

The President's Report— Todd Lentz, President/CEO

Welcome to our annual agency newsletter!



On June 13th 2024, we held our annual agency meeting at the Holiday Inn Hotel & Convention Center in Stevens Point, WI. Agencies in attendance were representatives of either company within the affiliation between Mutual of Wausau Insurance Corporation (Mutual of Wausau) and Homestead Mutual Insurance Company (Homestead Mutual). In 2023, the affiliation itself changed. What began as a year that added Ellington Mutual Insurance Company (Ellington Mutual) of Hortonville, WI to the affiliation, ended with a merger between Homestead Mutual and Ellington Mutual, effective December 31, 2023.

The storms of 2022, rising costs of doing business, and the rehabilitation and subsequent liquidation of Wisconsin Reinsurance Corporation (WRC) were all integral factors leading to the decision to merge these two companies.

The impact of WRC exiting the reinsurance marketplace in WI created widespread disruption within the WI insurance industry. Over 25 mergers occurred in WI leading into 2024. As previously announced, Mutual of Wausau had three mergers in 2023 while Homestead Mutual had three mergers as well. Collectively, the Mutual of Wausau Group will be adding roughly 8,500 policies in 2024 that will yield roughly \$8.4 million in premium. This business is supported by an additional influx of surplus from the mergers equating to roughly \$9.7 million. The MW Group is considered in a strong financial position as represented by premium written of \$34 million and supported by surplus of \$36 million.

The corporate structural changes are just one of many impactful shifts stemming from the disruptions encountered in 2023. Another disruptor in 2023 and into 2024 is the continued pressure from losses incurred by catastrophic events and the rising costs to repair damages. This has led the MW Group to a series of updates to its insurance programs. What began with re-evaluating risks to provide adequate coverage, was followed by increased deductibles to share loss costs and ultimately increasing rates to provide a more adequate rate for the coverage provided.

But insurance and the purchase of reinsurance is a global marketplace. What occurs throughout the world impacts us all. Another disruptor that has occurred within the WI marketplace can be directly traced to the impact of reinsurance pricing and claim costs retained. In 2024 primary insurance carriers are responding with unprecedented rate increases. Large, double-digit upticks have become the norm for 2024. Companies that are domiciled elsewhere are leaving WI, other companies are entering into moratoriums, and some are simply leaving specific lines to adapt to the bottom-line pressures sustained by the insurance industry. Most companies in WI are also asking policyholders to keep more of their losses in the form of higher deductibles, sometimes implementing an even higher deductible for windstorm or hail. The companies within the MW Group are taking similar measures but remain open for new business. Please read the associated articles in this newsletter for a full summary of changes that were discussed at this year's agency meeting.



President's Report Continued...

As we look towards the future, it is certain there are challenges ahead. We feel the changes that we are making will begin to move the organization back to profitability. The objective of profitability has always been there, however, every organization goes through periods where margins become impaired due to external factors. As announced at this year's agency meeting, until profitability is restored, the introduction of automobile insurance will be tabled. Frankly speaking, reinsurance and inflation have thrown an incredible one-two punch to all of the insurance industry, and we are all finding our way to adjust. We anticipate revisiting coverage, rate, and deductibles but are hopeful to yield smaller more incremental changes moving forward.

None of these adjustments would be possible without your partnership. You are the conduit to the policyholder, conveying how insurance has evolved in a post-pandemic world. While still protecting the policyholder's assets, the principle of neighbor helping neighbor now requires a bit more from each individual. Regardless of where you buy insurance, this is constant that we as consumers now face.

Wishing you a great rest of 2024!

Todd

Mutual of Wausau will begin its 150th year on December 27, 2024!

