriers. Its mission is, in part, to "face barriers head-on, embrace a pioneering and innovative spirit, and team up with great people to live rich in meaning and purpose."

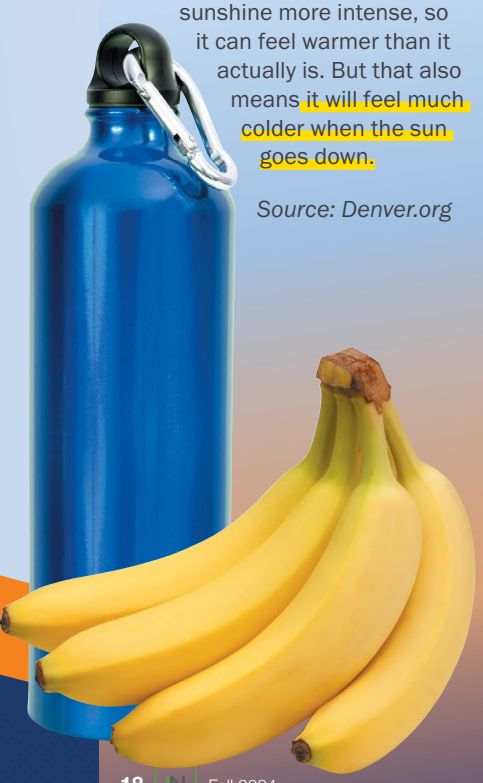
You're bound to leave inspired when he shares his story the final day of Convention.

High-Altitude Tips

Being in the Mile High City means the air is thinner and your body is going to react differently than in lower altitudes. Denver.org has several tips to prevent any adverse effects from the higher altitude.

- **Drink Water:** You need about twice as much water in the higher altitude than you do at sea level. Dehydration is a major contributor to altitude sickness.
- **Monitor Alcohol Intake:** Being a mile high means alcohol is going to impact you quicker. Drinks can be as much as three times more potent than when at sea level.
- **Eat High-Potassium Foods:** These foods, which include broccoli, bananas, avocado, cantaloupe, greens, potatoes, and chocolate, can help you replenish electrolytes.
- **Monitor Physical Activity:** The effects of exercise are more intense at this altitude.
- **Bring Sunscreen:** There is 25 percent less protection from the sun when you're one mile high.
- **Dress in Layers:** The thinner atmosphere makes the sunshine more intense, so it can feel warmer than it actually is. But that also means it will feel much colder when the sun goes down.

Source: Denver.org



Honoring Commitment and Service

CHAIR'S AWARD



Randy Druvenga

Randy Druvenga, retired president and current management consultant for **First Maxfield Mutual Insurance Association**, has been an active part of the mutual property/casualty insurance industry for years and the NAMIC family for more than a decade.

Druvenga has been called a "steady rock," always ready to take on a day and relentlessly support his staff and NAMIC ... even when he faced unsteady waters. He took on the role of First Maxfield president in 2006 when his predecessor passed away unexpectedly. In 2019, he became NAMIC chair, gracefully taking on the responsibility just a little more than a year after the passing of his wife. Then, halfway through his year as chair, he had to navigate the tricky waters of COVID-19.

Druvenga served on the NAMIC board of directors from 2016 until 2021; the Farm Mutual Conference board from 2014 until 2017; the PAC board of trustees from 2018 until 2020; and the NAMIC Mutual Insurance Foundation board from 2019 until 2021. He also served on numerous committees, task forces, and working groups since 2012. He joined the NAMICO board of directors in 2022.

He has been a board member for Grinnell Mutual since 2014 and is an active member and past president of the Mutual Insurance Association of Iowa. The Iowa Insurance Hall of Fame inducted Druvenga in 2021 for all the work and energy he's poured into the industry.

NAMIC is grateful to Druvenga for his perseverance, positive attitude, and immense service to the association and the industry.

SERVICE AWARD



Steve McManus

Steve McManus, the chief legal officer at **State Farm**, has been a strong defender of the property/casualty insurance industry for nearly 30 years. McManus joined the Bloomington, Illinois-based insurer in 1985 and served in various leadership positions before being named senior vice president and general counsel in 2016. He has been an active NAMIC member, especially in the legislative and regulatory arenas. McManus provided his expertise through service on the NAMIC State Affairs Committee as well as several task forces and working groups. He has contributed to NAMIC's efforts regarding the U.S. Department of Housing and Urban Development disparate impact rule and risk-based pricing, among others.

A Change in the Changing of the Guard





Convention is normally when the association says a fond farewell to the year's NAMIC board chair and other board members who are finishing their terms and then welcomes the new chair and incoming board members. While we'll still be celebrating the service of **Liz Heck**, chairman, president, and CEO of **GNY Insurance Companies** and the 2023-2024 chair, and introducing **Mark Russell**, president and CEO of **Ohio Mutual Insurance Group**, as the next board chair, Russell won't begin leading the board of directors until January 1, 2025.

SERVICE AWARD



Roger Needham

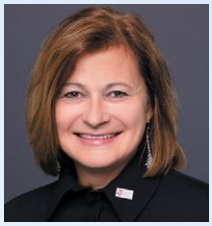
Roger Needham served **Forreston Mutual Insurance Company** as CEO from early 2001 until his passing in May 2024. He had long been an active NAMIC member, but he was especially involved in and strongly supported member engagement in NAMIC's advocacy efforts.

Needham began participating in NAMIC's Congressional Contact Program more than a decade ago and found his experience so valuable that he began offering sponsorship opportunities to other Illinois companies that were eager to go but struggled to afford it. He was also a pillar of support for the NAMIC PAC. Needham generously supported fundraising efforts by sponsoring items during PAC functions at NAMIC events. Needham became a member of the PAC board of trustees in 2022.

Needham was a frequent NAMIC event attendee and had earned the Professional Farm Mutual Manager designation. He served on the NAMIC Claims Conference Committee from 2003 until 2007 and was the 2006 chair. Needham's dedication to continuing education earned him a lifetime membership to the NAMIC Merit Society. The Illinois Association of Mutual Insurance Companies named Needham its Volunteer of the Year in 2005.

He will be missed.

SERVICE AWARD



Nancy Newmister

Nancy Newmister, president and CEO of **Frederick Mutual Insurance Company**, has been serving and diligently committing her time, resources, and energy to the company since she took on her role in 2016. Her team-centered and collaborative mindset continues propelling FMIC and creating opportunities of recognition. Her advances to go fully digital during COVID-19 and her responses in the face of adversity make her a versatile leader. Newmister said in a Digital Insurance interview, "I believe our success is in the team's commitment and their level of consistency and care; they hold themselves accountable. It takes all of us to make these things work." She was awarded the Women in Insurance and Leadership Award in 2021.

In addition to her dedication to FMIC, Newmister has committed a significant amount of time to NAMIC. She served on the Property Casualty Conference board of directors between 2017 and 2023 and was the 2022-2023 chair. She has also served on the PAC board of trustees, the Award in Innovation Selection Committee; the Convention Planning Committee; the Diversity, Equity, and Inclusion Committee; and the Nominating Committee.

Optional Activities Onsite and Off

BREAKFASTS & LUNCHES

- Prayer Breakfast
- DEI Roundtable Breakfast
- NAMIC Certification Award Ceremony Lunch
- NAMIC PAC Board of Trustees Lunch
- NAMIC PAC VIP Lunch
- Professional Farm Mutual Manager Roundtable Breakfast
- Farm Mutual Director Certification Roundtable Breakfast
- Property Casualty Conference Senior Executives Roundtable Breakfast

RECEPTIONS

- VIP Reception
- Marketplace for Mutuals Executive Happy Hour
- Welcome Reception
- Past Chairs' Reunion
- NAMIC PAC Thank You Reception
- NAMIC Leadership Reception
- Afternoon Social & Prize Drawings
- NAMIC PAC Silent Auction Closing Reception
- NAMIC PAC Diamonds & Champagne Reception

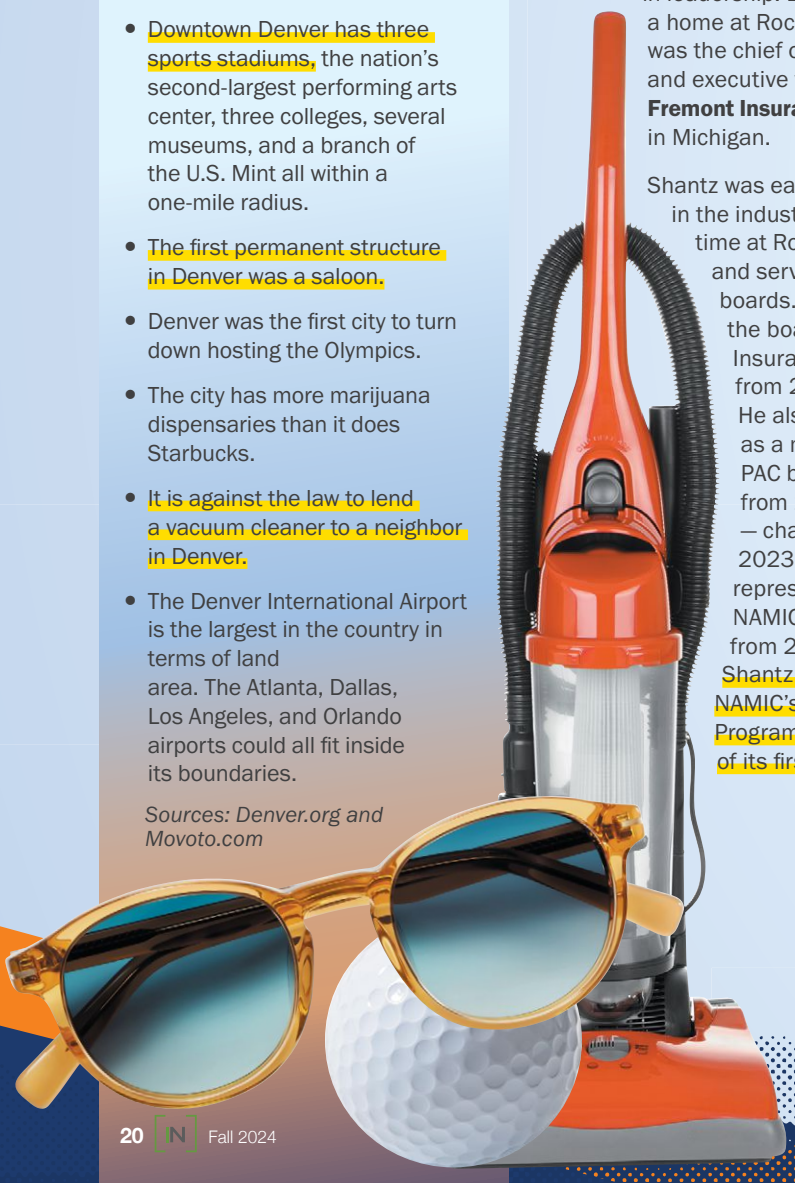
OFF-SITE TOURS, ETC.

