



Celebrating
150
MUTUAL OF
Wausau
INSURANCE CORPORATION
1875 - 2025
Years

MWVG All Agency Meeting

June 12, 2025

CELEBRATING
150
YEARS ANNIVERSARY 1873-2023
 **HOMESTEAD**
INSURANCE
MUTUAL COMPANY

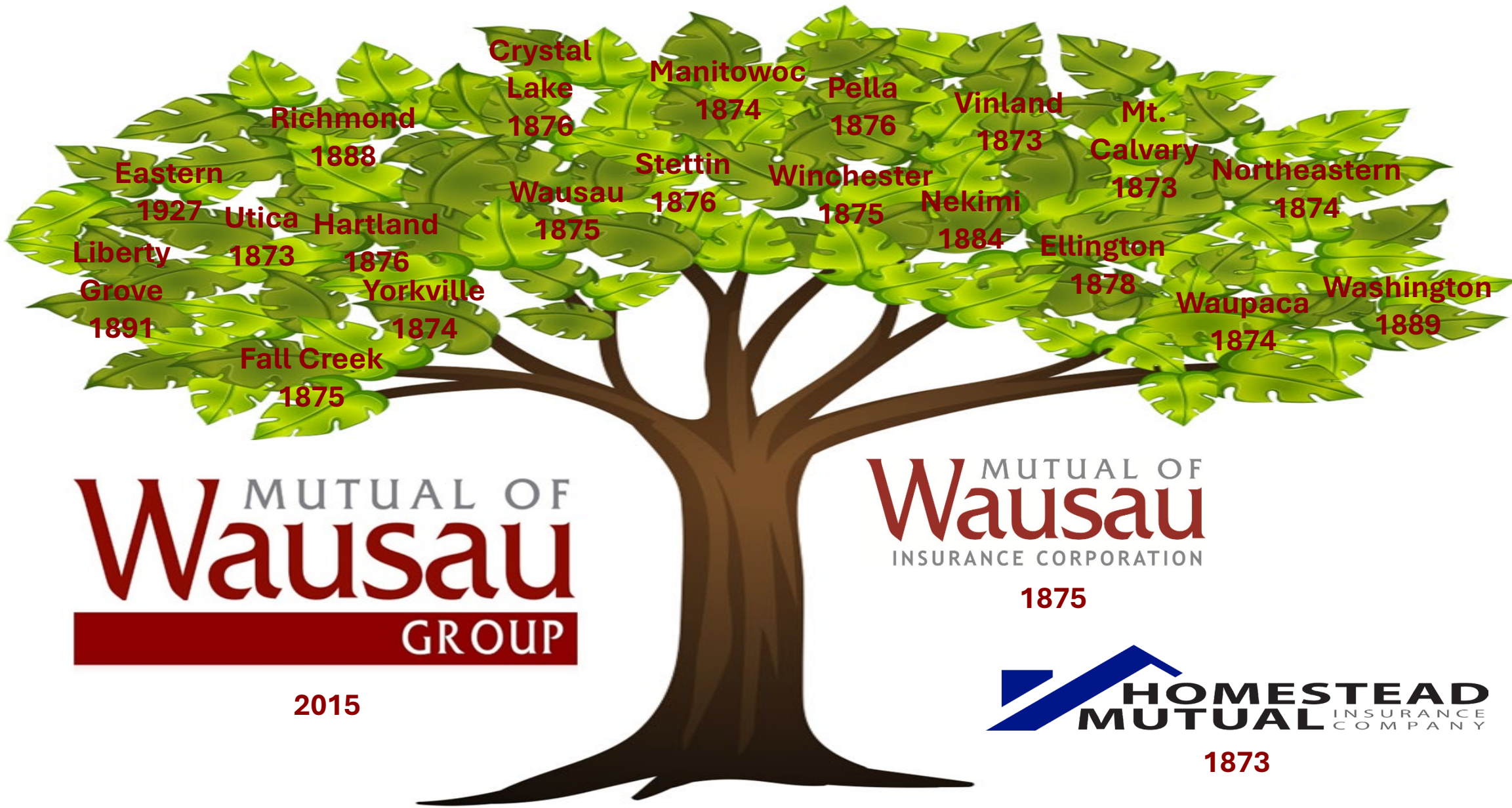


MUTUAL OF
Wausau
GROUP

President's Report



Todd Lentz, CPA, MIP, MID
President & CEO - Mutual of Wausau
Board Chairman – Homestead Mutual



MUTUAL OF
Wausau
GROUP

2015

MUTUAL OF
Wausau
INSURANCE CORPORATION
1875

 **HOMESTEAD**
MUTUAL INSURANCE
COMPANY
1873

MUTUAL OF
Wausau
GROUP

Announcements

2.14.2025

Darren Reoh, COO
leaves to pursue a new opportunity.

1.31.2025

Howard Schwartz retirement.

Howard Schwartz, CPCU AIC-M AIM AIS MID, Past President & CEO
Ellington Mutual Insurance Company



On January 31, 2025, Howard Schwartz entered the wonderful world of retirement! After a 20-year career with the organization-primarily serving as Ellington Mutual's President & CEO for 19 years-the Group is thankful for his many contributions. Howard played a key role in adding Ellington Mutual as an affiliation member in 2023 and later facilitating its merger with Homestead Mutual. He earned a bachelor's degree in Sociology with a minor in Criminal Justice from Monmouth College in West Long Branch, NJ and later obtained a Legal Generalist degree from Adelphia University in New York, NY. His professional credentials include the Chartered Property Casualty Underwriter designation, as well as Associate in Claims, Associate in Insurance Services, Associate in Management and Associate in Claims Management certifications. Additionally, he earned the Mutual Insurance Professional certification and was awarded the Merit Award in 2015. Howard also served as director and later as Vice Chairman of the Board of Directors at Wisconsin Reinsurance Corporation.

Congratulations Howard on your retirement! Your leadership and your counsel will be missed!

Darren Reoh, MIP, MID, President & CEO - Homestead Mutual Insurance Company
COO – Mutual of Wausau Insurance Corporation



Message from Darren: With a heavy heart, I share my decision to resign from Homestead Mutual and the Mutual of Wausau Group after an incredible 10 years, effective February 14, 2025. This was not an easy choice, as my time here has been extraordinary. I've had the privilege of working alongside some of the most talented, dedicated, and inspiring individuals, and I will forever treasure the experiences we've shared. Over the years, I've grown both professionally and personally, and it has been deeply fulfilling to witness the remarkable growth of our team and organization. The culture we've built together is one of a kind, and the vision for the future is bright. Very Bright!! This affiliation has grown tremendously, and we have all adjusted to fight the good fight along the way. Our organization went from what felt like a blip on the map in the Insurance world to real players and a vital part of the Wisconsin insurance market/landscape. I have no doubt the Group will continue to achieve amazing milestones month after month, year after year, especially with the employees, and management in place.

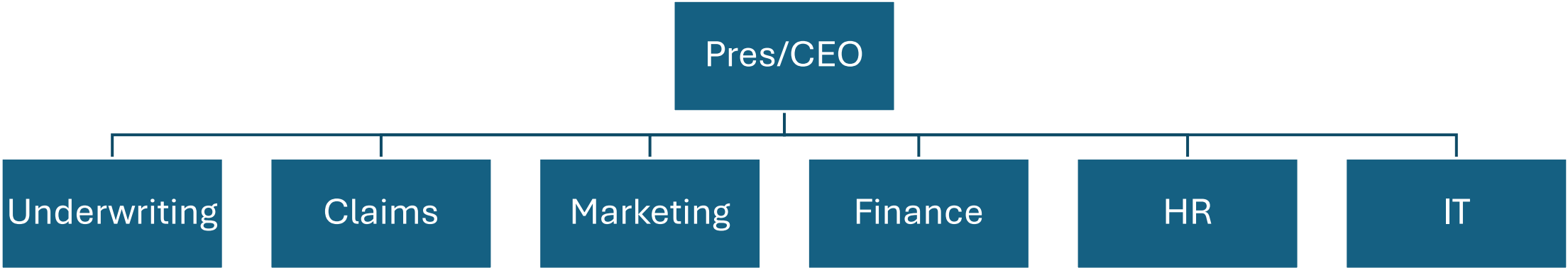
THANK YOU for being a part of that. Thank you all for your unwavering support, camaraderie, and countless memories.

This new opportunity is one I feel compelled to explore at this point in my life. While it's bittersweet to say goodbye, I believe this is the right time to take this next step. I know we will continue to cross paths and look forward to seeing everyone at the next event.

We wish Darren success in his future endeavors!



Single Hierarchy – Effective 1.1.2024



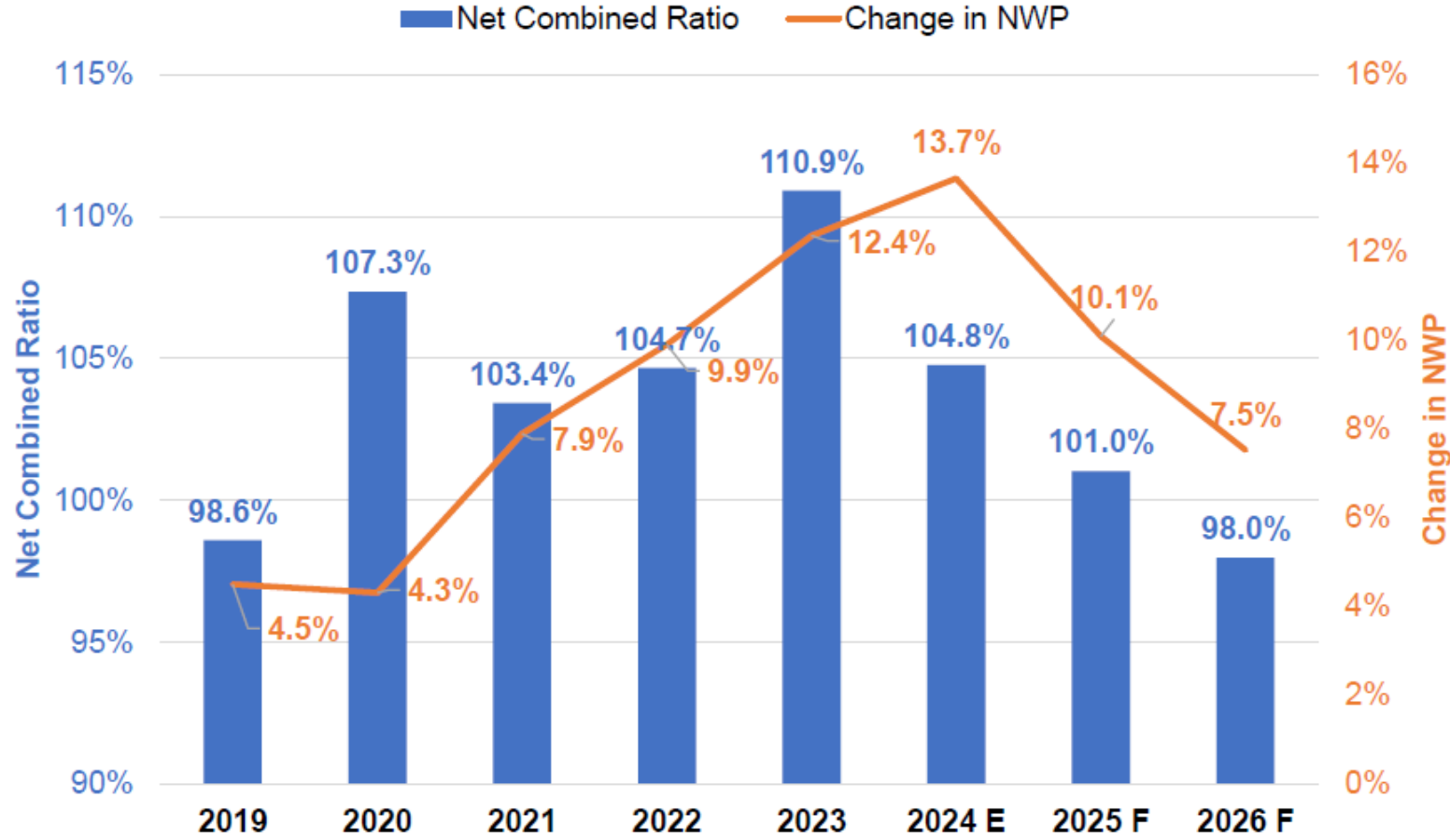


2024



Homeowners

Net Combined Ratio and Change in NWP



- 2024 Net Combined Ratio of 104.8 is a 6.1 pt improvement over 2023.
- Expected 2024 Net Written Premium Growth Rate of 13.7% is highest in over 15 years, 1.3% pts higher than 12.4% experienced in 2023, reflecting continuation of rate increases needed to offset inflationary loss costs.
- Profitability is expected in 2026 with continued expected double-digit NWP Growth of 10% in 2025.