We are excited to begin our 150th turn around the sun as a mutual insurance organization!! Back on December 27, 1875, the legacy of Mutual of Wausau Insurance Corporation began. A company that was founded on the simplest and still guiding principle of "neighbor helping neighbor". Although the insurance industry has clearly evolved from those early years, the premise remains the same. As an example, for an exchange of premium, our policyholders are given a promise to protect their property from losses sustained from windstorm and fire. For almost 150 years, we have continued to fulfill this promise.

The challenge of insurance is equitable prices for the protection being purchased. Here at Mutual of Wausau, we take the promise of protecting our insured's interests very seriously. As you read the content from this year's agency meeting, we believe the adjustments made and those yet to come are necessary to maintain the viability of an organization that will celebrate its 150th anniversary next year. As we enter this milestone year, we are thankful and humbled by the contributions of all those that have gone before us - staff, board, agents, and policyholders alike.

Be sure to watch for more information as the anniversary approaches!



Agent Appreciation Golf Outing

On August 15, 2024, the Mutual of Wausau Group held the 3rd Annual Agent Appreciation Golf Outing. Although it rained most of time, we still made the best of it. Unfortunately, we went another year without anyone making a hole in one. But, we did have a few people who were lucky enough to Beat our Pros. Thank you to all who attended and we look forward to seeing you at next year's event.



Claims

Fires have been front and center for the Mutual of Wausau Group in 2024. There are basic circumstances that contribute to preventing home or workplace fires. Preventing fires involves a combination of good practices, proper equipment, and awareness. Here are some comprehensive steps you can take to reduce the risk of fires in various settings:

At Home

1. ****Install Smoke Alarms****: Place smoke alarms on every level of your home, inside bedrooms, and outside sleeping areas. Test them monthly and replace batteries annually or consider models with long-life batteries.
2. ****Keep Fire Extinguishers Handy****: Have at least one fire extinguisher in the kitchen and another in the garage or workshop. Learn how to use them properly.
3. ****Practice Safe Cooking****: Never leave cooking unattended. Keep flammable materials like paper towels and dish cloths away from the stovetop. Ensure that stove and oven burners are turned off when not in use. Don't leave anything on the stove that could entice a pet to accidentally turn on the burners while trying to reach the item.
4. ****Electrical Safety****: Avoid overloading outlets and use extension cords sparingly. Have a qualified electrician inspect your home's wiring periodically.
5. ****Heating Equipment****: Keep space heaters at least three feet away from anything flammable and never use them while sleeping.
6. ****Candles and Open Flames****: Never leave candles burning unattended. Keep candles away from flammable materials and consider using flameless candles as an alternative.
7. ****Flammable Materials****: Store gasoline, kerosene, and other flammable liquids in approved containers and away from heat sources.
8. ****Fireplace Safety****: Use a fireplace screen to prevent sparks from escaping, and make sure the fireplace is properly cleaned and inspected. Have your chimney inspected and cleaned annually if you use a fireplace. It is also important to properly dispose of ashes. It is never a good idea to place them in a bag or container inside a building or next to anything.
9. ****Plan and Practice Escape Routes****: Create a fire escape plan with two exits from every room and a meeting place outside. Practice this plan regularly with all family members.
10. ****Fireplace and Grill Use****: Only use grills outdoors and away from structures. Ensure that ashes from a fireplace or grill are completely cool before disposing of them.
11. ****Extinguishing Cigarettes, etc., properly****: Extinguish cigarettes completely and be aware of the surrounding area when doing so. Having a designated container in a proper area will be helpful.

Claims Cont.

In the Workplace

1. ****Fire Drills****: Conduct regular fire drills to ensure employees know how to evacuate safely.
2. ****Fire Safety Equipment****: Ensure that fire extinguishers, sprinklers, and alarms are properly installed and maintained. Staff should be trained on their use.
3. ****Electrical Maintenance****: Regularly inspect and maintain electrical systems and equipment to prevent malfunctions that could cause fires.
4. ****Housekeeping****: Keep work areas clean and free from clutter, especially flammable materials. Properly dispose of waste and keep it away from heat sources.
5. ****Training****: Provide fire safety training to all employees, including how to operate fire extinguishers and follow evacuation procedures.