- Garden of the Gods Jeep Tour
- Mile High Magic
- Foothills Hiking
- Sommelier for a Day
- Blooming Botanics
- Murals & Masterpieces
- Meow Wolf

Fun Facts About Denver

- There is a step on the State Capitol Building that is exactly one mile high.
- Golf balls go 10 percent farther in Denver than in places closer to sea level.
- Denver is near the mountains, not in them.
- The city has more annual hours of sunshine than San Diego or Miami.
- No one lived in the Denver metro area prior to 1858. It had a population of nearly 200,000 by 1888.
- Denver is home to six professional sports teams.
- The city has 90 golf courses.
- More than 200 parks exist within Denver's city limits.
- Downtown Denver has three sports stadiums, the nation's second-largest performing arts center, three colleges, several museums, and a branch of the U.S. Mint all within a one-mile radius.
- The first permanent structure in Denver was a saloon.
- Denver was the first city to turn down hosting the Olympics.
- The city has more marijuana dispensaries than it does Starbucks.
- It is against the law to lend a vacuum cleaner to a neighbor in Denver.
- The Denver International Airport is the largest in the country in terms of land area. The Atlanta, Dallas, Los Angeles, and Orlando airports could all fit inside its boundaries.

Sources: Denver.org and Movoto.com



Honoring Commitment and Service [continued]

SERVICE AWARD



Kent Shantz

Kent Shantz has more than 30 years of experience in the insurance industry, more than 12 of which he spent with **Rockford Mutual Insurance Company**. He began his tenure with the company as vice president of operations before transitioning to chief operations officer in 2013. He then served as president and CEO from late 2017 until he stepped down in November 2023. Shantz became a senior management consultant for RMIC during the change in leadership. Before he found a home at Rockford Mutual, he was the chief operating officer and executive vice president of **Fremont Insurance Company** in Michigan.

Shantz was eager to get involved in the industry during his time at Rockford Mutual and served on several boards. He served on the board of the Illinois Insurance Association from 2019 until 2022. He also served NAMIC as a member of the PAC board of trustees from 2020 until 2024 — chairing that board in 2023 — and as the PAC representative on the NAMIC board of directors from 2022 to 2024. Shantz helped develop NAMIC's PAC Peer-to-Peer Program and served as one of its first ambassadors.

SERVICE AWARD



Kevin Steiner

Kevin Steiner served as CEO of **West Bend Insurance Company** from 2009 until his retirement in March 2024. Prior to his time as CEO, he served the organization in various other roles starting in 1994. This experience equipped him with an understanding of the world of insurance and of West Bend that helped him successfully lead the company. Because of Steiner's leadership, the organization grew from $649 million to $1.87 billion, was included in the Business Insurance magazine's Best Companies Group, and was ranked eighth on the list of 75 Wisconsin employers.

Steiner was instrumental in his company's philanthropic efforts, assisting in establishing the West Bend Charitable Trust and the West Bend Independent Agents' Fund. West Bend also donates more than $1 million each year to Midwest Athletes Against Childhood Cancer.

In addition to Steiner's work at West Bend, he also gave his time to NAMIC, serving on the NAMIC board of directors from 2017 until 2021, the Audit Finance Committee from 2018 until 2021, and the Strategic Task Force from 2018 until 2020.

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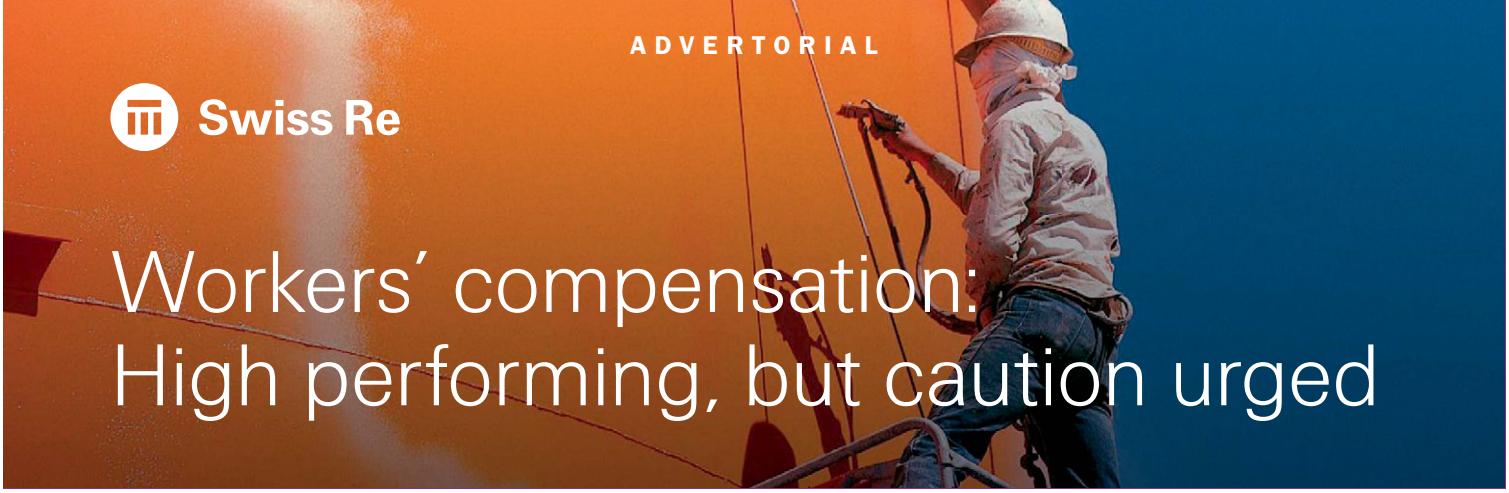


Workers' compensation: High performing, but caution urged

After a decade of extended profitability, the US workers' compensation (re)insurance market faces emerging challenges. This market has been a bright spot in an often tough environment for casualty re/insurers, with the National Council on Compensation Insurance highlighting continued strong performance in 2023 that saw a 10th consecutive calendar year of underwriting profitability for private carriers.

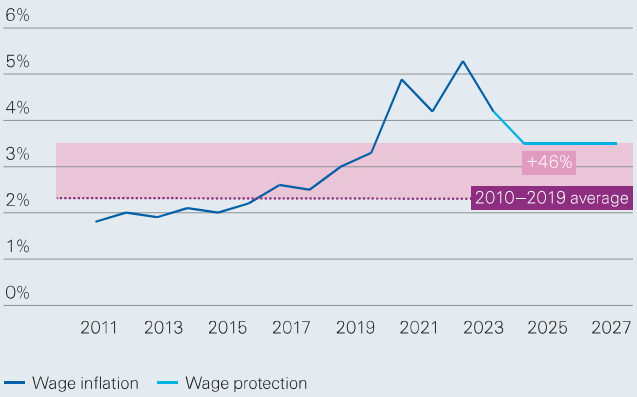
However, after prolonged pressure on premium rates amid a favorable environment, emerging challenges for the industry suggest that pricing discipline is necessary to avoid unsustainable developments. (Re)insurers that have benefited from the workers' compensation insurance market as a source of consistent profit for an extended period should consider a more cautious approach as they aim to minimize negative impacts. Disciplined underwriting to ensure pricing is matched appropriately with the evolving risk landscape will be paramount.

For much of the past 50 years, the US workers' compensation market exhibited strong cycles driven by not only the macroeconomic environment but also regulation. In the early to mid-1990s, for example, reforms of the workers' compensation market helped improve loss ratios. States enacted changes such as time limits for temporary wage benefits; expanded medical reviews of claims; caps on damages; new time limits for claims filing; and use of medical provider networks as they sought to contain costs.

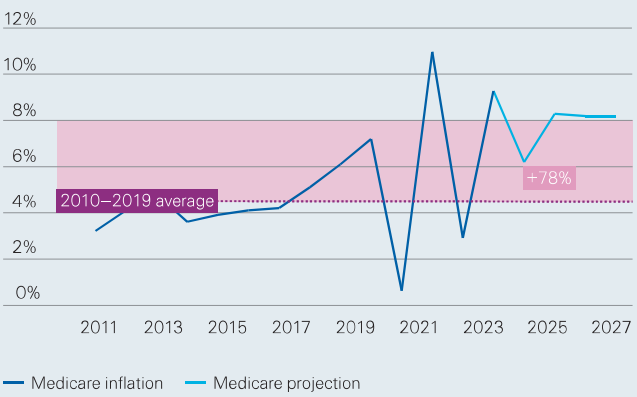
By the end of the decade, however, loss ratios had climbed dramatically amid a softening market and overcapacity – market features that were exacerbated by less expensive reinsurance.