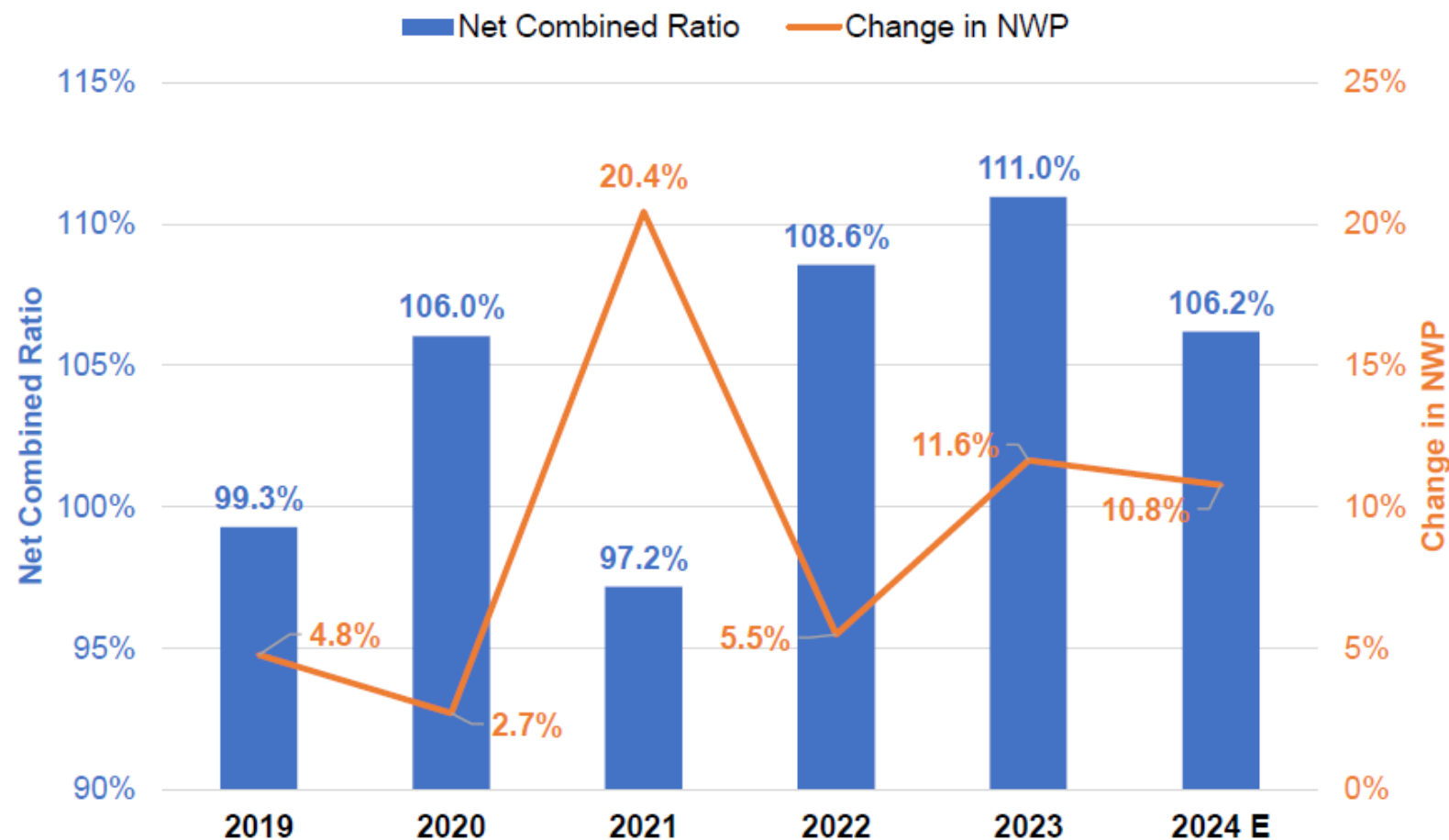


Farmowners



Affiliated with The Institutes

Net Combined Ratio and Change in NWP



- 2024 Net Combined Ratio of 106.2 is 4.8 pts improvement over 2023 and 1.5 pts improvement over prior evaluation.
- Expected 2024 Net Written Premium Growth Rate of 10.8% is third highest in most recent 10 years, 0.8% pts lower than 2023.

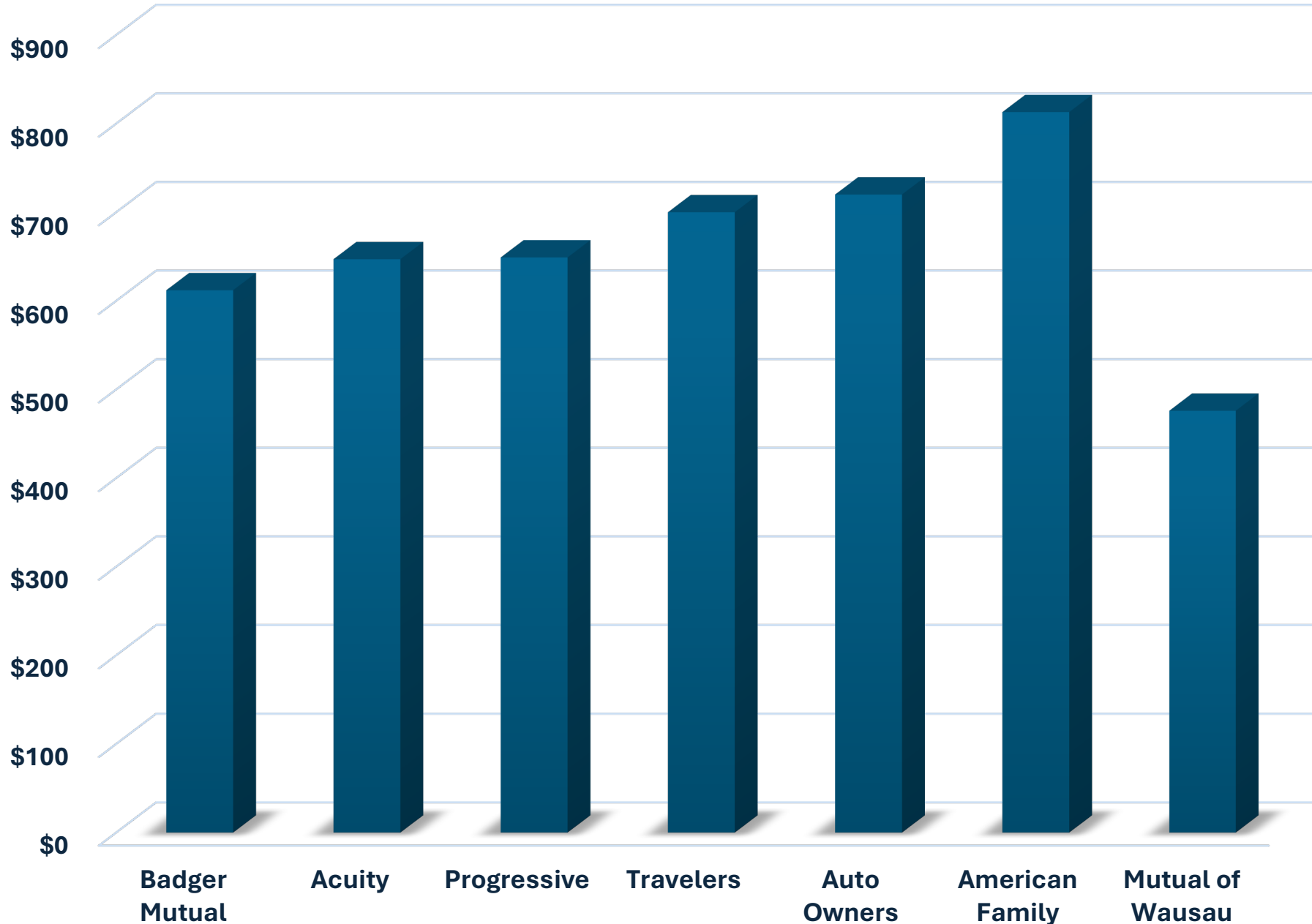


2022-2024 Key Initiatives

- Policies have been effectively audited to determine adequacy of coverage.
- Inflation Guard has been implemented on all policies to help maintain adequate coverage between inspection periods when policies will be formally re-evaluated.
- Deductibles were increased with \$1,000 as minimum standard and added a split wind/hail deductible minimum of \$2,500.
- Work continued regarding auto insurance cost benefit analysis.
- Realignment of key staff to match work and talents.
- Adding Actual Cash Value (ACV) on roofs.
- Premium and Surplus expansion through strategic merger partnerships in 2023.
- Work is underway to implement a common Policy Administration System within the Group to gain efficiencies.



Homeowners Rate Market Comparison (2020 Annual Meeting)



Badger Mutual	\$612
Acuity	\$647
Progressive	\$649
Travelers	\$700
Auto Owners	\$720
American Family	\$813
Mutual of Wausau	\$476

\$650 Average of other carriers; about 40% higher.

Why? Good performance prior to 2019; excellent reinsurance program; shared the benefit with policyholder.



Primary Initiative in 2024 - Rates

Two primary reasons:

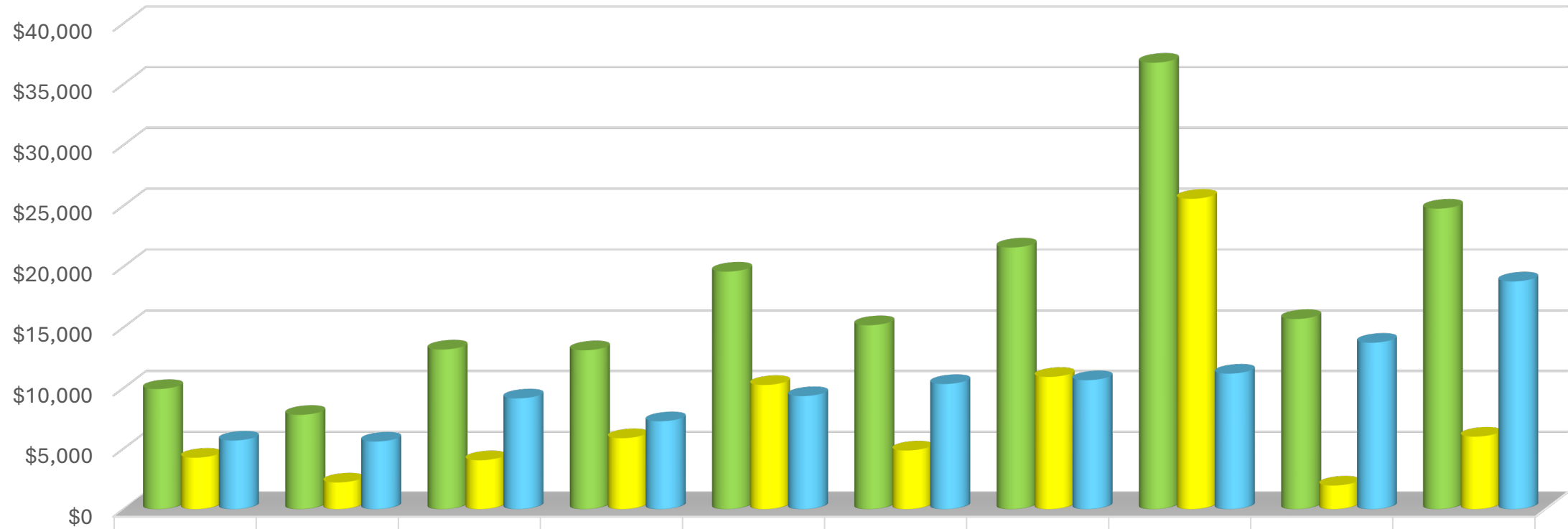
- Return to profitability from insurance operations (underwriting)
- Survival



The Mutual of Wausau Group

Gross/Reins/Net Loss and LAE Incurred

000 Omitted

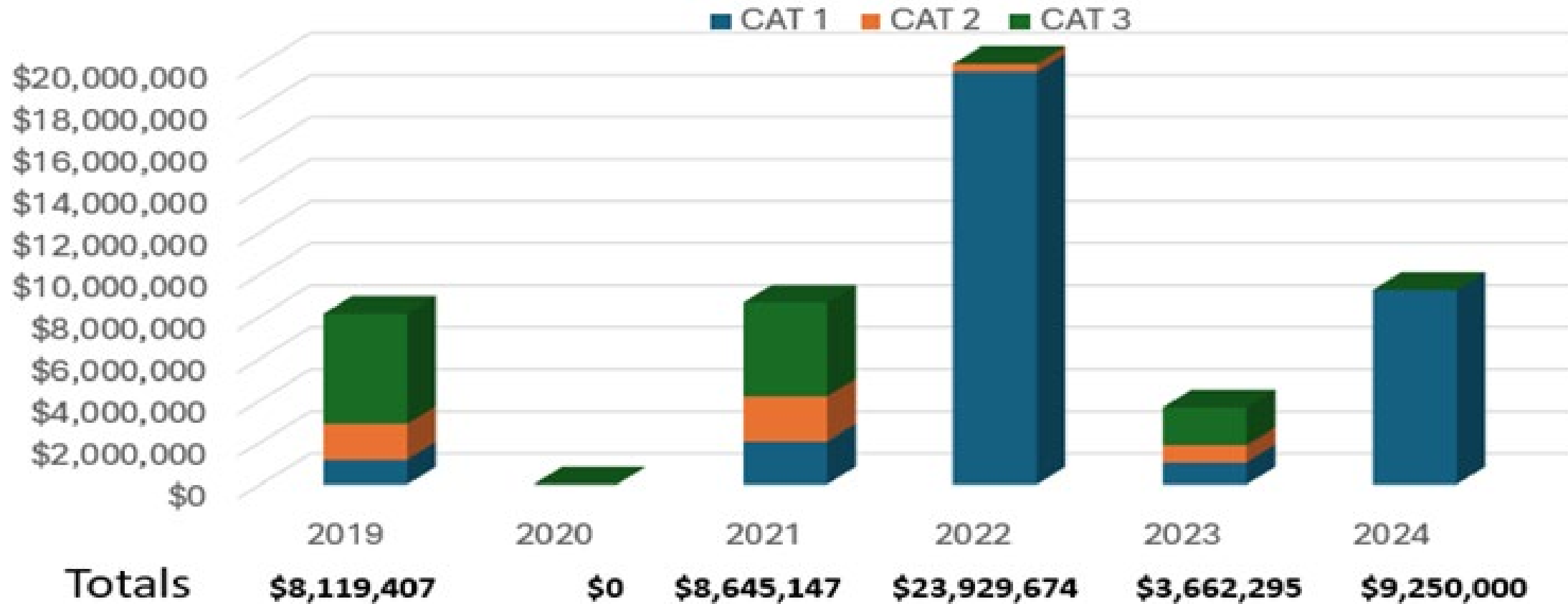


■ Gross Loss&LAE Incurred	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
■ Reins Loss&LAE Incurred	9,918	7,786	13,180	13,114	19,584	15,177	21,566	36,762	15,690	24,763
■ Net Loss&LAE Incurred	4,250	2,203	4,038	5,861	10,253	4,845	10,919	25,572	1,952	5,988
	5,668	5,583	9,142	7,253	9,331	10,332	10,647	11,190	13,737	18,775