By following these guidelines and being proactive, you can significantly reduce the risk of fire and protect yourself, your loved ones, and your property.

Sean Sarver, VP- Claims

Need to file a claim?

The fastest way to file a claim is to report the claim online through our website:

<https://mutualofwausau.com/services/report-a-claim/>

Filing online allows the information to be entered into our system faster so that we can triage and make contact with the policyholder as soon as possible.

When filing online, please make sure that contact information for the policyholder is accurate and provide as much detail in the Description of Loss area. Incorrect or incomplete information delays contact with the policyholder.

The form contains the following fields:

- Policyholder Name (Required)**: First Name, Last Name
- Policyholder Address (Required)**: Address
- Policyholder Address 2**: Address 2
- Policyholder City (Required)**: City
- Policyholder State (Required)**: State
- Policyholder Zip Code**: Zip Code
- Policyholder County (Required)**: County
- Policyholder Phone (Required)**: Phone
- Policyholder Email**: Email
- Agent Email (optional)**: Agent Email (optional)
- Date of Loss (Required)**: Date of Loss (mm/dd/yyyy)
- Policy No. (if known)**: Policy No. (if known)
- Reported By (Required)**: Reported By
- Type of Loss (Required)**: Type of Loss (dropdown menu)
- Description of Loss (Required)**: Description of Loss (text area)

Underwriting

Greetings from the Underwriting Department. We are aware how the recent insurance market conditions have been affecting our agency force. As you all have been very busy with rate increases, coverage changes, tightening of underwriting and dealing with unhappy policyholders, we are equally busy responding to these challenges.

Looking back at 2023, we accomplished a lot while at the same time implementing responses to the industry challenges we saw coming. We merged Pella Mutual into Mutual of Wausau which saw us add 1,850 policyholders and \$1.5 million of premium to our books. We also took on the task of re-evaluating coverage values for much of our book of business. Over 6,000 policies, which had not been reviewed within the prior 2 years, were reviewed and values updated in 2023. Although this does not put us at 100% of our policies being reviewed, it was a majority of the book of business, and we expect to review the remaining policies within the next 2 years as their properties come due for a property survey. We eliminated the \$500 deductible option and implemented an underwriting rule that all 3-tab shingles would be insured for ACV. Finally, we closed the year with a rate increase of 12% for Coverage A across all lines, expanded the claim free discount in our homeowner program to reward long-term, claim-free customers, and wrote over 200 umbrella policies for our agents in response to the liquidation of 1st Auto.

In 2024, we merged Fall Creek Mutual and Yorkville/Mt Pleasant Mutual into Mutual of Wausau, bringing approximately 1,600 policyholders and \$1.75 million in premiums with them. Companies exiting personal insurance, tighter underwriting or moratoriums, continued inflation, rising claim costs and higher reinsurance retentions continue to put pressure on our bottom line. The changes we made in 2023 are paying dividends with increased premiums, and we have had a record number of new business applications in the first half of 2024. Despite the changes we made in 2023, the first half of 2024 has seen losses continue to outpace our premiums. Consequently, we felt it necessary to increase our rates an additional 20% and implement a wind/hail deductible schedule this past July. An ACV roof restriction endorsement will be added for all policies, in all lines of business beginning in October of 2024.

Our expectation is that these changes will bring us closer to being profitable and ensure that we are a strong and viable carrier for you and our policyholders. Let's hope that we can see the storms subside and a calmer insurance environment going into 2025!

Michael Moore, VP- Underwriting

Missed out on the latest news?