Figure 3 | Several headwinds challenge the favorable trends of recent years

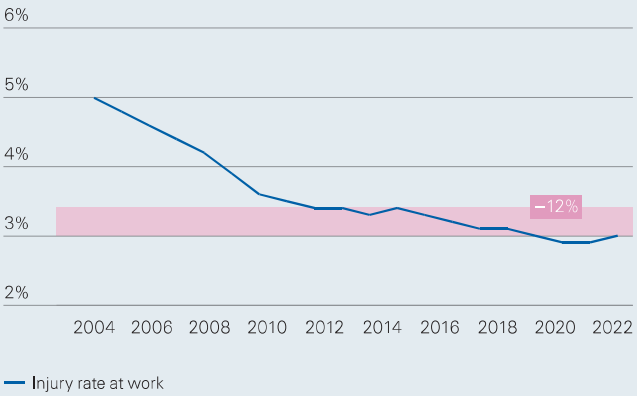
3.1: US wage inflation (in %)



3.2: Medicare medical inflation (in %)



3.3: Rate of injury at work (per 100 full-time workers)



3.4: Filed premium rate changes (%)



Source: BLS, S&P Global, CMS, Swiss Re Institute

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Hardening reemerged after the 9/11 terrorist attack, which itself had a substantial direct impact on workers' compensation claims in New York and nearby states. Changes to workers' compensation insurance laws in states such as California also helped to drive loss ratios lower.

What has driven good results in a more stable market?

For more than a decade, loss ratios in the workers' compensation insurance market have developed more evenly amid an improved risk landscape. In fact, the stability of the last decade has helped produce the longest period of profitability for US workers' compensation insurance, as reductions in loss ratios compensated for falling premiums linked to favorable business development.

The market has benefited in numerous areas. Workplace safety improvements have reduced accidents. Moreover, better claims handling, including the use of managed care networks, programs to assist injured workers in returning to their jobs more swiftly, and efforts to target appropriate treatments have all played a role in these positive developments.

Reserve releases have supported results over this period. Buoyed by this, calendar year combined ratios have remained below the 100 percent threshold since 2015, with the most recent six-year period averaging less than 90 percent. Amid the COVID-19 pandemic, social-distancing measures, including work-from-home policies, also contributed to lower frequency of workers' compensation claims. Since then, working from home, hybrid models, and virtual meetings in lieu of business travel have become the new normal, positively impacting loss frequency.

Workers' compensation insurance rates have decreased for 10 consecutive years. Most of that impact has been offset by continued frequency declines. Even so, the cumulative rate decreases have reached an inflection point in recent years, resulting in accident year combined ratios creeping up, now exceeding 100 percent. This development has been masked by reserve releases that keep calendar year results positive. Research institutes indicate a continued reserve redundancy for the workers' compensation line of business in the range of USD 15 billion to USD 18 billion. This is likely to continue the downward pressure on premium rates with the risk of the actual underlying performance becoming unsustainable.

While favorable accident year loss ratio developments have benefited the industry since 2012, the positive trend appears to have peaked. Loss ratios are still developing favorably but the latest years show the smallest favorable development in recent history after 24 months.

Medical inflation is also projected to increase significantly in the near future, in particular compared to the low-inflation, pre-pandemic years. Some anticipate wages in the healthcare sector to rise amid a shortage of workers, pushing up costs. While medical fee schedules do help contain this, severities are still expected to rise, potentially substantially. To date, workforce payroll has outpaced WC medical severity, providing a net benefit to performance. However, with increasing medical severity, this benefit may soon fade.

The unemployment rate remains low. With the labor market tight, however, the hiring of unskilled workers or employees in construction or service industries with less experience can lead to temporary frequency increases. According to a study by the Workers' Compensation Insurance Rating Bureau of California (WCIRB), employees in their first year of tenure are more than twice as likely to have a claim compared to the state-wide average.

Workplace safety improvements that have contributed to lower accident rates in recent years are also seen plateauing. While we see the impact of workplace safety improvements moderating, we still anticipate frequency decreases. Moreover, potential gains from new technologies that rely on artificial intelligence to provide workplace safety insights could reignite momentum on safety.

With these developments, Swiss Re is taking a cautious approach going forward to help sustain the commercial success achieved in this line of business over the last decade.

Market outlook

While the overall US WC market has the potential to continue to reward re/insurers as it fulfills its essential purpose for both workers and their employers, changing market dynamics call for caution. While improved data and analytics in underwriting and claims have enhanced risk assessment, reduced fraud and promoted safer work environments, there are several signs of a continued deterioration of underlying Accident Year combined ratios. The market has been cyclical before and might be moving closer to an inflection point.

Riding on favorable prior year development and tailwinds from a higher yield environment, we expect the current soft market to continue. Consequently, margins are expected to decrease in the near-term, although this may moderate in the mid-term as re/insurers intensify scrutiny on risk vs return considerations. This is particularly true for re/insurers doing business in states that are already facing unfavorable combined ratios.

Any projection of the current market environment and its future development is subject to a significant amount of uncertainty. Downside potential exists side by side with the potential for more optimistic outcomes. This uncertainty demands a cautious underwriting approach that acknowledges each state's individual characteristics.

Swiss Re is an active participant in the US workers' compensation insurance market, with activities in all 50 states. Based on our findings, we see reason to approach what has been a favorable market with a measure of heightened caution. Premiums must be sustainable to keep pace with emerging risks, in particular in states that have seen fierce competition, and subsequently, the biggest declines. Still, we continue to believe the WC reforms on both regulatory and industry fronts over the past three decades make a return to past cyclicality less likely. We remain committed to monitoring market cycles, staying watchful should trends reminiscent of historical swings re-emerge like those in the 1980s, 1990s and early 2000s. Above all else, we aim to partner with clients to provide insights and analytics about opportunities and risks that accompany the range of possible market developments.



Laure Forgeron
Chief Underwriting Officer Casualty, Swiss Re

More risk insights

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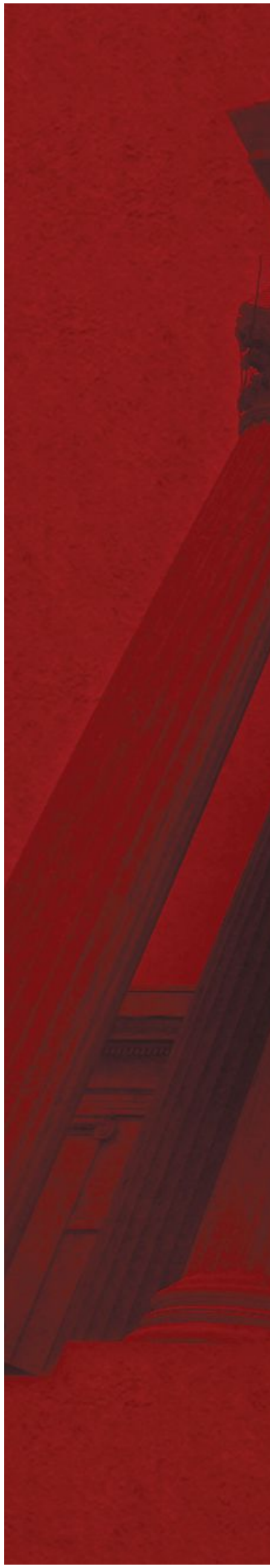
Behavioral Theories, Deep Pockets, and Little White Lies?

THE TYPICAL CONSUMER ISN'T LIKELY TO MAKE A CONNECTION BETWEEN PSYCHOLOGICAL FACTORS THAT INFLUENCE BEHAVIOR AND INSURANCE, BUT INDUSTRY PROFESSIONALS SHOULD.

TIFFANI R. ALEXANDER



INSURANCE AND PSYCHOLOGY — UNDERSTANDING THE CONNECTION

First things first. What does psychology really have to do with insurance?

Studies of why humans do the things we do date back to the likes of Ivan Pavlov and John Broadus Watson, an American psychologist who studied human behavior in the early to mid-1900s and is often credited as the "father of behaviorism." Behavioral psychology, or behaviorism, examines where thoughts, emotions, and behavior intersect. The beliefs of Watson are still driving much of this field of study, evident in SimplePsychology.org's recently published Behaviorism in Psychology. The article states that all behaviors are learned through "conditioned interaction from the environment," making behavior a simple "response to environmental stimuli."

So, one can infer that consumers' thoughts about insurance are formed way before they sign up for policies or submit claims.

BEHAVIORAL ECONOMICS AND TECHNOLOGY

The discussion concerning how consumers view and consume insurance and how they impact the industry are aspects of behavioral economics, which combines elements of economics and psychology to better understand how humans behave in the real world and applies that knowledge to existing business practices.

The study differs from basic economics, which, according to BehavioralEconomics.com, assumes that our well-defined preferences aid in our ability to make well-informed decisions that are in our best interests. On the other hand, behavioral economics looks at how unconscious biases influence everyday actions and decision-making.

In other words, customers are likely not aware of what influences how they look at, interact with, or choose everyday products and services.

This is where behavioral analytics in the insurance industry come into play.



The idea being that a jury needs to protect a plaintiff — by awarding "big-money" judgments — because the "system" has failed to do so.

The plaintiff and their attorney work to get the most lucrative outcome possible as it is often the perception that said company is just a massive corporation with deep pockets.



How do Americans generally view insurance fraud? Basically, as a little white lie.

In fact, 16 percent of the current U.S. population doesn't consider insurance fraud to be a crime.

Insurance providers have become more interested in technology that allows them to better understand and predict consumer behavior and habits, and consumers appear to be on board with providing a bit more information about their preferences. A study by Youbiquity Finance found that 77 percent of those surveyed would be willing to provide behavioral information if it meant receiving customized services.

How can companies use this kind of data to not only offer customers flexibility and transparency when it comes to their policies but to also protect themselves and their financial health in the process?

Advances in technology, including artificial intelligence, can positively affect consumer behavior and behavioral analytics when used in ways that offer tangible — and accessible — insights into how insurance works as well as how one's behavior directly impacts the insurance cycle. These can be powerful tools for insurance companies that learn how to effectively communicate this information with consumers.