■ Gross Loss&LAE Incurred ■ Reins Loss&LAE Incurred ■ Net Loss&LAE Incurred

10 Yr Totals: Gross \$177.5 M, Reins \$75.9M, Net \$101.6M

CAT Storms – MWG (2019 – Current)

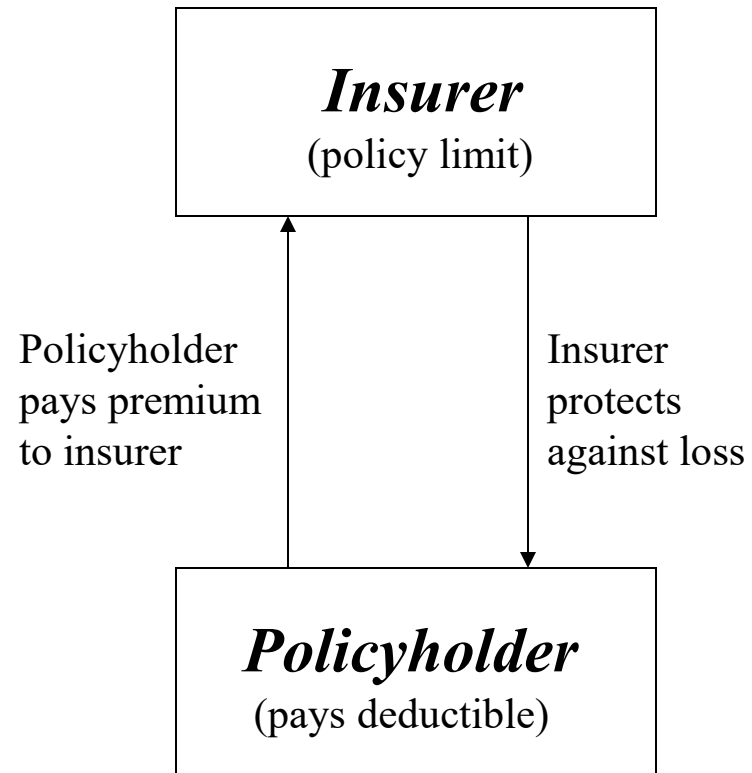


Above represent actual losses incurred or \$53.6M. If we bring claim dollars to present value, that number rises to \$68.2M.



It's good to be in Wisconsin

Insurance Basics



Insurance is essentially a contract agreement between the insurance carrier and their respective policyholder.

Premium Paid - \$ to Insurance carrier

Promise – to provide coverage as outlined in policy agreement

Premium paid is based on the “law of large numbers”



Premium collected vs Loss

- For Example, a storm claim from 2024 averaged \$18,750.
- For Example, a storm claim from 2019 averaged \$5,267.
- Currently in 2025, the average premium for \$200,000 Risk = \$1,000
- Policyholder would provide enough premium for the claim:
 - 2024: approximately every 18 years
 - 2019: approximately every 5 years
- This of course is much worse in the case of a total loss.

We are built on:

Law of large numbers: We all contribute a respective portion of revenue needed to cover claims, operations, etc which is represented in the form of **PREMIUM**.



Average homeowners insurance cost in March 2025

Written by **Natalie Todoroff**Edited by **Mariah Posey**Reviewed by **Kenneth Chavis IV**

Updated Mar 01, 2025

The average cost of homeowners insurance in the U.S. is \$2,242 per year for \$300,000 in dwelling coverage. However, your actual rates may vary depending on several factors.

Average home insurance cost by state

The average annual home insurance premium for a home with a dwelling coverage amount of \$300,000.

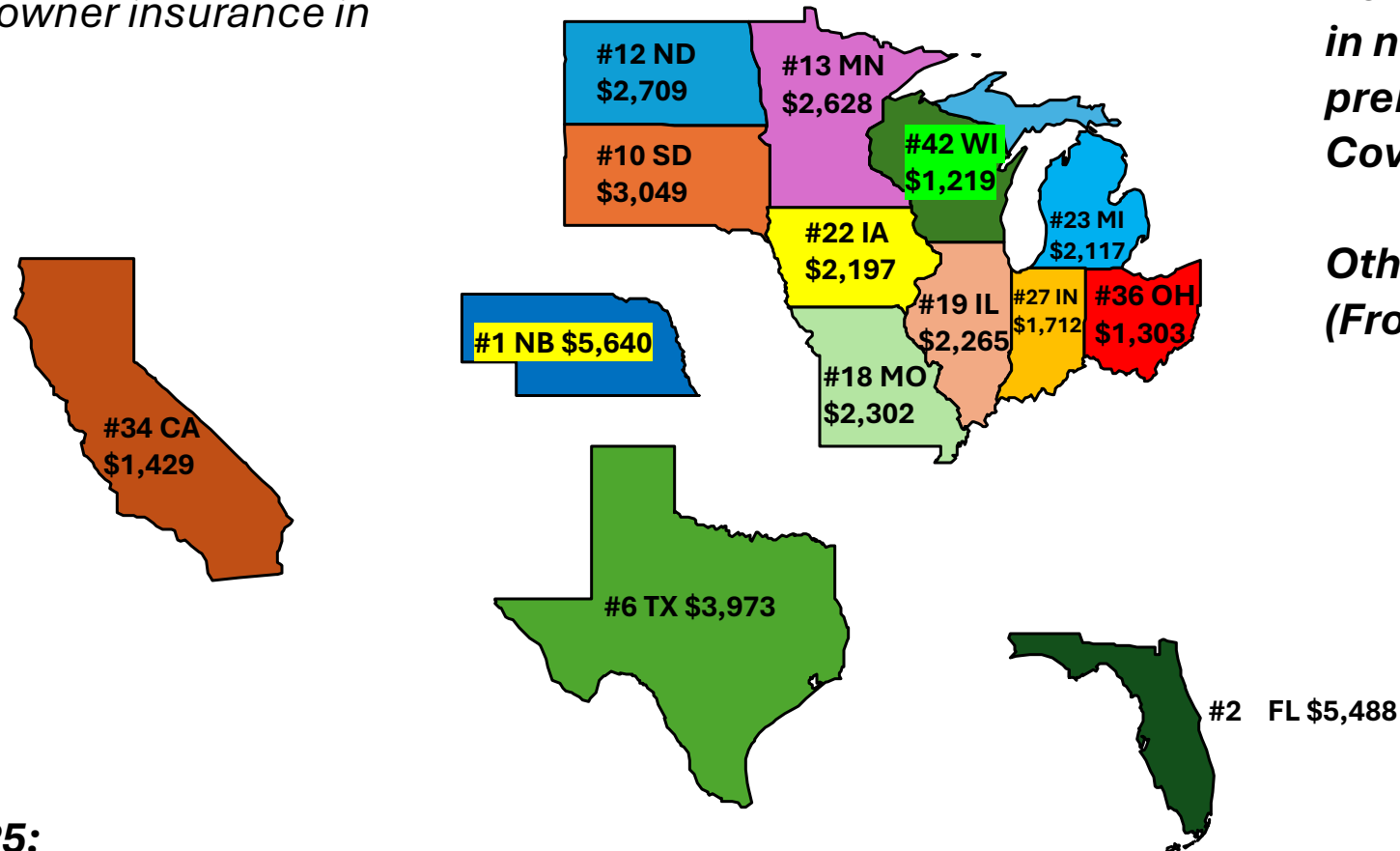


Average cost in the US
for \$300,000 of Dwelling
Coverage:

\$2,242

Average Annual Premium by State (\$300k of Coverage on Dwelling)

In recent publication by WIA (Wisconsin Insurance Alliance), WI ranked #1 as the lowest price paid to obtain Homeowner insurance in 2021.



State Ranking web article ranked WI as 8th lowest (#42 from highest to lowest) cost in nation for associated premium for Dwelling Coverage of \$300,000.

**Other neighbors' rankings:
(From highest to lowest)**

- MN – 13 (54% higher)**
- IA – 22 (44% higher)**
- IL – 19 (46 % higher)**
- IN – 27**
- MI - 23**

As of March of 2025:

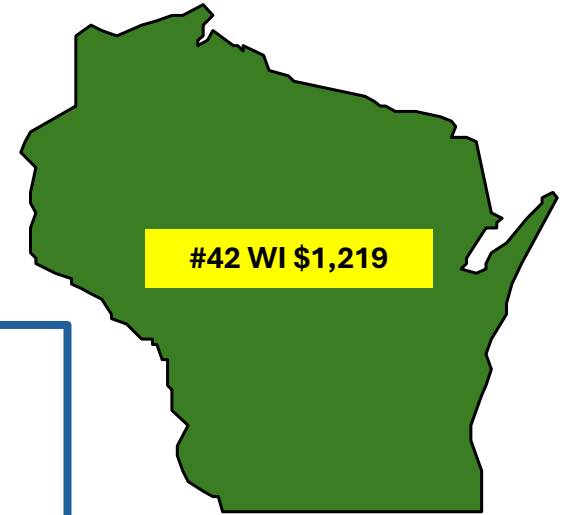
Per [Bankrate.com/insurance/homeowners-insurance/](https://www.bankrate.com/insurance/homeowners-insurance/)



Top 10 Most Expensive And Least Expensive States For Homeowners Insurance Premiums, 2021 (1)

Rank (3)	Most expensive states	Average premium (2)	Rank (3)	Least expensive states	Average premium (2)
1	Florida	\$2,437	1	Wisconsin	\$780
2	Louisiana	2,259	2	Oregon	793
3	Oklahoma	2,155	3	Utah	831
4	Texas (4)	2,146	4	Nevada	863
5	Rhode Island	1,900	5	Idaho	884
6	Colorado	1,802	6	Arizona	917
7	Mississippi	1,766	7	Ohio	920
8	Massachusetts	1,712	8	Delaware	988
9	Nebraska	1,684	9	Michigan	993
10	Connecticut	1,651	10	Maine	996

Rankings provide by Triple I.



**National Average for Homeowner
Premium on Dwelling Coverage of
\$300,000:**

\$2,242

Mutual of Wausau:

Quote today BEFORE any discounts:

	\$1,277
	Standard Program, Special
Perils	
	\$1,212
	Preferred Program

**National Average for Homeowner
Premium on Dwelling Coverage of
\$300,000:**

\$2,242

Homestead Mutual :

Quote today BEFORE any discounts:

	\$1,335
	Standard Program, Special
Perils	
	\$1,195
	Preferred Program

Commissioner Houdek – Homestead Annual Meeting – March 13, 2025



Commissioner Houdek – Homestead Annual Meeting – March 13, 2025

- **Message**

AI – Artificial Intelligence

It is here. OCI job to protect consumer and get an understanding of how carriers are leveraging AI; (OCI AI Bulletin Posted 3.18.2025)

Support of “Good to be in WI”

WI Insurance Industry – 130,000 jobs; 33,000 licensed domiciled agents;
\$50 Billion in Direct Premium Written

Stronger in WI movement by the OCI – what insured’s can do to be better prepared against losses or prevention

“Every \$1 spent up front saves \$6 at date of loss”



2025

- Early with additional rate
- At this point, looking at “NO additional rate action in 2025”
- “Steady as she goes”
 - Focus on Revenue Increasing
 - Focus on Flat if not slightly decreased policy count
 - UW actions to be fully implemented by late October
- 2026: MWG will “fully earn” the effect of recent rating actions in 2024 and early 2025.
- Underwriting Profitability was our #1 priority in our 3 Year business plan and remains our #1 priority
- Today’s presentations will elaborate on the steps being taken to reach this goal.





Reinsurance Update



Dan Peeters, CPCU, ARe
Vice President of Operations & Affiliations
Homestead Mutual

What is Reinsurance?

- “Reinsurance is the transfer from one insurer (the primary insurer) to another (the reinsurer) of some or all of the financial consequences of certain loss exposures covered by the primary insurer’s policies.”