We've got you covered! Catch up or refresh on the agent center, <https://mutualofwausau.com/agent-resources/>



Need a log in? Contact Jakie Sperberg,
jakies@mutualofwausau.com

Marketing

In response to the evolving industry landscape and the recent mergers that have strengthened the Mutual of Wausau Group, our management team recognized the perfect opportunity to create a dedicated marketing role. We are working to leverage traditional tactics with modern digital strategies to provide you with the resources you need, reach potential customers, and build trust and loyalty among our existing policyholders. Here's an inside look at our multifaceted marketing efforts.

Website Enhancements

- A scrolling banner has been added to our landing page, as well as the Agent Portal to highlight announcements and upcoming events.
- The Manuals section of the Agent page has been streamlined - grouped by program for easier navigation.
- A Meeting section has been added for agents to access past presentations and meeting materials.
- Company-specific Co-operative Advertising Program information has been added to the Marketing area.
- The About Us-Community section has been updated with full descriptions of the grants offered.
- A Company Communications section has been added to the Resources page as an outlet for Mutual of Wausau's policyholder newsletter, which will be transitioning to an all-digital format.

Agency Relations

- As the dedicated marketing person, I'll be making my rounds to your offices. I aim to be an additional resource and direct line of company communication for your agencies.

Agent Advisory Council

- To better hear the voice of our agency-force, we have started the Mutual of Wausau Group Agent Advisory Council. The initial Council was comprised of 8 agents, half serving a one-year term, the other half serving two. We would like to thank the following agents for fulfilling their one-year obligation: Don Spindler, Russ Brandl, Patrick Brennand and Bob Jandrain. The remaining members will continue their service into 2025: Mike Prey, Mike Boehm, Jon Chasteen and Sandie Wilz. We deeply appreciate the time and insight provided by everyone involved. If you are interested in filling one of the 4 vacant seats for a two-year term, please let us know.

Current Corporate Advertising

- Radio – Ag and Weather report sponsor via Muzzy Broadcasting on 97.9 and B104.9.
- Digital – Streaming sponsor for local high school sports games via Zaleski Sports on YouTube and Facebook.
- Print – Golfer's Digest advertising available at 14 courses throughout our territory and direct-mailed to 8,000 households.

Social Media

- We are increasing our social media presence via Facebook, LinkedIn and Instagram. You can find us at Mutual of Wausau Insurance Corporation and Homestead Mutual Insurance Company on all 3 platforms. Please be sure to like, follow, and share our content!

Industry Groups

- In an effort to keep current, stay relevant, and leverage all available resources, we are maintaining an active presence in the following groups:
 - PIA, 1752 Club, WAMIC, NAMIC and The American Marketing Association.

The landscape of our industry is dynamic and ever evolving. By embracing a diverse blend of marketing strategies, Mutual of Wausau Group is well-positioned to drive growth and achieve sustained success for years to come.

Jackie Sperberg, Director of Marketing

Did you know?

Mutual of Wausau offers several programs that benefit policyholders.

- Fire Department Emergency Equipment Grant - Deadline to apply January 1st
- Scholarship Program - Deadline to apply February 28th
- 4-H Club Grant - Deadline to apply April 1st
- FFA Chapter Grant - Deadline to apply April 1st
- Tractor Safety Program
- Rollover Protection Structure (ROPS) Reimbursement
- PTO Shaft Protection Reimbursement
- Recently added:
 - Leaf Blower Reimbursement
 - Young Farmer Grant

Calendar

Nov 28-29	Office Closed, Thanksgiving
Dec 24-25	Office Closed, Christmas
Jan 1	Office Closed, New Year's Day

To learn more about Mutual of Wausau's programs, please visit our website,
<https://mutualofwausau.com/community-involvement/>

New Hires

2024 has brought about some changes to the office. Along with the addition of the Fall Creek Mutual and Yorkville & Mt. Pleasant Mutual staff joining our team, we also welcomed Jon Schubert to our Claims Department and Mike Lindau and MC Xiong to our Loss Control Department.



Jon Schubert,
Claim Rep I



Mike Lindau,
Loss Control



MC Xiong,
Loss Control
Tech