"I'm interested in seeing the progress that will be made in the next five years," says **Timothy Fletcher**, vice president and senior emerging issues specialist at **Gen Re**. He also notes that as AI continues to change everyday life and the industry moves to a paradigm in which losses are "predicted and prevented" as opposed to adjusted after they occur, consumers and the insurance industry will both benefit.

According to the National Insurance Crime Bureau, behavioral analytics can, in fact, assist in insurance crime investigations. The organization encourages insurers to use the data, coupled with a timely and relevant messaging, to help address emerging fraud trends more efficiently. This would allow insurers to focus resources in areas where they are needed the most, including identifying ways to improve consumer experience while positively impacting the company.

"My sense is that artificial intelligence and analytics will someday help companies better identify cases with 'outlier' potential," Fletcher says. "The challenge for the industry is to better harness the information it collects and has publicly available."

INSURANCE FRAUD

How do Americans generally view insurance fraud? Basically, as a little white lie.

As insurers, you recognize activities such as submitting a claim after a break-in and indicating that the stolen TV or computer was newer or more expensive or failing to mention a 16-year-old driver when applying for an auto policy as fraudulent. But would you be surprised to learn that some of your policyholders do not? Many believe these actions are as normal as using a friend's streaming platform login. In fact, 16 percent of the current U.S. population doesn't consider insurance fraud to be a crime.

The Coalition Against Insurance Fraud has been studying consumer views on insurance fraud, Americans' changing opinions, and the impacts of outside factors such as advances in technology for decades. The coalition's most recent study, "'Who Me?' Who Commits Insurance Fraud and Why," was conducted in 2023 in collaboration with data analytics provider **Verisk** and forensic accounting expert Kelly Richmond Pope, Ph.D. While the study found that 84 percent of Americans do believe fraud to be criminal, a trend that can't be ignored is the increasing acceptance of fraudulent activities when it comes to younger Americans.

It appears that those 45 years old or younger are far more tolerable of insurance fraud than the older generations. Approximately 30 percent of those younger than 45 don't believe insurance fraud is a crime at all, which equates to 50 million Americans.

Consumers tend to believe these actions are "victimless" and don't hurt anyone. Again, the insurance industry knows better. Insurance fraud is a crime everyone pays for in the end in the form of higher premiums.

It's reported that more than $308 billion in insurance fraud claims are paid out yearly, and Federal Bureau of Investigation data shows that the average American family spends between $400 and $700 extra on insurance premiums each year as a result. Further, an estimated 20 percent of insurance claims are found to be fraudulent.

Chances are the average insurance purchaser isn't aware of this connection. Even if they are, CAIF data indicates that consumers don't view these behaviors as having a tangible impact on the insurance cycle, their personal insurance rates, and insurance premiums in general.

According to CAIF, the age-based differences in how policyholders view insurance fraud are invaluable statistics for the insurance industry. They expose previously hidden consumer behaviors that should be examined and offer insurer opportunities to assess their fraud risk management strategies. The increased scrutiny could deter future fraud, especially if individuals become aware of insurance carriers focusing on age-related behaviors.

NICB statistics further illustrate the widespread problems that insurance fraud perpetuates. When it comes to combating these beliefs and eventual behaviors, NICB believes it all begins with education and public awareness.

Therefore, NICB partners with government agencies and insurance carriers to educate homeowners and businesses about insurance fraud. The organization also sponsors awareness events with local law enforcement.

Changing the mindset of individuals is difficult, according to CAIF, because many believe themselves to be victims of high premiums and "money-hungry" corporations. Insurance companies need to help consumers recognize they are receiving a benefit each day their policies

SOCIAL INFLATION

Social inflation describes the convergence of societal and legal trends, which lead to increased litigation, a broader definition of duty to care, and more court decisions going in the plaintiff's direction — often resulting in large payouts by insurance companies.

While the insurance industry has identified the presence of social inflation and many of its root causes, its presence continues to surge, and according to **Tim Fletcher, Gen Re's** senior emerging issues specialist, finding solutions will take time and effort. "Progress is being made, but it's going to be a long journey to translate the problem into something actionable," he says.

are in force, and they need to look for ways to gain the trust of their customers.

"It's much easier said than done, but the industry needs to better educate the public on the impact of fraud and 'padding' of an insurance claim," Gen Re's Fletcher says. Insurers can do their part to educate consumers by using data from behavioral analytics, as well as findings like those from the CAIF report, to target different segments of the consumer population with messaging that reflects the work being done to protect policyholders specific to their demographic and behavioral patterns.

Unfortunately, distrusting corporations is almost second nature for some consumers. Because of that, **Andrew Pauley**, NAMIC's associate general counsel, says insurance companies need to do a better job of relating to the average consumers' experiences. Not doing so can lead to excesses in the legal system.

"It's a tough situation, legal system abuse. And it encompasses many things," Pauley says. "But I want to be clear about this, we are concerned with a person who is injured getting what they're entitled to. Insurers want to pay their contractual obligations. This is about the kind of excess that's baked into the system that costs everybody."

SOCIAL INFLATION AND THE REPTILE THEORY

This baked-in legal system abuse, which is part of what we have come to know as social inflation, is often contributed to something called the reptile theory.

The reptile theory is based on the idea that humans, like reptiles, have a primitive portion of the brain that is conditioned to pursue safety and survival. The theory, often attributed to the authors of "Reptile: The 2009 Manual of the Plaintiff's Revolution," relies on the often-subconscious beliefs of jurors and this aspect of their minds when plaintiffs' attorneys argue clients' claims in court. According to the book, the strategy works by first persuading the jury to see the defendant as dangerous and that it is within the "power" of each juror to "save" the plaintiff or mitigate the danger the plaintiff is in because of the actions — or inactions — of the defending insurance company. The idea being that a jury needs to protect a plaintiff by awarding "big money" judgments because the "system" has failed to do so.

That said, when we think about the connection between psychology and insurance — the way humans collectively think or behave as consumers and potential jurors — how can insurers mitigate the potential for juries to be swayed by plaintiffs' attorneys?

Putting a more human, relatable face on the industry is one way to address effects of social inflation. However, it can prove difficult to humanize an insurance company in court. Plaintiffs and their attorneys work to get the most lucrative outcome possible, as it is often the perception that insurers are just massive corporations with deep pockets.

However, insurers can't stop working to restore public trust, which can be done through transparency and creating reality-based expectations, while countering tactics like misleading attorney advertising that paints insurers negatively. In addition, educating consumers on the true costs associated with working with third-party funders is also important, as is advocating for fair court judgments. Pauley suggests creating and pushing out proactive communications and, more importantly, highlighting insurers' roles in helping people recover from catastrophes.

"Insurance is there for you. Insurance allows you to start your life over from a catastrophe; insurance is there to let you replace your property," Pauley comments. "Those are the good stories we need to tell."

Gen Re's Fletcher suggests acknowledging how society has evolved over the last 20 years and looking to clues from events like the Great Recession and the emergence of social media. "The rise of social media has drastically changed how jurors view their individual economic circumstances, what constitutes acceptable risk, and what level of trust should be placed in institutions," he says. "[Jurors who feel] economically unsettled, concerned about their safety, and distrustful of institutions are typically more inclined to award large amounts. To their credit, the plaintiffs' bar recognized those changes early on and [figured out] how to exploit them."

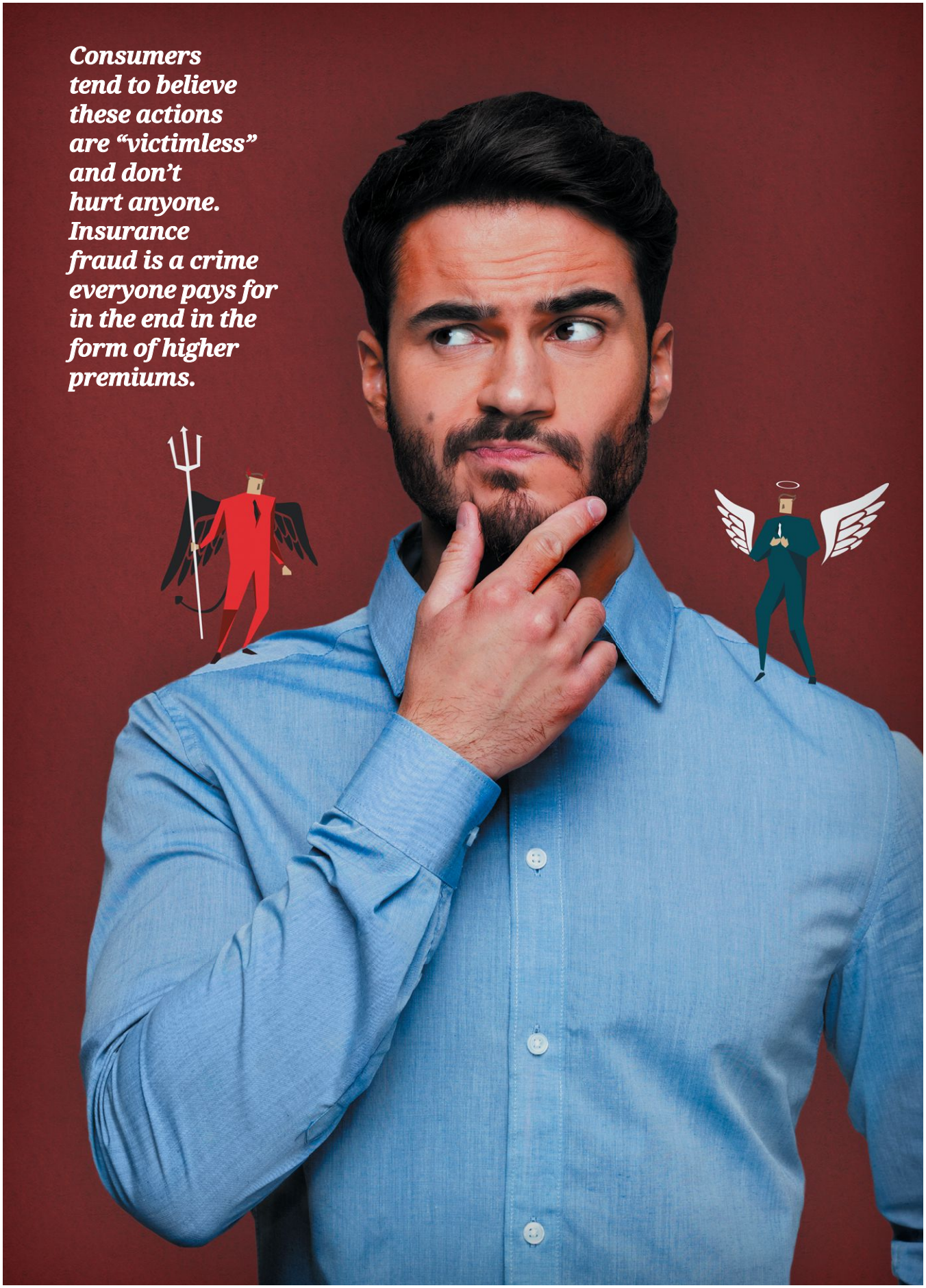
SHIFTING PERSPECTIVES, CHANGED BEHAVIORS