The Institutes – Insurance Operations – 1st Ed. – 2012

- Said another way.....Insurance for Insurance Companies
 - Transfers risk from the primary insurance company to the reinsurer
 - And from that reinsurer to another reinsurer through retrocession, and so on
- Amount of risk associated with a single property is significantly higher today than just a few years ago



Select Time Period Comparisons of United States Billion-Dollar Disaster Statistics (CPI-Adjusted)

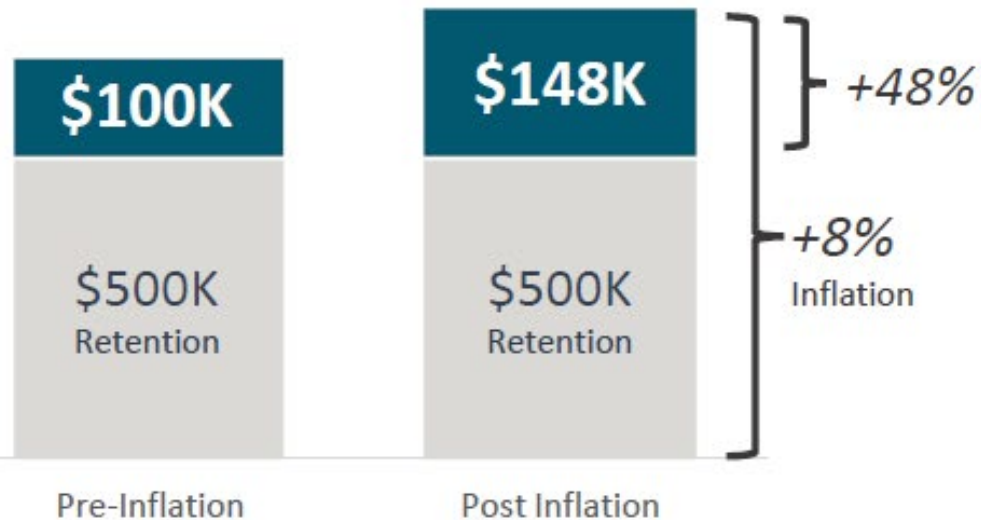
Time Period	Billion-Dollar Disasters	Events/Year	Cost	Percent of Total Cost	Cost/Year
1980s (1980-1989)	33	3.3	\$219.6B	7.5%	\$22.0B
1990s (1990-1999)	57	5.7	\$335.3B	11.5%	\$33.5B
2000s (2000-2009)	67	6.7	\$621.3B	21.3%	\$62.1B
2010s (2010-2019)	131	13.1	\$994.6B	34.1%	\$99.5B
Last 5 Years (2020-2024)	115	23.0	\$746.7B	25.6%	\$149.3B
Last 3 Years (2022-2024)	73	24.3	\$461.6B	15.8%	\$153.9B
Last Year (2024)	27	27.0	\$182.7B	6.3%	\$182.7B
All Years (1980-2024)	403	9.0	\$2,917.5B	100.0%	\$64.8B

Last 5 years: 23 events in the US exceeding \$1Bn each

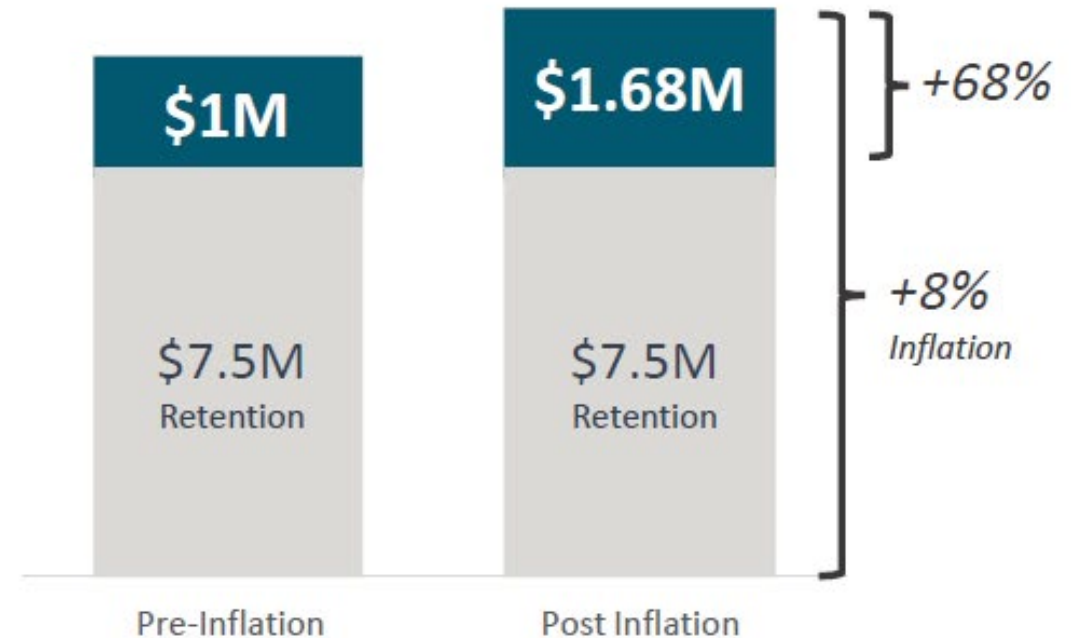
2024: 27 events exceeding \$1Bn each

Inflation is particularly worrisome for reinsurers because higher claims severity has a leveraged impact on excess layers

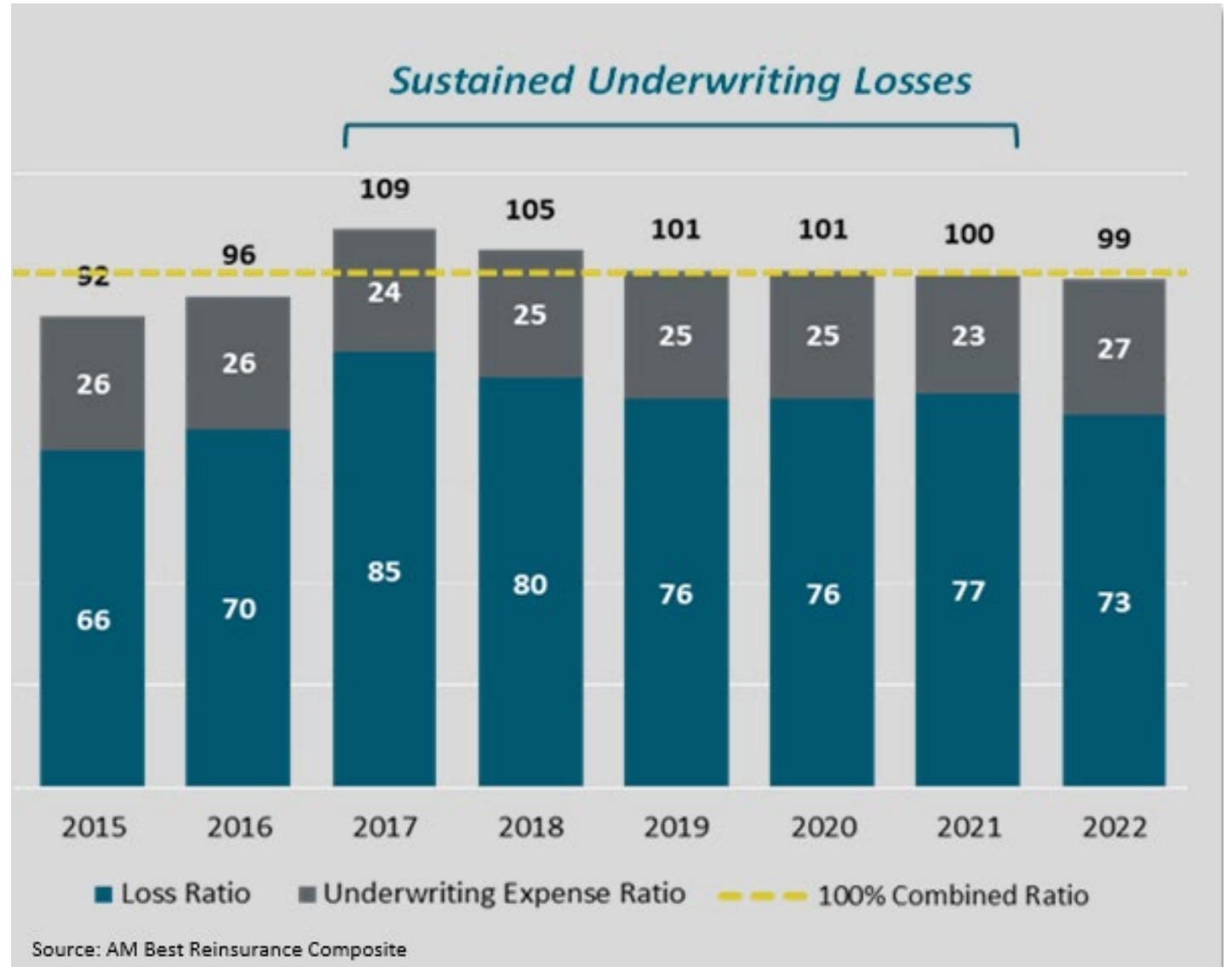
Loss Example 1 – \$600K Claim



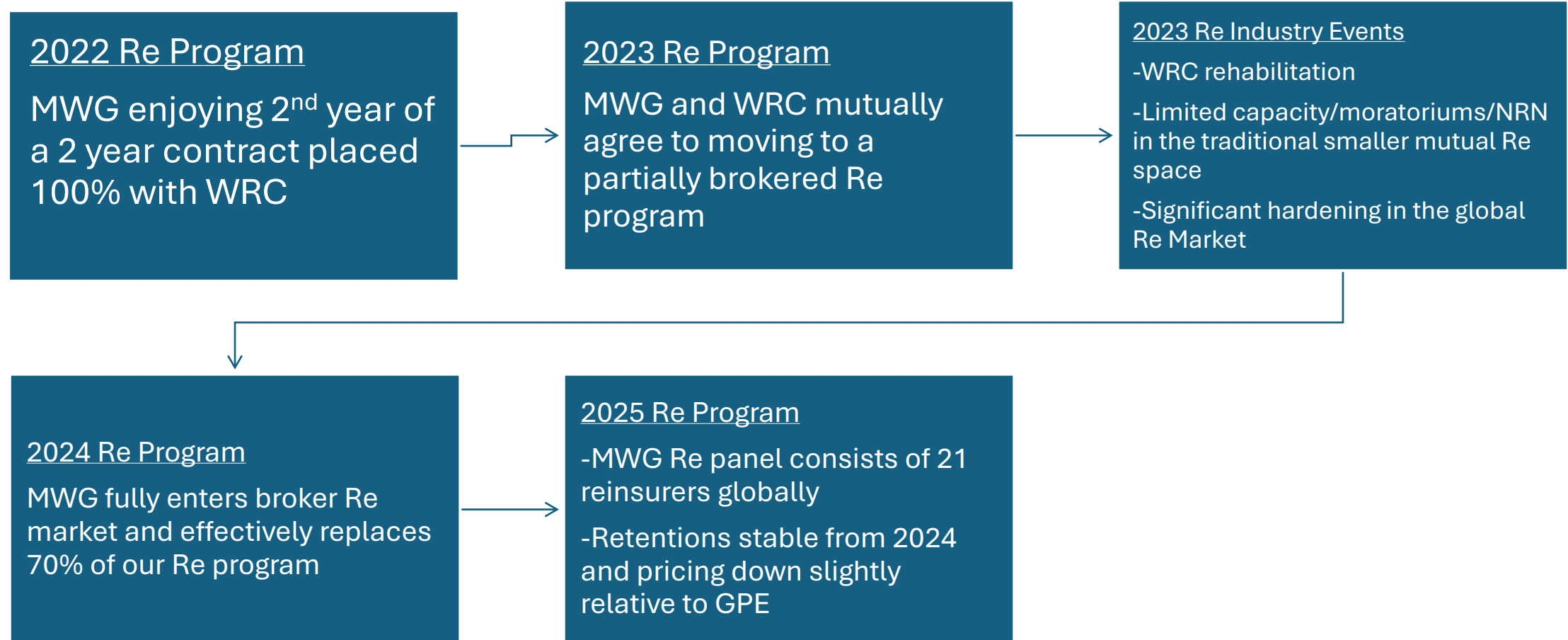
Loss Example 2 – \$8.5M Claim



Reinsurance Industry Results (2015-2022)



MWG Reinsurance (Re) Timeline of Events





2022 MWG Reinsurance Program Excerpt

- **100% WRC**
- Individual Large Loss Retention
 - Property = \$150,000
 - Casualty = \$75,000
- Catastrophe Retention
 - First Event = \$1,200,000
 - Second Event = \$1,200,000
 - \$17.5M Ground Up Coverage with One Free Reinstatement
- Aggregate Excess (Stop Loss)
 - Unlimited coverage attaching at 65-70% NPE

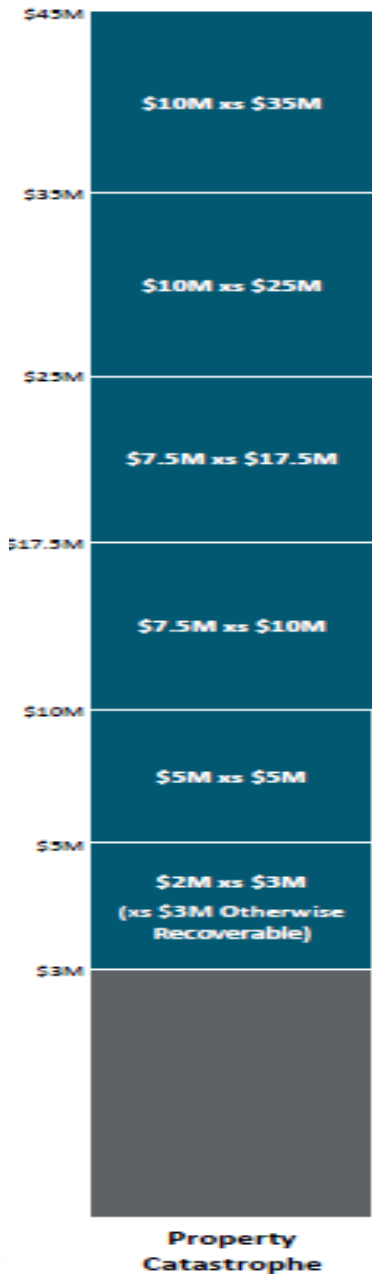
2025 MWG Reinsurance Program Excerpt

- **100% Broker Market (21 Reinsurers)**
- Individual Large Loss Retention
 - Property = \$400,000
 - Casualty = \$400,000
- Catastrophe Retention
 - First Event = \$5,000,000
 - Second Event = \$4,000,000
 - \$45M Ground Up Coverage with One Paid Reinstatement
- Aggregate Excess (Stop Loss)
 - N/A
 - Largely unavailable in current Re market for our size carriers



MWVG 2025 CAT Coverage

Exceedance Probability	Return Period	RMS v23.0 Gross OEP	Verisk v10.0 Gross OEP	Model Avg. OEP
0.10%	1,000	56,880,130	47,442,345	52,161,238
0.20%	500	45,445,649	37,826,352	41,636,001
0.40%	250	35,133,699	26,256,073	30,694,886
0.50%	200	32,073,666	24,827,251	28,450,458
1.00%	100	23,442,562	18,864,498	21,153,530
2.00%	50	16,229,507	14,610,704	15,420,105
4.00%	25	10,633,719	10,443,143	10,538,431
10.00%	10	5,845,821	6,182,967	6,014,394
20.00%	5	3,495,883	3,749,158	3,622,521
AAL		4,248,407	5,034,803	4,641,605



In Summary....

- We are adequately protected
 - CAT coverage protection at the 1 in 500-year event level
- Significantly higher retentions since 2022
 - MWG growth and transition into the broker market
 - Disruption in traditional small mutual reinsurer space
 - Global reinsurance market adjustments
- Moving forward
 - Accept that reinsurance will not solve UW performance problems
 - Work collaboratively with our panel of reinsurers in coverages and pricing
 - Make adjustments needed internally to get back to profitability in consideration of the level of reinsurance protection available, and pricing, in the market



Questions?

Financial Update

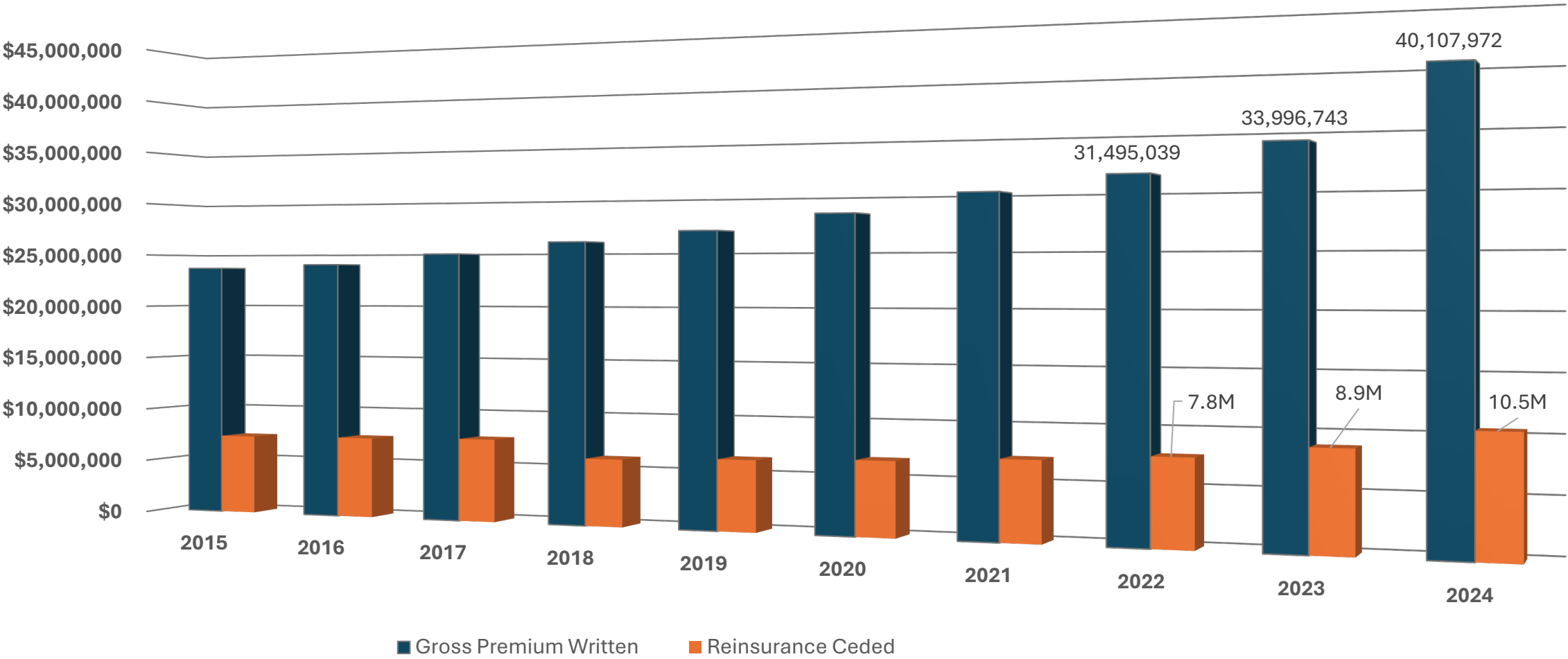


Tyrrell Wirkus, CPA, MIP, MID
Vice President of Finance
Mutual of Wausau