Understanding the shifts in societal views; how social inflation is driven by distrust of corporations; and the impact of differences in generational thoughts about the benefits of auto or home insurance are the first steps in responding to and combating them. Next comes addressing these factors and educating the public on their impacts, especially as it relates to large verdicts. Further, recognizing how the beliefs people carry translate into behaviors is important to the prosecution when selecting juries. It's imperative for insurers and the lawyers who represent them to be aware of and prepared to defend against fraud and social inflation.

The insurance industry — like all industries — must learn to operate in the current climate. Lingering implications of COVID, along with advances related to AI and social media, generational differences, and human nature itself, all impact the way we do business and live our lives. Companies must lean into technology as well as environmental, cultural, global, and collective shifts in beliefs and behaviors to positively impact the bottom line, better serve consumers, and help build trust in institutions. In other words, those who understand the psychology of insurance will be better prepared to protect the industry and serve their policyholders. IN

SOCIAL MEDIA INFLUENCE

The rise of social media has significantly influenced society's perception of insurance fraud, what is considered acceptable, and trust in institutions. Social media platforms enable individuals to amplify instances of insurance fraud, sometimes glamorizing the act. This heightened visibility can alter consumer perceptions of what constitutes acceptable behavior. The spread of misinformation on social media can also undermine trust in insurance companies and regulatory institutions, complicating efforts to address and prevent fraud effectively. Consequently, navigating these complexities requires increased media literacy and critical thinking.


Consumers tend to believe these actions are "victimless" and don't hurt anyone. Insurance fraud is a crime everyone pays for in the end in the form of higher premiums.

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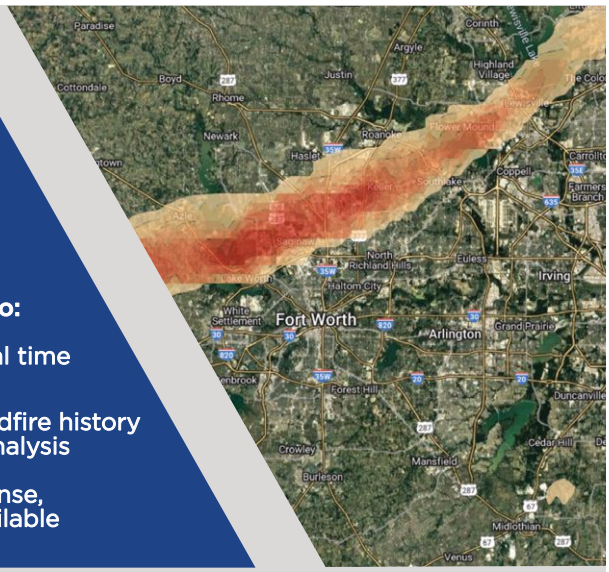

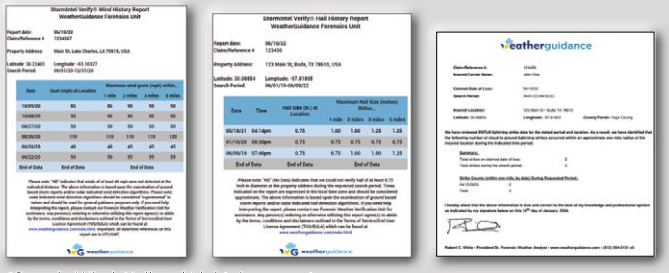

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GETTING BACK TO THE FUTURE OF ELECTRIC VEHICLES

LAUREN ANDERSON



SCIENCE FICTION MOVIES HAVE LONG HAD a tendency to make wild assumptions about what the future may hold for the automotive industry, particularly when it comes to electrification. The DeLorean time machine cruising to 88 miles per hour in Steven Spielberg's 1985 "Back to the Future" immediately comes to mind. The fictional electric vehicle took on a leading role in the film, becoming an integral part of the everyday way of life, a density — I mean, destiny — that many still hold for real-world EVs today.

While we're not using EVs to travel through time, certain ideas about battery-operated vehicles that once seemed far-fetched have remarkably come to fruition. But a mismatch between ambitious goals from the federal government and levels of consumer enthusiasm for the technology makes the road to an all-electric future still quite steep.

Where We're Going, We Don't Need Roads … Just Regulations?

In March, the Environmental Protection Agency, as part of President Joe Biden's efforts to fight climate change, finalized strict new rules for pollution standards that aim to accelerate the transition to more EVs in the national fleet. The agency aspiringly estimates EVs could account for 50 percent of all new passenger automobiles sold in 2030.

Industry experts, however, are skeptical about this goal as well as if American infrastructure is even prepared to handle that level of adoption.

To put it in perspective, of the nearly 20 million cars sold nationwide in 2022, only about 800,000 were EVs. While that number eclipsed 1 million sales for the first time in 2023, it was still less than 5 percent of cars sold last year.

Yet, no one can say the federal government isn't invested in the future of EVs. Nearly $5 billion was pledged with the 2021 passage of the Infrastructure Investment and Jobs Act, providing funding for eight programs related to EV battery development.

The Inflation Reduction Act, passed in 2022, expanded several related grants and credits, including the most widely known Clean Vehicle Tax Credit. These policies create consumer purchase incentives, funding for charging infrastructure, federal fleet electrification, and EV manufacturing and supply chain support. In July, the U.S. Department of Energy announced the distribution



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"This is heavy."

"Why are things so heavy in the future? Is there a problem with the Earth's gravitational pull?"

– Back to the Future

of $1.7 billion in grants for EV conversions of 11 "at-risk" plants in eight states. The BlueGreen Alliance Foundation, which tracks investment in EVs, indicates that approximately 500 facilities, 237,000 jobs, and $200 billion in total investments have been pledged across the country.

Getting Up to Speed: 88 Miles Per Hour

To improve consumer acceptance and comfortability with the technology, however, auto safety and insurance advocates say more still needs to be done.

"[Congress] passed a bunch of bills; they allocated a bunch of money; they set a bunch of targets," says **Tony Cotto**, NAMIC's director of auto and underwriting policy. "Those are nice steps, but now what?"

NAMIC, the Insurance Institute for Highway Safety, and Mitchell International met with members of Congress to get federal legislators up to speed on next-level EV considerations before the goal of widespread consumer adoption can be realized. The July briefing reviewed what the claims experience has been for insurance carriers, safety concerns, and challenges that continue to permeate the EV market. The goal was to bring some alignment and a deeper understanding of an oftentimes polarizing issue and get leaders back to thinking about the future of EVs and what it means for every road user.

"I think we are trying to depoliticize these conversations because right now they're extraordinarily political," Cotto says. "If you have a 'D' next to your name, you have to promote EVs because the administration said so — you're pro EPA and pro clean fossil fuel. If you have a 'R' next to your name, you have to be a skeptic but promote EVs because the United States needs to manufacture and have them before China."

However, from the property/casualty insurance industry perspective, the challenges facing electrification are much more nuanced. As interested stakeholders and government agencies continue to push a future where EVs replace many traditional internal combustion engine-powered vehicles, it's the industry's job, in part, to educate lawmakers on consumer hangups with the technology.

"The big thing people think about is, 'What is this going to do to my gas bill?' But I don't think they're up to speed on what this means for insurance premiums … to no fault of their own," says Ryan Mandell, director of claims performance at Mitchell International. "We're really just trying to educate them on the broader challenges that these vehicles bring to the marketplace when it comes to the collision repair process."

'This is Heavy': Safety Concerns

Moving forward, it will be crucial to separate fact from [science] fiction so policymakers and policyholders have a more realistic understanding of EVs, including their safety. Several EVs on the road today are considered Top Safety Picks by the IIHS, earning the agency's highest rating in front and side crash tests.

"One of the things to point out to people who may think electric vehicles are somehow a safety hazard is that the data doesn't really show that," says David Zuby, executive vice president and chief research officer at IIHS. "There are things to be concerned about and issues that need to be addressed, but there is no evidence that the EVs on the road are in any way less safe than traditional vehicles."

When IIHS first started testing EVs in 2011, safety concerns stemmed from the risk of a damaged battery bursting into flames, which can be extremely difficult to extinguish. Since then, special procedures have been developed for battery testing, making fires less of a problem. The batteries remain a concern, but now it's because of their weight rather than their fire risk. EVs typically weigh about 20 percent to 50 percent more than their gas-powered counterparts.

IIHS research shows the additional weight offers superior protection to EV passengers. That increased protection, however, may come at the expense of people in other vehicles or pedestrians. A 1,000-pound difference between vehicles in a multicar crash can result in a nearly 50 percent increase in the likelihood of a fatality, according to a National Bureau of Economic Research study. The newest EVs on the road weigh in at several thousand pounds more than the average vehicle. The first all-electric vehicle IIHS tested was the 3,339-pound 2011 Nissan Leaf. IIHS is now testing vehicles like the GMC Hummer EV, which weighs more than 9,000 pounds.