10 Year Financial Exhibits - Group

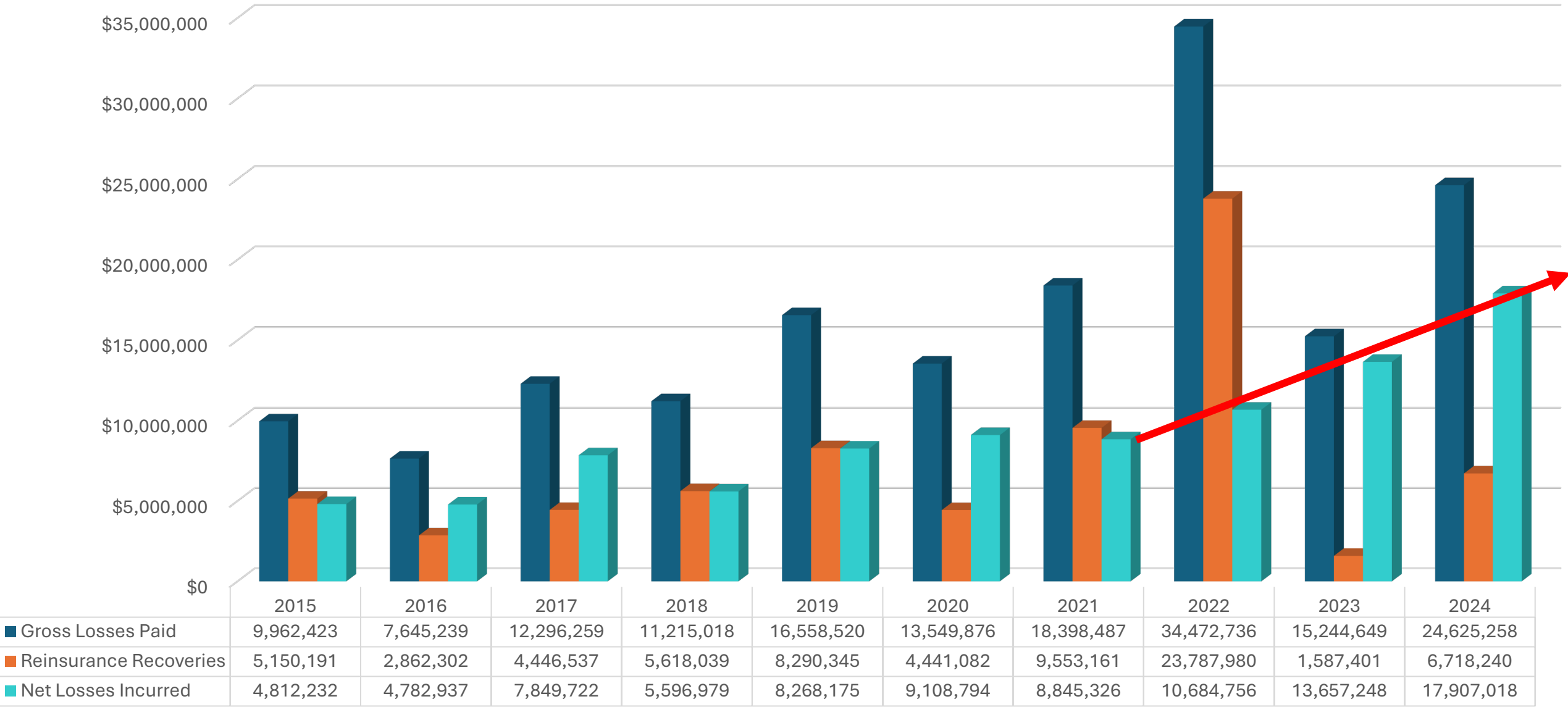


Gross Premium Written and Reinsurance Ceded



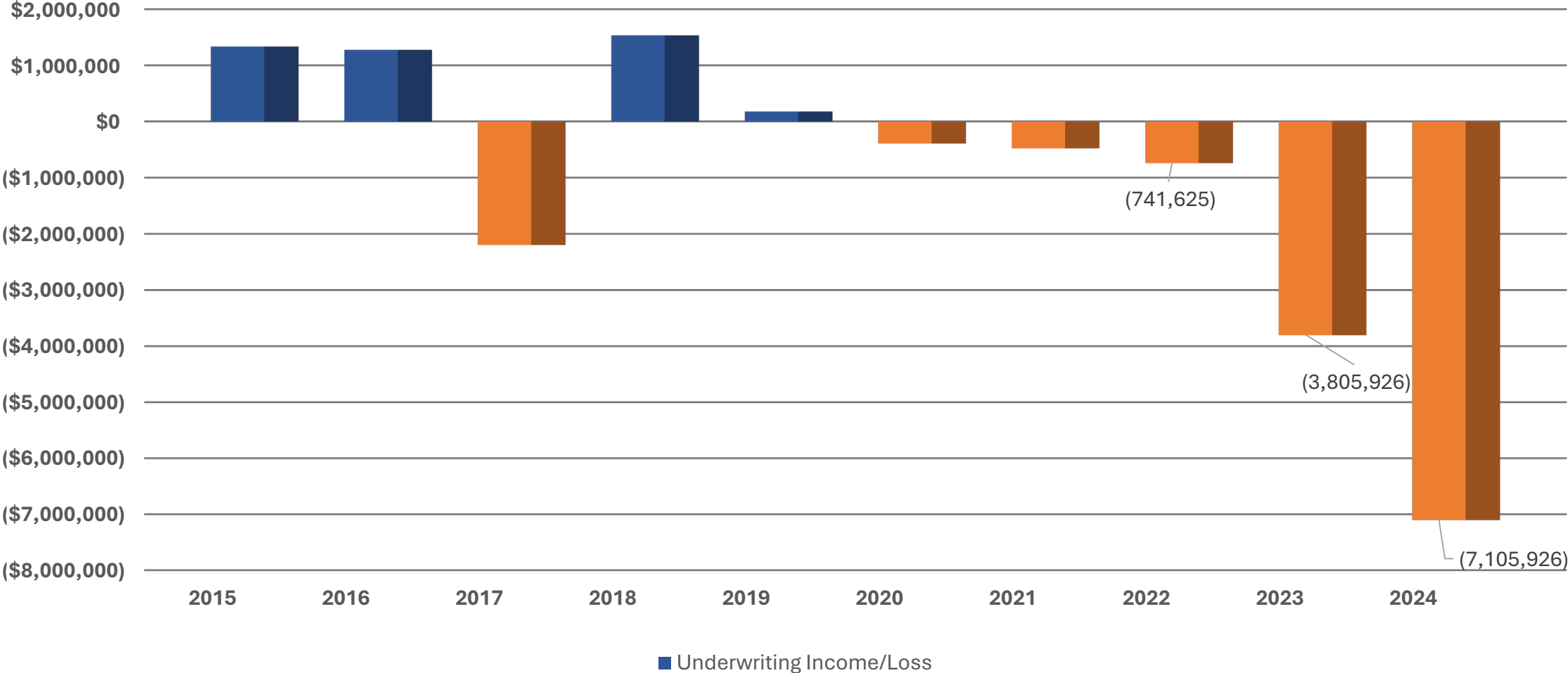


Gross Losses Paid and Reinsurance Recoveries



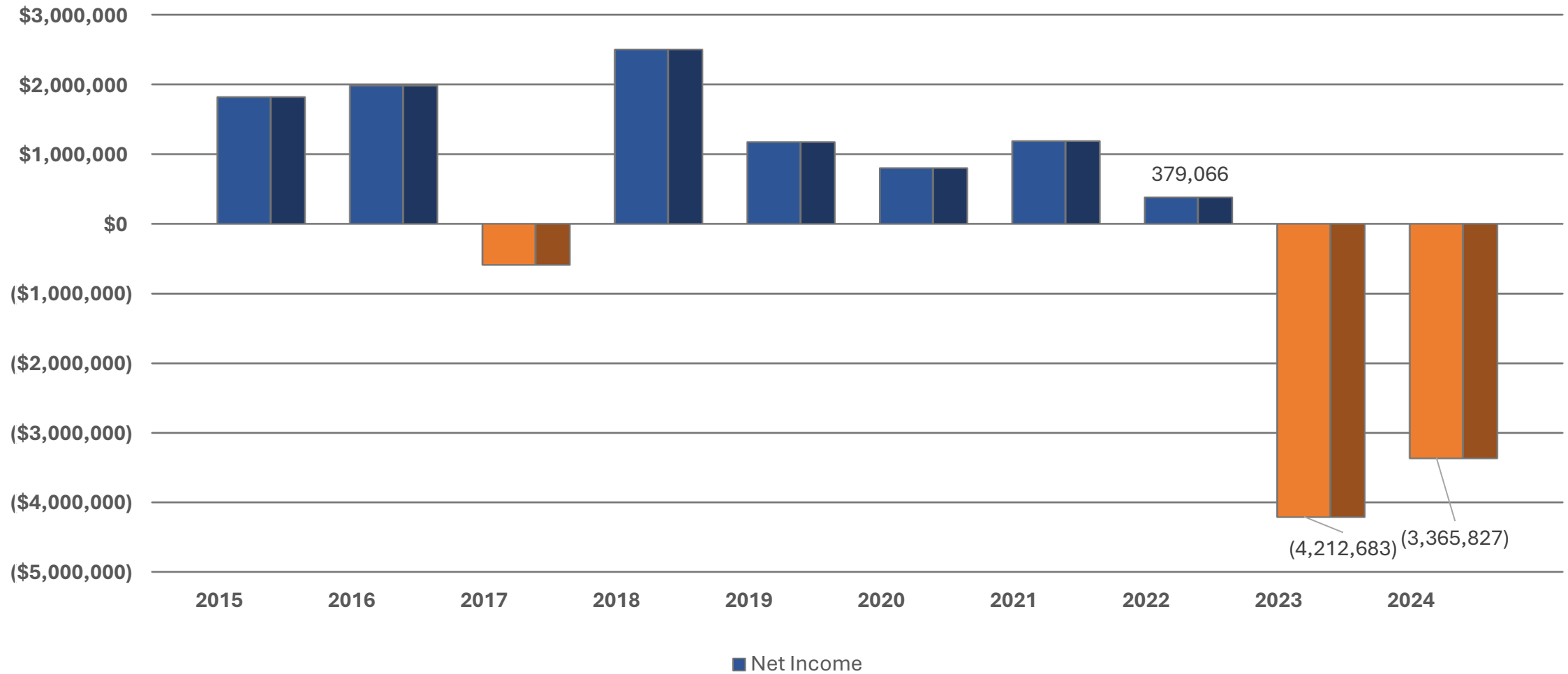


Underwriting Income/Loss



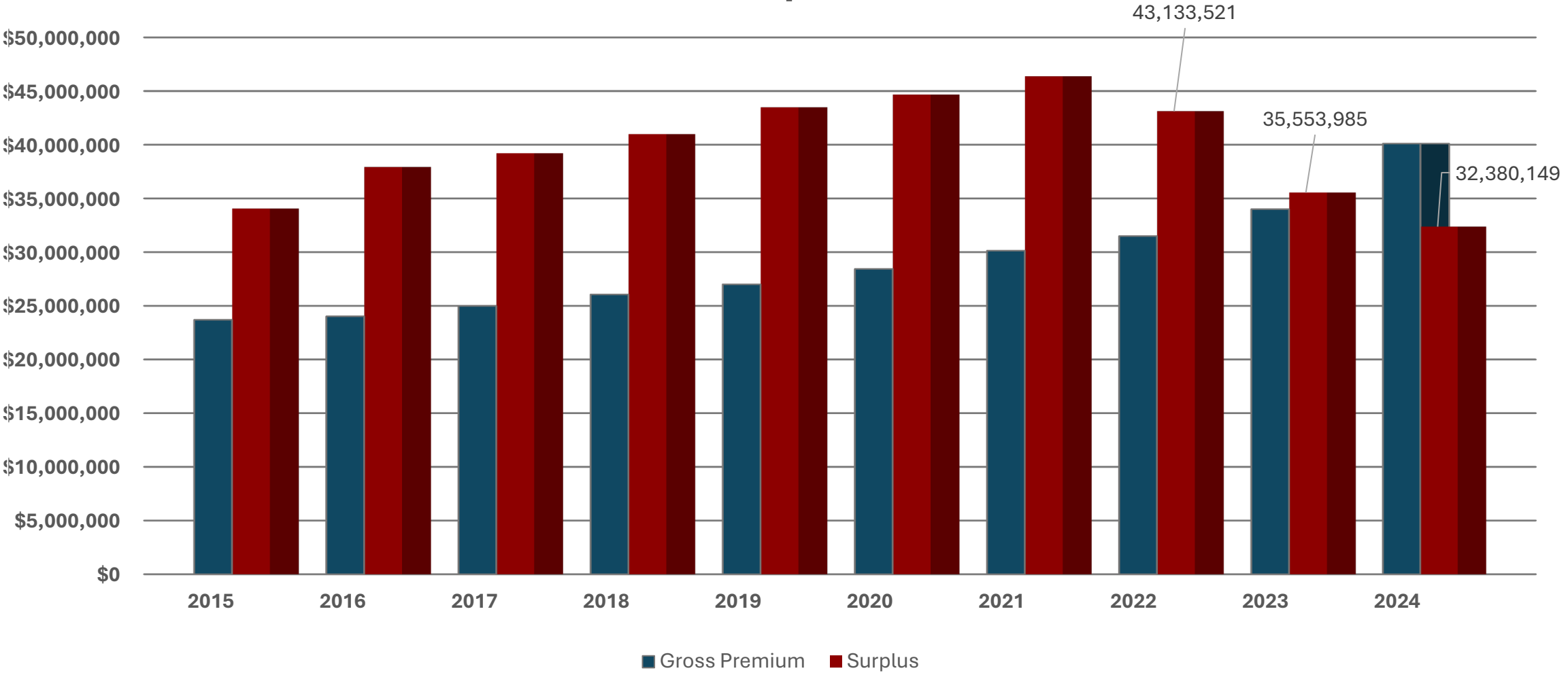


Net Income/Loss



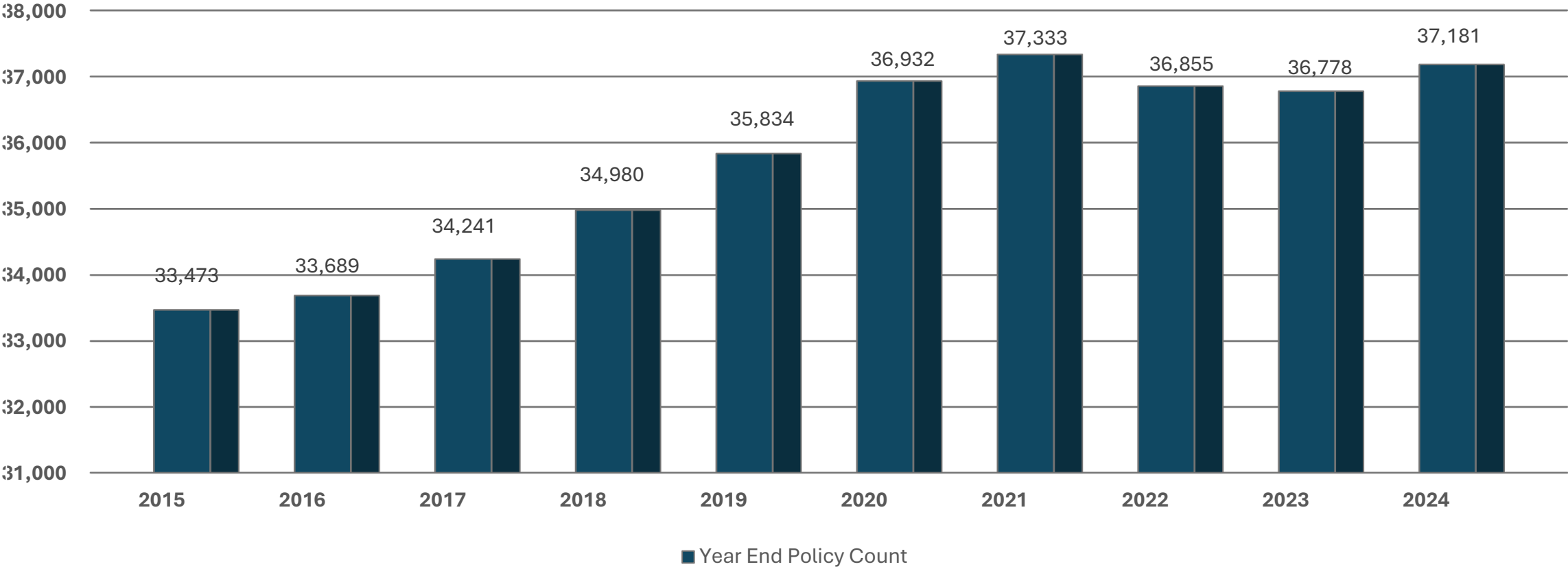


Surplus





Year End Policy Count

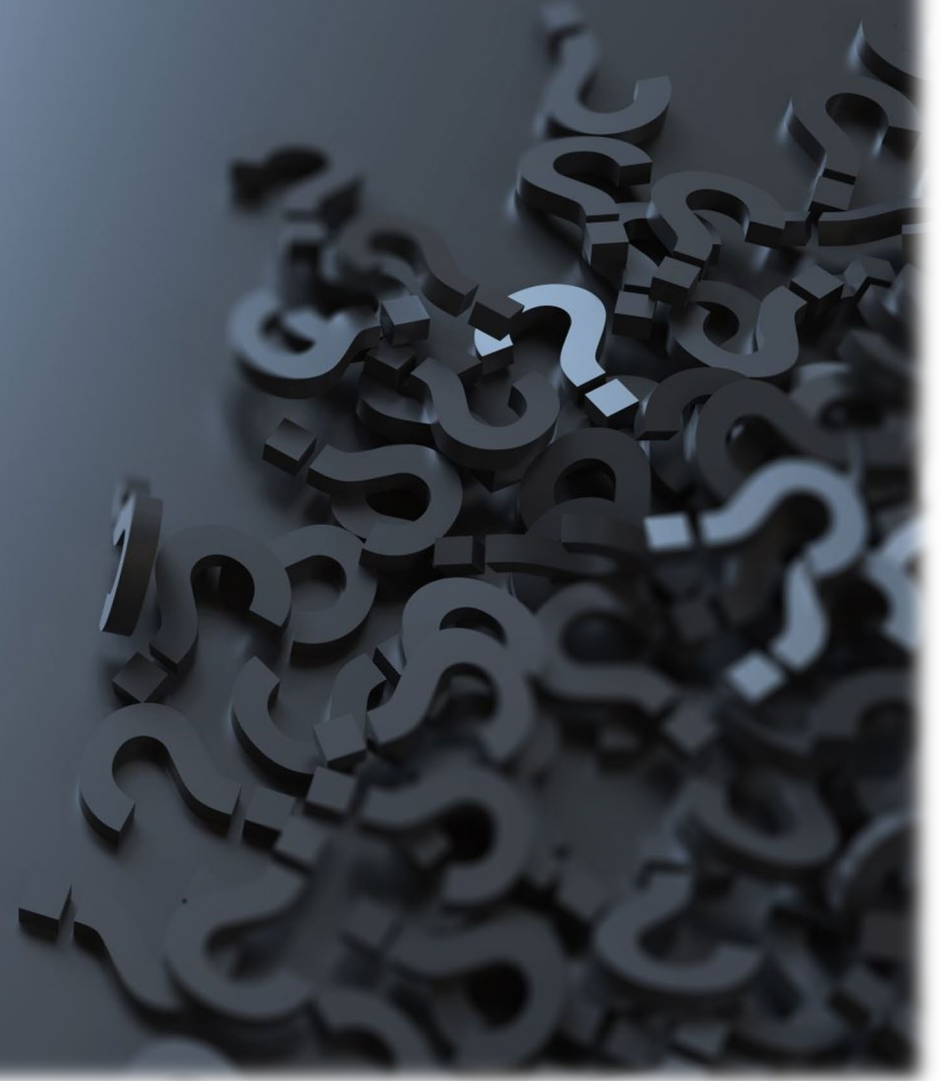




Q1 2025 Group Results

- Gross premium written - \$9.04M
- Reinsurance ceded - \$2.24M
- Losses incurred - \$5.52M
- Reinsurance recoveries - \$1.13M
- Underwriting loss - \$496K
- Combined ratio – 112.4%
- Net income - \$76K
- Surplus decrease – \$182K

Questions?