There are also concerns about how the nation's infrastructure will withstand the added weight of EVs. Extra weight means more frequent tire replacement and wear and tear for the nation's roads, which are largely funded through gasoline taxes that EV owners will be able to avoid. This concern is giving rise to preliminary discussions among legislators and states' transportation departments about additional fees or road-usage charges aimed specifically at EVs.

Earlier this year, the University of Nebraska released a study that found guardrails can do little to stop EVs from pushing through barriers that typically are made of steel. The researchers tested the Tesla Model 3, which lifted the guardrail and passed under it. Zuby says that particular research was flawed in singling out EV's, however, because there are traditional vehicles that weigh more than the EVs used in the test.

“If the public at large is concerned about the inadequacy of guardrails, that problem already exists without EVs,” Zuby says.

‘Great Scott!’: Claims and Repair Concerns

Mitchell's Q1 2024 EV Collision Insights report found EV total loss frequency has increased as EV values decrease. EVs were written off as a total loss nearly 10 percent of the time, up from 8 percent the previous quarter. This dramatic rise brings EVs mostly in line with their newer traditional counterparts. Based on the latest claims data, there is no evidence that they are declared total losses at a significantly higher rate than traditional automobiles.

“The price reductions [of electric vehicles] that we saw at the end of last year really brought a lot of these trends more in line because now you don’t have as much of a price delta on EVs as you once did,” Mandell explains.

“It’s something people try to overcomplicate,” he continues. “But you’re really just talking about reaching a threshold of the actual cash value when you determine whether you total that vehicle or not.”

There is less parity, however, when it comes to repairable vehicle claims. Accident severity for EVs continues to exceed traditional vehicles. As of the first quarter this year, the average severity for EVs was $6,066, compared to $4,703 for internal combustion engine vehicles.

Mandell says there are several factors driving that split, including the cost for repair shops to manage the high-voltage batteries. EV batteries must be deenergized before they’re safe to remove to work on, which can add to labor and repair costs.

The lack of availability of EV aftermarket parts also drives up the price tag, as OEM parts tend to be more expensive. Further, EV manufacturers often use lighter materials to offset the weight of the battery, but that tradeoff comes at the cost of repairability.

“Materials like aluminum or carbon fiber composites are great for reducing weight, but they’re not as repairable as steel,” Mandell says. “So, if one of those parts is damaged, it’s much more likely you’re going to be replacing it as opposed to being able to repair it.”



EVs were written off as a total loss nearly 10 percent of the time, up from 8 percent the previous quarter. This dramatic rise brings EVs mostly in line with their newer traditional counterparts.



"Are you telling me that this sucker is NUCLEAR?"

"No, no, no, this sucker's electrical, but I need a nuclear reaction to generate the 1.21 gigawatts of electricity I need."

– Back to the Future

Insurers and legislators can work together to address pricing challenges by improving battery damage diagnostics and developing safe battery-repair techniques. Research is underway in Europe to measure EV battery health and performance, but IIHS's Zuby says more can be done in the United States.

"OEMs are recommending that an EV that's been in a crash needs to have its battery replaced because you can't tell whether the battery has been damaged," Zuby says. "You don't want to put a damaged battery back on the road that leads to, in many cases, a total loss for an EV because replacing the battery is more expensive than the residual value of the vehicle itself."

'Doc, you don't just walk into a store and buy plutonium!': Consumer Concerns

While EV batteries today don't require 1.21 gigawatts of plutonium-powered electricity like the flux capacitor of the "Back to the Future" DeLorean, consumer anxiety around charging is real. The power supplied to EVs comes most frequently from tapping into the established electrical grid. Solar, wind, and hydro charging are not yet widely available and involve expensive installations.

"Right now, when you're out on the road and need to charge your EV, there is not an experience akin to filling your gas tank in terms of time, efficiency, and convenience," Mandell says. "That's what drivers need to have available to them to really make the experience more in line with driving an ICE-powered vehicle. Until that happens, there's going to be a tradeoff that consumers need to accept."

That's not to say chargers are not being built and infrastructure is not improving, but despite $5 billion in funding toward a national charging network, EV owners still can't charge in most places.

Consumer anxiety is further exacerbated by concerns about driving range. When Americans are asked the reasons for their reluctance to enter EV ownership, they typically answer they are worried about when and where to recharge the battery and the fear of getting stranded and requiring a tow.

Studies continue to show that range anxiety and range reduction from battery degradation or inclement weather present some of the greatest challenges for the peace of mind of would-be EV purchasers. Yet, EV mileage ranges continue to improve, with some updated offerings approaching 400 miles per charge ... but the average U.S. driver only covers 37 miles per day.

"I think it's a question of convincing consumers that not only are they safe, they are reliable and that the infrastructure is there," Cotto says. "What dealers are finding is that initially they had waitlists for people wanting to get an EV, but now EVs are sitting on their lots for six months or longer. So, manufacturers are drastically cutting their investments."

Ford Motor Company is reportedly losing $100,000 per electric vehicle. According to Bloomberg, the automaker has begun cutting orders from battery suppliers.

"I think what will reenergize sales is the bringing to market of lower-cost EVs," Mandell says.

All of the excitement around EVs may ultimately end up in a situation where "I guess you guys aren't ready for that yet, but your kids are gonna love it." IN





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Q&A With Builders Mutual's Mike Gerber

NAMIC PRESENTED BUILDERS MUTUAL INSURANCE COMPANY WITH THE 11TH ANNUAL AWARD IN INNOVATION DURING MANAGEMENT CONFERENCE IN JUNE FOR ITS CREATION OF THE JOB-SITE SAFETY INSTITUTE. NEIL ALLDREDGE, NAMIC'S CEO, AND MIKE GERBER, BUILDERS MUTUAL'S PRESIDENT AND CEO, SPOKE ABOUT THE WINNING INNOVATION ON A RECENT EPISODE OF NAMIC'S INSURANCE UNCOVERED PODCAST. HERE IS AN EXCERPT FROM THEIR CONVERSATION.

There are plenty of insurance carriers that sell workers' comp and plenty of insurance carriers sell to the construction market. But how far do they go to protect the lives they're insuring?

Q: ***Tell us a little bit about Builders Mutual.***

A: Our roots run deep in the construction industry. Builders Mutual was founded by the North Carolina Home Builders Association in 1984 with the exclusive purpose of writing workers' compensation for its membership in the state of North Carolina. Over the years, we have expanded our product lines. Builders Mutual is now in nine states, and our geographic footprint has expanded to include the mid-Atlantic and southeast areas. However, we continue to focus solely on the construction industry, which is where we consider ourselves industry experts and where we put our emphasis on development and learning. It's been great because focusing solely on one market has tailored our services to risk management, safety training, education consulting, and reducing jobsite injuries.

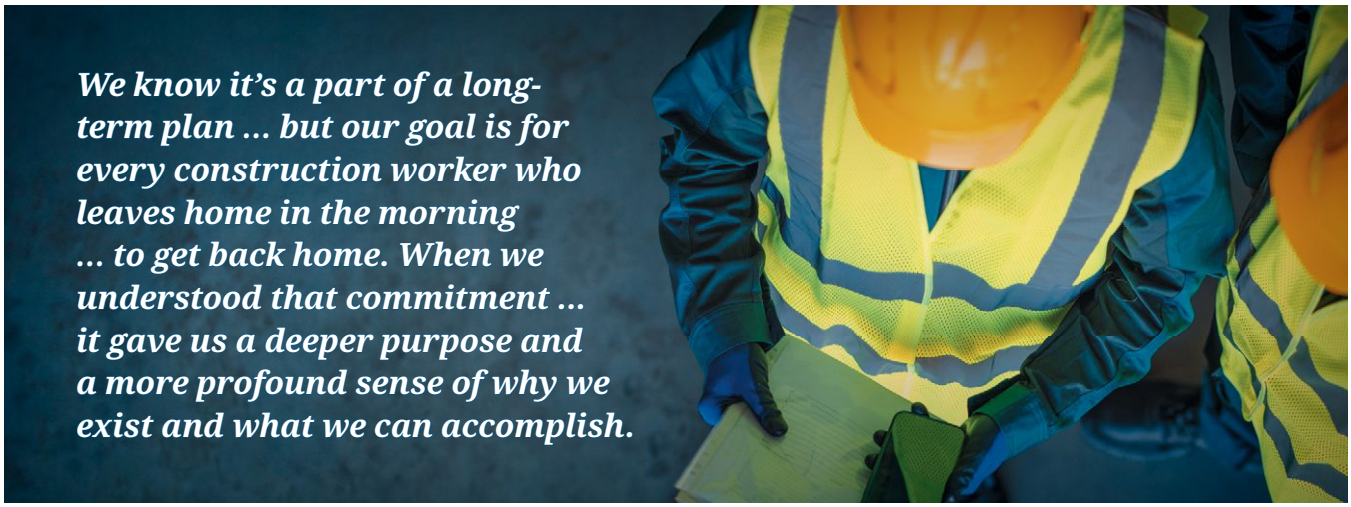
Q: ***Builders Mutual won the Award in Innovation for something you call the Job-Site Safety Institute. Tell us about the institute and what you do there.***

A: It was born out of this idea of serving one industry and getting to a deeper purpose of why we exist, who we are serving, and what we are trying to accomplish. There are plenty of insurance carriers that sell workers' comp, and plenty of insurance carriers sell to the construction market. But how far do they go to protect the lives they're insuring?

If you go back to a decade ago, looking at every time a claim happened, I asked myself, did we do everything as their insurance provider to protect them on that jobsite? I don't believe in the 40-year history of our company that we didn't have at least one jobsite-related death or permanent injury claim. ...[T]o me, that was unacceptable. The sad part is that so many of those types of claims were preventable with education and training. Making sure that employers put their employees' safety at the forefront could have certainly mitigated a number of these accidents.

So, we looked at this and went, "Who else is doing training in the marketplace? What are they providing out there?" We found that, particularly on small and midsize jobsites, there just wasn't anybody focusing on research or educational training, specifically for those types of workers on those types of jobsites.

We came up with the idea in 2014 to create a research center that was focused on safety, not just in residential but commercial construction and not just in the



states we operate in but also across the country. We formed the entity as a 501(c)(3) and have been building a body of work of safety tools, education, and research. We know it's a part of a long-term plan ... but our goal is for every construction worker who leaves home in the morning ... to get back home. When we understood that commitment and how we might implement it through JSI, it gave us a deeper purpose and a more profound sense of why we exist and what we can accomplish. We hope that now we can expand beyond just us.

Listen to the full conversation in episode 711 of the Insurance Uncovered podcast at NAMIC.org.

Q: ***What are the benefits that you've seen?***

A: We've raised nearly $2 million and awarded more than $1 million in grants to universities, trade associations, and other safety-focused organizations. We're just trying to talk about innovation. There needs to be more innovation in safety, not just with insurance companies but with what we're doing in safety. We've seen some innovative companies come out of the woodwork and we're trying to provide an environment that takes hold. Tens of thousands of construction workers have been turning to those videos.

While we operate in nine states, when we think of jobsite safety and the Job-Site Safety Institute, we've got to be on the national stage. Through a partnership with the National Association of Home Builders, we decided to participate in the International Builders' Show and create a jobsite safety zone. It is just so rewarding when you plant a seed that you can see grow and expand.

Q: ***What do you see in the future here? What's the next new thing for the Job-Site Safety Institute?***

A: We understand what the accidents are, why accidents are happening today; we have that data. I think the next steps are continuing to look forward to seeing what will escalate and what the next trend will be. One of those emerging areas is trying to focus on traumatic brain injuries. I'm sure you've tried on a hard hat over the years. It's a plastic bucket on top of your head, and I believe construction workers just inherently do not feel comfortable.

So, we're trying to understand how we might replace traditional hard hats with what we're calling safety helmets. Everybody's comfortable wearing a helmet; we want to exact a cultural change on jobsites where you're perfectly comfortable putting on the hard hat. The new safety helmet could be one of those ways to make that happen. [N]

Everybody's comfortable wearing a helmet; we want to exact a cultural change on jobsites where you're perfectly comfortable putting on the hard hat. The new safety helmet could be one of those ways to make that happen.



What Innovation Means

WHILE A LOT OF PEOPLE EQUATE INNOVATION WITH TECHNOLOGY, WE UNDERSTAND INNOVATION COMES IN MANY FORMS, WHICH WAS EVIDENT IN THE MORE THAN 20 INNOVATIVE EFFORTS NAMIC MEMBER COMPANIES SUBMITTED TO THE 2024 AWARD IN INNOVATION. WE ASKED SEVERAL OF THEM WHAT INNOVATION MEANS FOR THEIR RESPECTIVE ORGANIZATIONS.

"EMC Insurance Companies innovate when we infuse inspiration into work by creating new products, formulating solutions, and providing outstanding service in partnership with independent insurance agents. We believe that dedication to innovation helps deliver exceptional customer experiences."

Sarah Buckley
Vice President of Corporate Communications & Community Impact
EMC Insurance Companies

"SECURA defines innovation as developing creative products, improving consumer interfaces and services, simplifying and automating processes, and promoting efficiency and accuracy. We use innovation to address operational risks, reach goals through technology, and respond to disruptors in a timely and agile manner."

Kristin Heiges
Vice President of Marketing
SECURA Insurance

"Innovation is imperative, but you need to clearly understand where you're going with it. Otherwise, you may go down an unchartered path. So we ask 'What is GuideOne going to be?' What we want to do from an innovation standpoint is [find] clarity, making sure commitment to the broader markets [is there] and making sure we're providing the best expertise in those markets."

Ken Cadematori
CEO
GuideOne Insurance Group

"Innovation takes many forms for A.I.M. Mutual Insurance Companies, but overall, we view it as a process that elevates the workers' compensation experience. Whether automating a function to enhance delivery or piloting new ways to drive engagement, we continually invite feedback internally and externally. The result is a dynamic culture that understands service standards are fluid."

Judith DePaolo
Senior Specialist, Corporate Communications
A.I.M. Mutual Insurance Companies

"Innovation has been a buzzword since we saw how Google changed the world many years ago. Everybody wants to get on that bandwagon and figure out how it applies to insurance. I think we've also seen some absurd applications of innovation; we kind of roll our eyes at innovation for the sake of innovation. For us, it started with a business problem and, from there, went into a brainstorm. I heard a great quote that demonstrates innovation so well, 'A competitive advantage is achieved through how you solve problems.' That's all we're talking about when it comes to innovation, seeing a problem and finding a solution."

David Bussman
Assistant Vice President of Innovation
Union Mutual Insurance Group

We ask the important questions, and we get the answers from NAMIC member company executives.

"Ohio Mutual Insurance Group defines innovation as looking for new ways to solve old problems. We believe it starts with a mindset that encourages everyone at all levels in the organization to ask the question, 'Is there a better way to do that?' and then imagine what that new way may be. Ohio Mutual has been intentionally working to build a mature continuous improvement culture. While we are midway on that journey, we can identify tangible and measurable benefits in every facet of our operation."

Todd Boyer
Vice President of Corporate Communications
Ohio Mutual Insurance Group

"West Bend defines innovation as a strategy and a part of the culture to make sharing innovative ideas accessible to all of our associates. We value innovative successes when they can reduce transactional friction, allowing associates to focus on business development and servicing clients' needs."

Shelley McGrew
Marketing Communications Manager
West Bend Insurance

"Farm Bureau Financial Group defines innovation as something that can be brand new that no one has ever done before or out-of-the-box thinking. Innovation can also mean we have something but think it could be better. We believe that innovating is continuous improvement, which produces something new by taking something we know has worked, pulling elements of that, and then adding to it."

Karen Rieck
Vice President of Human Resources
Farm Bureau Financial Group

"Cumberland Mutual defines innovation as working smarter for our customers and providing everyone with the information they need. We have seen rapid growth in the industry with the emergence of new tools, technologies, and providers, but innovation for innovation's sake is not the goal. Everything we do must directly or indirectly impact our policyholders, independent agents, and employees."

Matt Brasch
Vice President of Digital Operations
Cumberland Mutual Insurance

Read more about what these NAMIC members have to say about their innovations in the digital issue.

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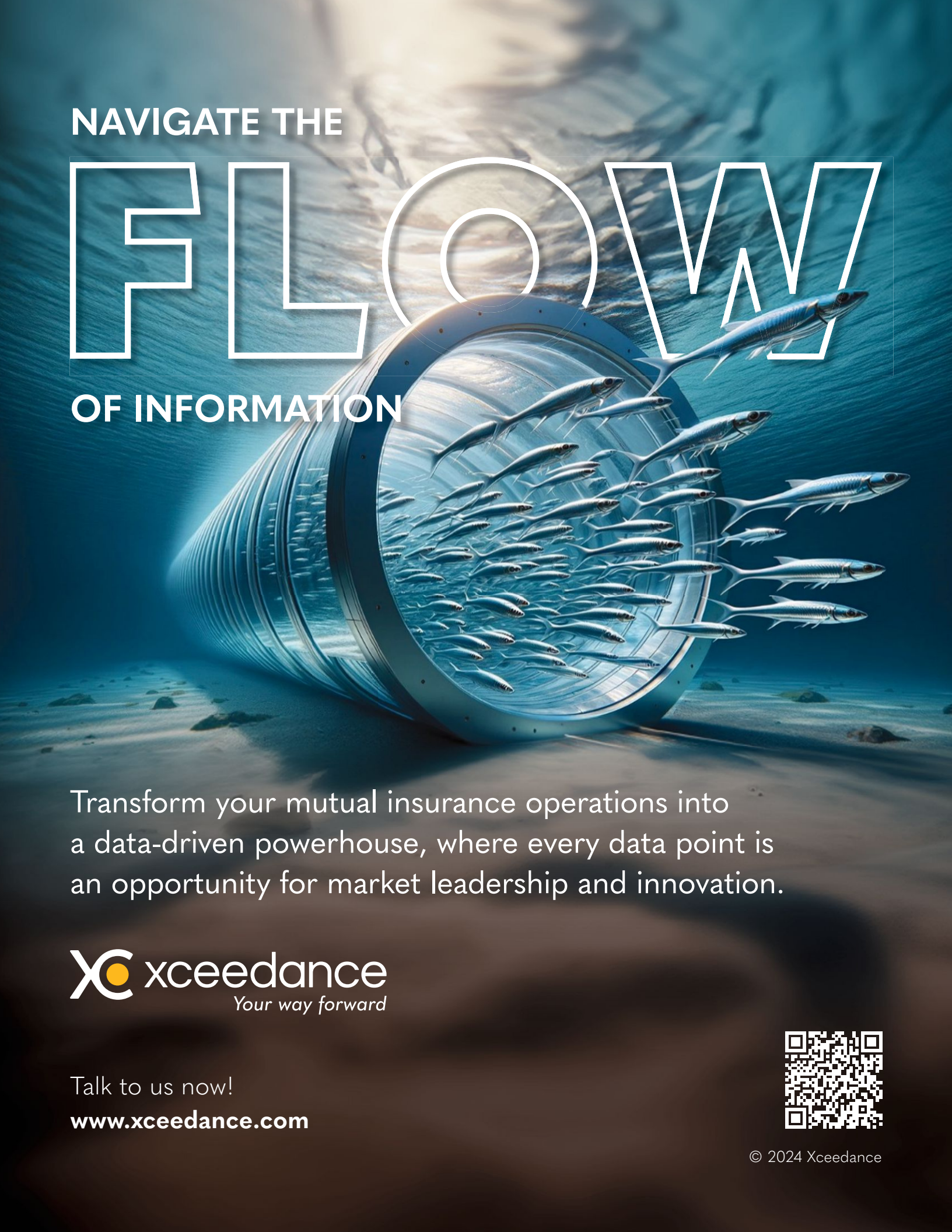
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Hires & Promotions

Loudoun Mutual Insurance Company, Waterford, Virginia, named **Todd Robertson** as its president and CEO in March. He joined the company in July 2001 as chief information officer. He transitioned from CIO to chief operating officer in January. Before joining Loudoun Mutual, Robertson held information technology positions with Bering Truck Corporation and Jerr-Dan Corporation. He earned a bachelor's degree in computer information systems from Shepherd College and an MBA from Frostburg State University. He holds the Chartered Property Casualty Underwriter, Associate in Insurance Technology, and Associate in Insurance Accounting and Finance designations.