Marketing Update

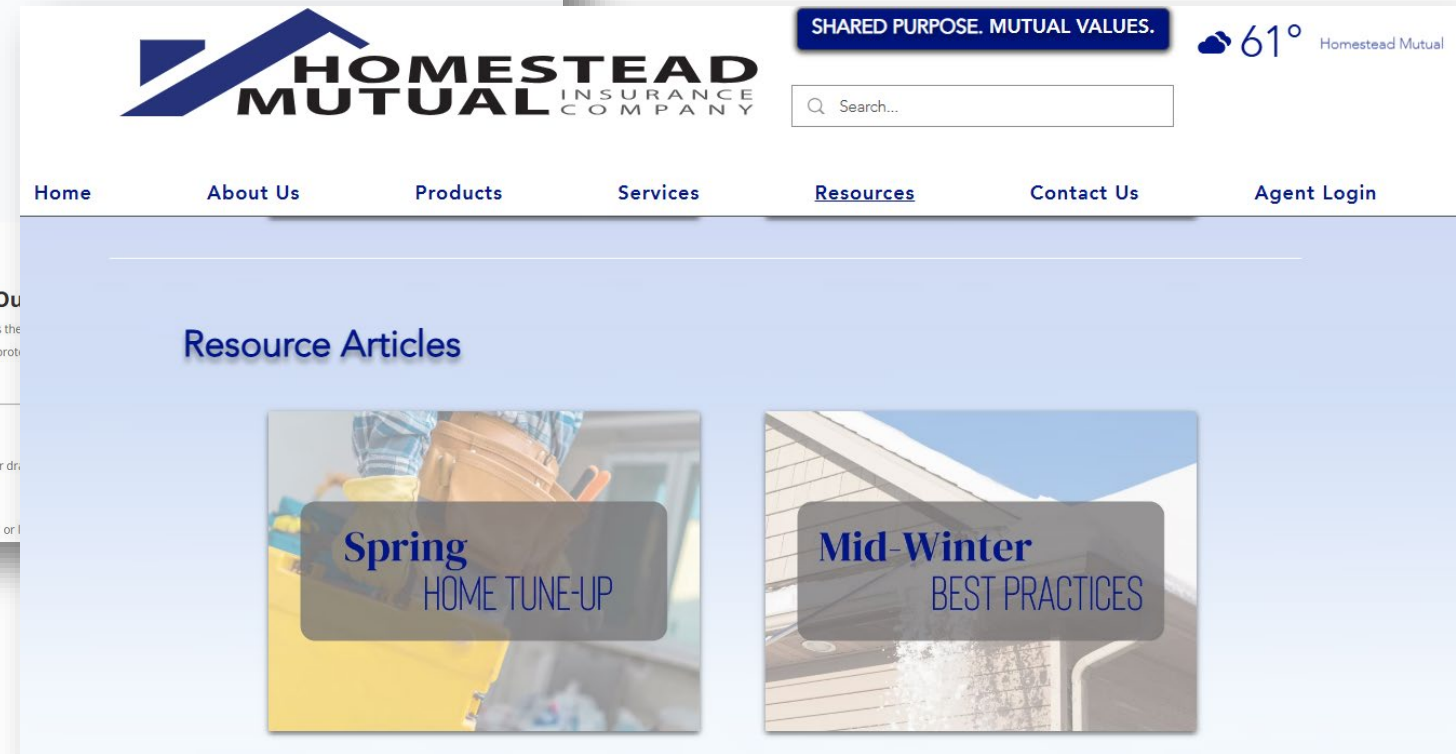
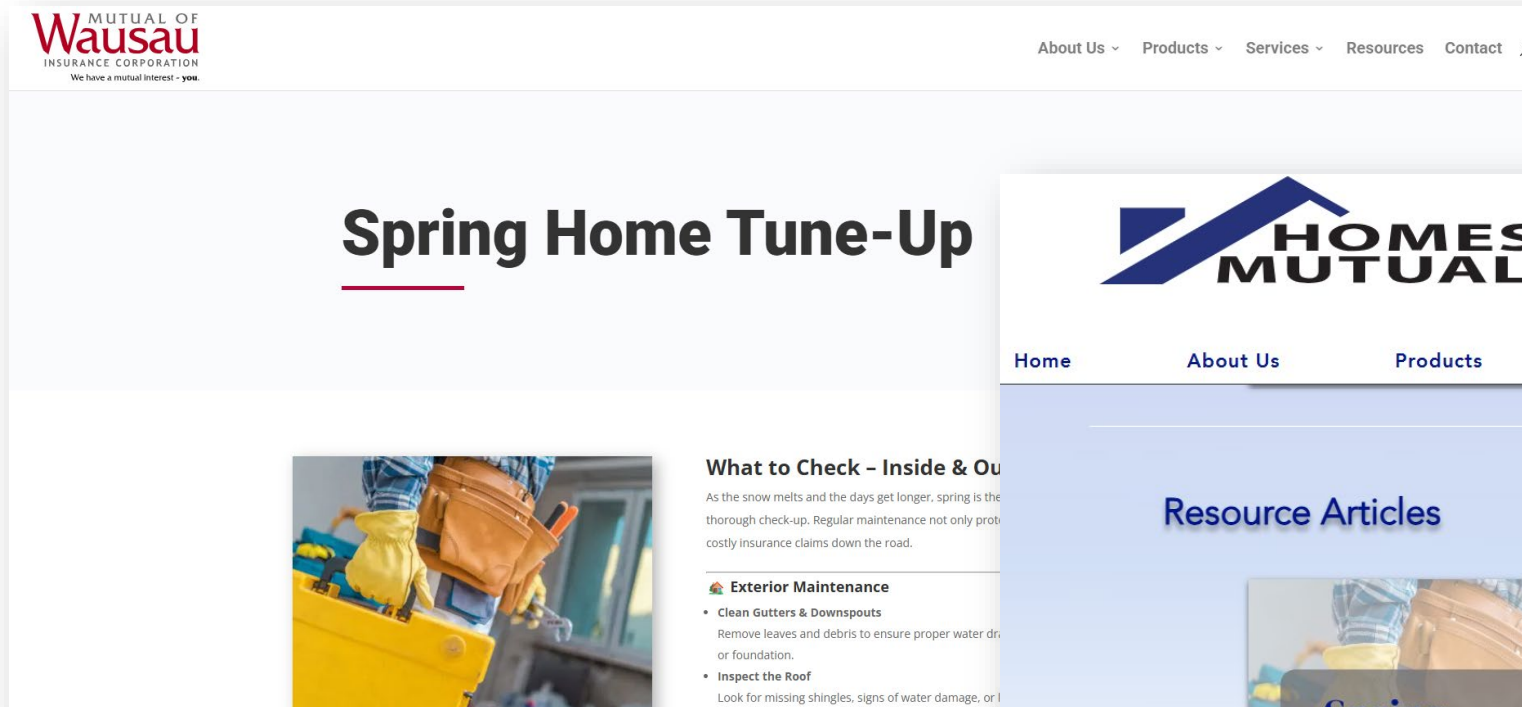


Jakie Sperberg, MIP, MID
Director of Marketing
Mutual of Wausau



Website Enhancements

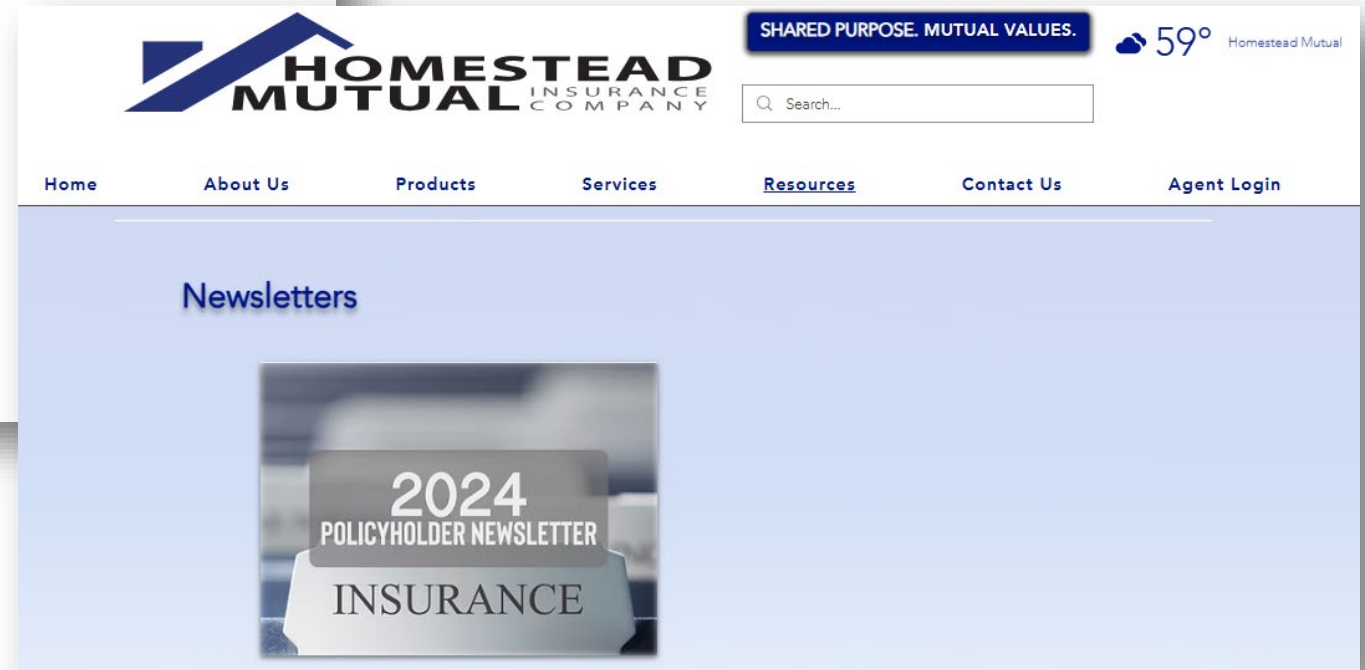
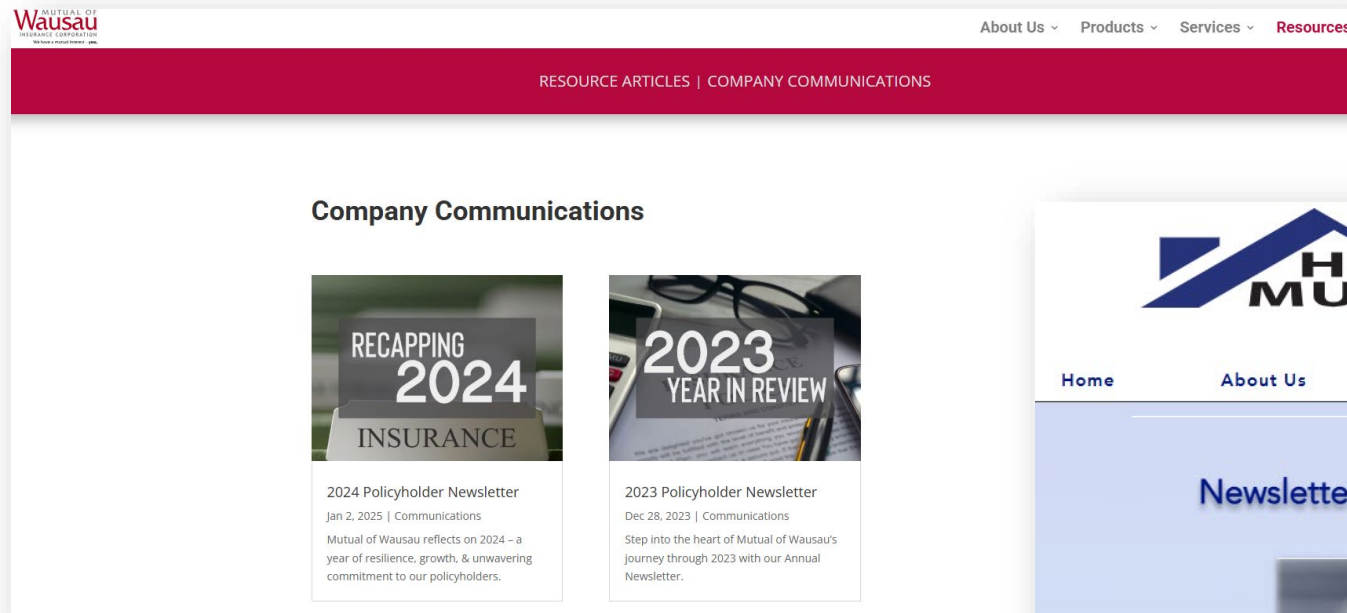
Policyholder Resources





Website Enhancements

Policyholder Resources



Community Involvement

Scholarships & Grants

Community Involvement



Building a Better Tomorrow

Mutual of Wausau Insurance Corporation is proud to support our policyholders and neighbors across Central Wisconsin through grants, scholarships, and local donations. Explore the opportunities we offer and see how, together, we can make a meaningful impact.

Click below to learn more!

[Learn More](#)

HOMESTEAD MUTUAL INSURANCE COMPANY

SHARED PURPOSE. MUTUAL VALUES. 59°

Search...

Home About Us Products Services Resources Contact Us Agent Login

Community Involvement

Homestead Mutual Insurance is committed to supporting our policyholders and neighbors across Wisconsin through grants, scholarships, and community donations.

Explore how we're making a difference and join us in creating a lasting impact together.

Opportunities

Young Farmer Grant

SCAN ME



Opportunities

Scholarship Program

At Homestead Mutual, we're proud to invest in the future through our Scholarship Program. Designed for high school juniors and seniors, this initiative supports the children and grandchildren of our valued policyholders.

[Click here to learn more and apply today!](#)

SCAN ME



Website Enhancements

Agent Resources

The image displays two website screenshots. The left screenshot shows the Wausau Insurance Corporation website with a navigation bar containing links like BRITECORE, APPLICATIONS, BULLETINS, and a section for Updates & Events featuring a 2025 Annual Report. The right screenshot shows the Homestead Mutual Insurance Company website, which has a navigation bar with links like Home, About Us, Products, Services, Resources, Contact Us, and Agent Login. The Resources section is expanded, showing a list of folders: Farm Property, Policy Maintenance, Forms, Marketing, and Resource Materials. The Resource Materials folder is selected, displaying a list of items: 2024 Agent Meeting Presentation, IMT Online & AISUS Systems Training Video, Agent Portal Training Handouts, and Annual Meeting Booklet. The right sidebar of the Homestead Mutual website shows a search bar and a weather widget.