WCF Insurance, Sandy, Utah, promoted **Bill Riedley** to senior vice president of small business. He has 37 years of industry experience. He joined the company in 2017 as vice president of property product development. Prior to this promotion, he was serving as vice president and chief underwriting officer of small business. The company promoted **Nate Curtis** to chief underwriting officer of small business. He joined the company in 2020 and has served as underwriting manager, director, and vice president. He was a field underwriting specialist with Auto-Owners Insurance prior to joining WCF.

Farmers Insurance, Woodland Hills, California, hired **Eric Coleman** as president of business insurance. He has more than 20 years of experience in the industry and held various leadership positions with Nationwide before joining Farmers.

Jewelers Mutual Group, Neenah, Wisconsin, hired **Nick Tenekedes** as senior vice president of digital solutions. He has more than 15 years of experience and was vice president of marketplace for Getaround. **Howard Stone** joined Jewelers Mutual as vice president of global risk and analytics. He has more than 30 years of loss prevention experience.

State Farm Insurance, Bloomington, Illinois, promoted **Jon Farney** to CEO. He joined the company in 1993, and served in a variety of executive leadership roles during that time. He became president of the organization in January 2024, having served as senior vice president, treasurer, and chief financial officer since 2016. He earned a bachelor's degree in accounting from Illinois State University and an MBA from the University of Michigan.

Nationwide Insurance, Columbus, Ohio, appointed **George William** to lead the small-market commercial lines business. He has more than two decades of insurance experience. William was chief operating officer for commercial lines, excess and surplus and specialty prior to taking over this position. He has more than two decades of experience and was head of global client support services for Guy Carpenter before joining Nationwide in 2021.

Rockford Mutual Insurance Company, Rockford, Illinois, hired **Dana Stewart** as a farm underwriter and **Terry Blake** as a field claims representative. The company promoted **Kate Rosenwinkel** to assistant vice president of underwriting; **Nichole Dickerson** to commercial lines manager; **Amanda Kent** to personal lines manager; **Deb Beyer** to senior claims representative; and **Jesse Suttner** to senior claims representative.

Brethren Mutual Insurance Company, Hagerstown, Maryland, promoted **Kenneth Colaianne** to vice president of marketing. The company elected him as a company officer during its April board meeting. He has more than 30 years of insurance industry experience and joined Brethren Mutual in 2018 as director of marketing. He earned a bachelor's degree in economics with a focus on marketing from the University of Maryland. The company welcomed **Shane Anderson** as its Maryland marketing manager. He began his insurance career in 2014 and has claims, underwriting, and marketing experience. He earned a bachelor's degree in communications, specializing in journalism and mass media, from Mississippi State University.

Board Activities

Phoenix, Arizona-based **CopperPoint Insurance Companies**, elected **Marc Schmittlein** as executive chair of its board of directors, which is in addition to his position as president and CEO. The board also elected current board member **Marita Zuraitis** as its lead independent director. CopperPoint members and policyholders reelected **Monica Digilio** and **Thomas Bradley** to the company's board of directors. They will serve three-year terms.

Grinnell Mutual, Grinnell, Iowa, reelected board members **Dan Anderson**, manager of Canton, South Dakota-based **Great Plains Farm Mutual Insurance Company**; **Mark Schmidt**, president of Grand Mound, Iowa-based **American Mutual Association**; and **Jim Wellman**, president of New Knoxville, Ohio-based **German Farmers Mutual Insurance**. The company's board elected **Dave Heynen**, president of Hull, Iowa-based **Farmers Mutual Insurance Association of Hull**, to his first term.

Retirements

Michael Tipsord retired as CEO of Bloomington, Illinois-based **State Farm Insurance** in June. He joined the organization in 1988 and held various roles of increasing responsibility. He was named vice chairman and chief financial officer in 2004, chief operating officer in 2011, president and CEO in 2015, and chairman of the board in 2016. He continues to serve as board chair. Tipsord holds the Chartered Property Casualty Underwriter, Chartered Life Underwriter, and Certified Public Accountant designations.

Jeff McLaughlin retired from Montpelier, Vermont-based **Union Mutual** in July. He began his career with Union Mutual 28 years ago as a claims adjuster. He also held the role of marketing representative for Vermont prior to becoming senior marketing representative, which is the position from which he retired.

Awards & Recognitions

The Columbus, Ohio-based **Grange Insurance Company** headquarters received the LEED Gold Certification. LEED was developed by the U.S. Green Building Council and is the most widely used green building rating system in the

NAMIC PAC TOP 10 for Quarter Two 2024

TOP 10 PROPERTY/CASUALTY CONFERENCE CONTRIBUTING COMPANIES	
Auto-Owners Insurance Company	$19,192
Ohio Mutual Insurance Group	$18,286
Western National Mutual Insurance Company	$18,168
Brotherhood Mutual Insurance Company	$17,240
Pioneer State Mutual Insurance Company	$10,630
Harford Mutual Insurance Group	$10,534
Norfolk & Dedham Mutual Fire Insurance Company	$10,476
Lititz Mutual Insurance Company	$8,550
Frankenmuth Insurance Company	$8,524
Shelter Mutual Insurance Company	$6,100

TOP 10 FARM MUTUAL CONFERENCE CONTRIBUTING COMPANIES	
Forreston Mutual Insurance Company	$15,500
Fairmont Farmers Mutual Insurance Company	$9,100
CFM Insurance, Inc.	$6,050
Mutual of Indiana Insurance Company	$5,600
RVOS Insurance Group	$3,200
Mutual of Arkansas	$2,350
Farmers Mutual Insurance Association of Hull	$2,125
Great Plains Farm Mutual	$1,900
Frontier – Mt. Carroll Mutual Insurance Company	$1,800
German Farmers Mutual Insurance Company	$1,125
NAMIC Staff Contribution	$21,326

world. Grange earned the certification because it monitors utilities through Energy Star, works to reduce waste and increase recycling, and installs energy-efficient features throughout the building. The company also added more electric vehicle charging stations to its parking structure, uses LED lightbulbs, and monitors mechanical systems for efficiency.

United Educators Insurance, Bethesda, Maryland, received two silver Stevie Awards for its online training programs during the 22nd Annual American Business Awards. The winning courses were "Stand Up Against Bullying: Recognize and Respond" and "Athlete Well-Being: A Guide to Recognizing and Preventing Emotional Abuse."

Grinnell Mutual, Grinnell, Iowa, received the Pro Patria Award from Employer Support of the Guard and Reserve. The award is given to employers that support and honor employees who are reserve or active-duty military. Only three Pro Patria Awards are given each year.

Rockford Mutual Insurance Company, Rockford, Illinois, was named one of the 2024 Best Places to Work in Illinois for the small employer category and the first Best Place to Work for Women.

Community Involvement

Union Mutual, Montpelier, Vermont, partnered with the Kelly Brush Foundation to be the title sponsor for the nonprofit's annual Kelly Brush Ride. The annual event raises funds to support the foundation's work to empower people with spinal cord injuries to participate in adaptive sports. Union Mutual will be the event's title sponsor for the next three years. The company also served as the presenting sponsor for the Vermont Corporate Cup Challenge and State Agency Race put on by the Vermont Governor's Council on Physical Fitness and Sports. The start and finish lines for the race were at the steps of Union Mutual's headquarters.

Millers Mutual, Harrisburg, Pennsylvania, donated $25,000 to HDC Mid-Atlantic's Hope and Opportunity Fund, which helps families find safe, affordable housing. The donation is just one way Millers Mutual invests in the welfare of the communities it serves.

Quincy, Massachusetts-based **Arbella Insurance's** Arbella Insurance Foundation donated $150,000 to the Greater Lawrence Family Health Center to help launch GLFHC's newest mobile health clinic. The clinic includes the latest technology and equipment to treat people who have difficulty getting to brick-and-mortar health centers.

United Educators Insurance, Bethesda, Maryland, partnered with Learning Courage to help organizations respond to and reduce sexual abuse. Eligible organizations can earn insurance premium credit when they join Learning Courage and complete a risk assessment.

Rating Information

Acuity Insurance, Sheboygan, Wisconsin, announced that Standard & Poor's reaffirmed the insurer's A+ long-term financial strength and issuer credit ratings with a stable outlook. The organization also has an A+ financial strength rating from AM Best.

SFM Mutual Insurance Company, Bloomington, Minnesota, had its "A- (Excellent)" financial strength rating and its "a-" long-term issuer credit rating reaffirmed by AM Best in May. The insurer received these ratings because of its balance sheet strength, operating performance, business profile, innovation, and enterprise risk management.

Miscellaneous

PURE Insurance, White Plains, New York, announced in the spring that PURE Specialty Exchange has expanded its coverage area to Arizona, Colorado, Hawaii, Montana, Utah, and Wyoming. It is now offered in 16 states.

Main Street America, Jacksonville, Florida, and TransUnion, Chicago, Illinois, have partnered to offer Main Street America's small-business clients specialized cyber risk protection. Those policyholders will have access to TransUnion's TruEmpower CyberScout solution, which helps companies address commercial breach, cyber extortion, business identity theft, and other cybersecurity threats.



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