Wausau Insurance Corporation Website:

- Navigation: About Us, Products, Services
- Menu: BRITECORE, APPLICATIONS, BULLETINS, UPDATES & EVENTS, FORMS, MANUALS, MARKETING, POLICY FORMS, STAFF, CONTACT
- Section: Updates & Events
- Year: 2025
- Image: 150th Annual Report
- Year: 2024

Homestead Mutual Insurance Company Website:

- Navigation: Home, About Us, Products, Services, Resources, Contact Us, Agent Login
- Search: Search...
- Weather: 59° Mostly Cloudy Homestead Mutual
- Resources Section:

 - Farm Property
 - Policy Maintenance
 - Forms
 - Marketing
 - Equipment Breakdown Videos
 - Co-op Advertising Program
 - Resource Materials
 - 2024 Agent Meeting Presentation
 - IMT Online & AISUS Systems Training Video
 - Agent Portal Training Handouts
 - Annual Meeting Booklet

- Item List:

 - CMC Forms (1 item)
 - CP Forms (83 items)
 - DED Forms (2 items)
 - FDD Forms (1 item)

Staying Connected with You

- Agency Visits
- Co-Op Advertising
- Advisory Council
- New Agent Training



Co-op Advertising Programs



Mutual of Wausau Insurance Corporation (hereinafter, Corporation) will pay a calendar year Co-op Advertising reimbursement based upon the following conditions.

1. DEFINITIONS

- a. **PREMIUM** means Written Premium from January 1st through December 31st each year from all policies issued by the Corporation for the Agency.

2. ELIGIBILITY

- a. The Agency shall be eligible for the Co-op Advertising Program in each calendar year in which:
 1. The preceding calendar year premium total of \$30,000.00 or more is achieved.

3. COMPUTATION

- a. Available Dollars = .0025 X Written Premium, if \$30,000 or more.

4. PAYMENT PROVISION PROCESS

- a. Prior approve co-op advertising with Corporation, including ad proof(s).
- b. Purchase approved advertising and submit paid invoice to Corporation.
- c. The corporation will reimburse 50% of dollars spent by the Agency up to the calculated amount available.

5. GENERAL PROVISIONS

- a. In the event of a mid-year merger, the Corporation will determine how the merger will impact the current year calculation.
- b. This Program may be amended or terminated by the Corporation giving the Agency 30 days' notice prior to the effective date of the amendment or termination.
- c. Co-op advertising dollars shall be determined solely on figures produced by the Corporation.
- d. The co-op advertising payment, if any, is payable to the Agency only if the Agency has complied with all the terms of this Program and their Agency Contract with the Corporation during the applicable contingent year.
- e. The failure of the Corporation to enforce or apply, at any time, any of the provisions of this Program or the Agency Contract shall in no way be construed to be a waiver of such provisions.



Homestead Mutual Insurance Company (hereinafter, Company) will pay a calendar year Co-op Advertising reimbursement based upon the following conditions.

1. DEFINITIONS

- a. **PREMIUM** means Written Premium from January 1st through December 31st each year from all policies issued by the Company for the Agency.

2. ELIGIBILITY

- a. Any Agency shall be eligible for a minimum \$250 Co-op Advertising fund allowance annually. Additional funds will be awarded in each calendar year in which:
 1. An Agency's preceding calendar year Written Premium totals more than \$100,000.00.

3. COMPUTATION

- a. If prior calendar year Premium is \$100,000 or less
 - i. Available Dollars = \$250
- b. If prior calendar year Premium is more than \$100,000
 - i. Available Dollars = .0025 X Written Premium
- c. A separate allowance of \$1,000 per year will be available to any Agency specifically for exterior signage.

4. PAYMENT PROVISION PROCESS

- a. Prior approval of co-op advertising with Company, including ad proof(s).
- b. Purchase approved advertising and submit paid invoice to Company.
- c. The Company will reimburse 50% of dollars spent by the Agency up to the calculated amount available.

5. GENERAL PROVISIONS

- a. In the event of a mid-year merger, the Company will determine how the merger will impact the current year calculation.
- b. This Program may be amended or terminated by the Company giving the Agency 30 days' notice prior to the effective date of the amendment or termination.
- c. Co-op advertising dollars shall be determined solely on figures produced by the Company.
- d. The Co-op advertising payment, if any, is payable to the Agency only if the Agency has complied with all the terms of this Program and their Agency Contract with the Company during the applicable contingent year.
- e. The failure of the Company to enforce or apply, at any time, any of the provisions of this Program or the Agency Contract shall in no way be construed to be a waiver of such provisions, nor shall it in any way affect the right of the Company thereafter to enforce or to apply each and every such provision.

Continued Corporate Advertising

- Muzzy Broadcasting
- Zaleski Sports
- Golfer's Digest





Social Media



625 Followers
829 Post Reaches
2,435 Views
177 Interactions



116 Followers
32 Post Reaches
76 Views
10 Interactions



512 Followers
1,417 Impressions
89 Views
68 Reactions

Like, follow & share!

Industry Group Involvement

- PIAW
- 1752 Club
- WAMIC
- NAMIC
- IIAW



WAMIC
WISCONSIN ASSOCIATION OF
MUTUAL INSURANCE COMPANIES



NAMIC
NATIONAL ASSOCIATION OF
MUTUAL INSURANCE COMPANIES



**Independent
Insurance**
Agents of **Wisconsin**

The background of the slide is a split image. The left half shows a close-up of a wooden baseball bat and a white baseball with red stitching. The right half shows a blue golf ball on a green grassy field. The text "2025 Agent Appreciation Events" is centered over the bottom half of the image.

2025 Agent Appreciation Events



MUTUAL OF
Wausau
GROUP

save the date
AGENT APPRECIATION
GOLF
OUTING

August 14, 2025

**Fox Fire Golf Club
at Par4 Resort
Waupaca, WI**



save the date

WAUSAU
Woodchucks



**AGENT APPRECIATION
EVENT**

August 5, 2025
First Base Patio

MUTUAL OF
Wausau
GROUP

save the date



**AGENT APPRECIATION
EVENT**

August 27, 2025
Left Field Loft

MUTUAL OF
Wausau
GROUP

Celebrating

MUTUAL OF
Wausau
INSURANCE CORPORATION
1875 - 2025

Years

Save the Date

Mutual of Wausau's 150th Celebration
August 21, 2025

3910 Stewart Ave, Wausau, WI 54401
10am-2pm

Visit www.mutualofwausau.com for more information.



Founded:

December 27, 1875



Claims Update



Sean P. Sarver, MID, MIP
Vice President of Claims
Mutual of Wausau Insurance

Claim Staff



Angie
Sprague



Shelly
Schmuhl



Paul
Splinter



Cassidy
Zettler



Jaelynn
Young



Jon
Schubert

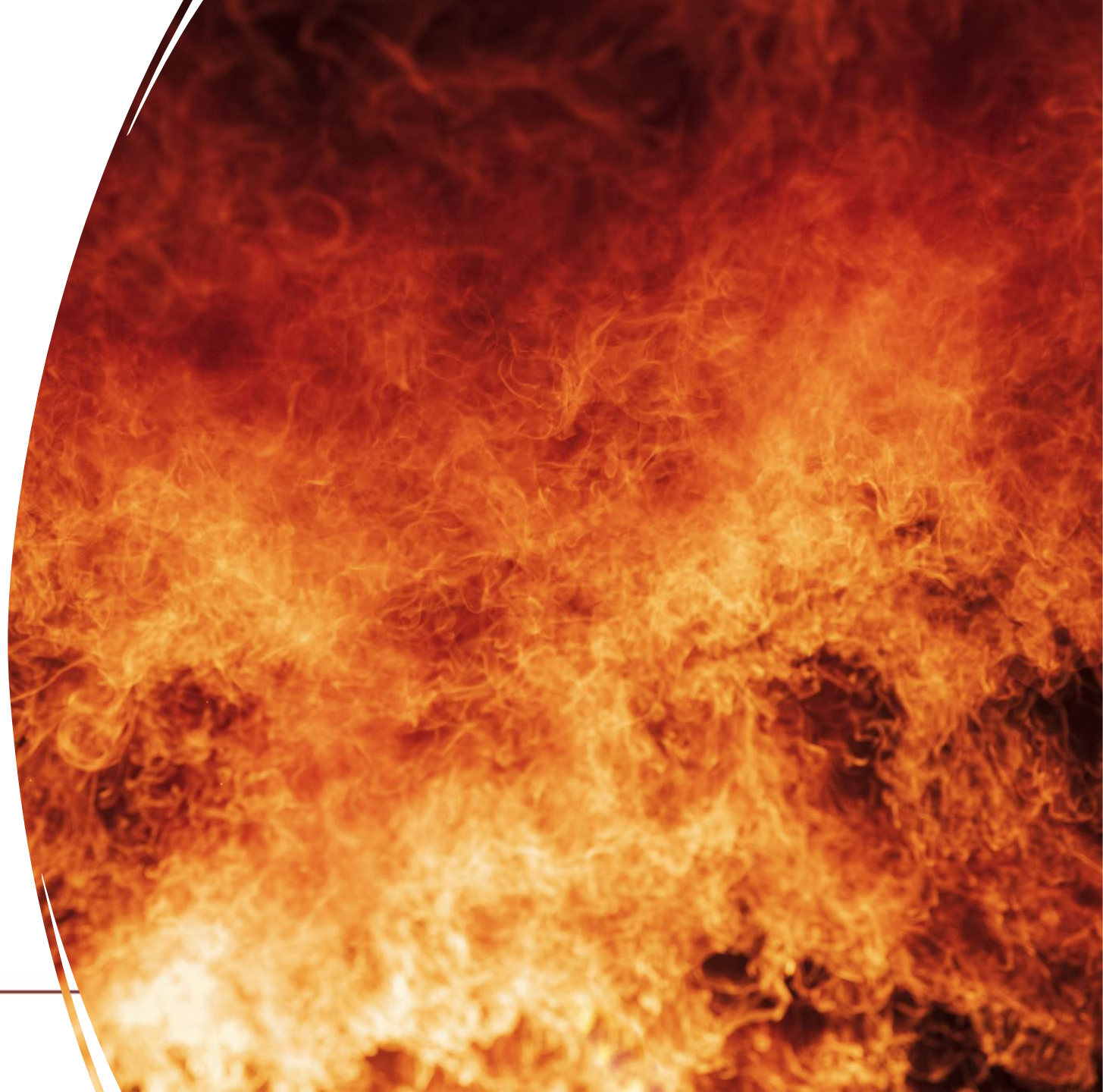
2024-2025

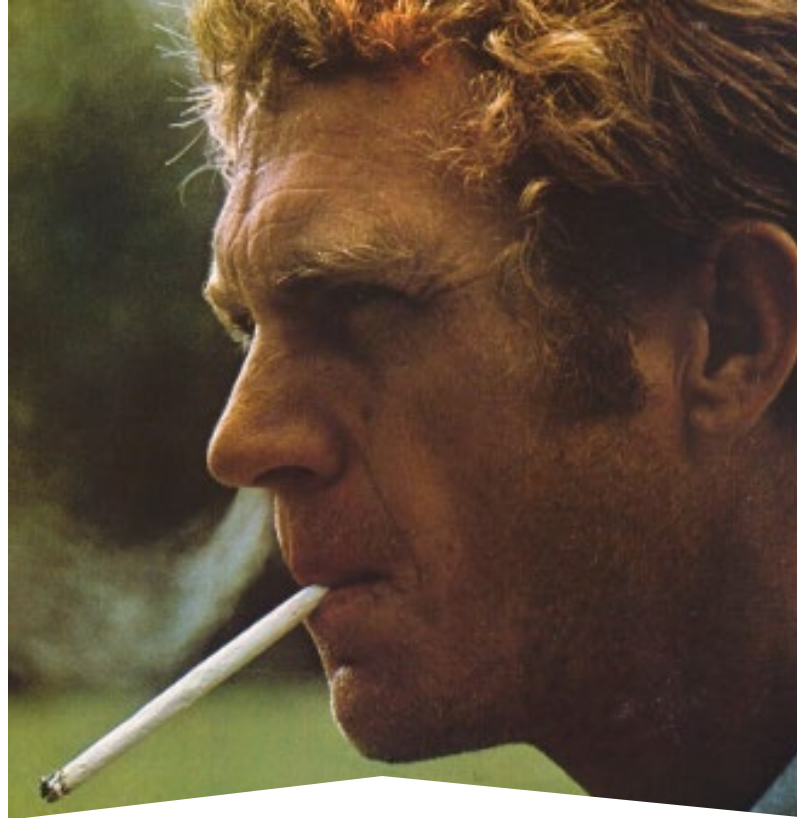
Twelve Months of Fire!

86 Fire claims

\$8,810,781.55 Total Paid

\$2,173,502.26 Remaining Reserves





- Human negligence
- Pets
- Electrical
- Heating units

Wisconsin Wildfires

- As of May 6th, 2025, there have been 658 wildfires that have burned over 2,200 acres.
- (One of which was caused by an insured with liability damages)



\$30 Billion industry in insurance roofing

- Nearly \$3 Billion in fraud
- Door knockers filing claims with insured on the phone.
- Claiming code upgrades
- Roof can't be repaired therefore entire new roof required
- Repairs null the need for code upgrades
- **Roofers don't know what's coming their way from the insurance industry – ACV only and higher deductibles.**





Contractor Fraud Awareness Week

May 19 – 23, 2025

Proclaimed by Governor Tony Evers

Purpose:

- Raise public awareness of contractor fraud, especially after severe weather events
- Help homeowners avoid predatory practices during home repair and rebuilding

Key Issues:

- Fraudulent inflation of repair/rebuilding costs
- Increased insurance premiums & reevaluation of coverage
- Consumer vulnerability post-disaster

STATE of WISCONSIN



OFFICE of the GOVERNOR

Proclamation

WHEREAS, each year, Wisconsin faces catastrophic weather events such as tornadoes, hail, flooding, and other natural disasters, all of which can cause serious damage or destruction of individuals' private property and homes; and

WHEREAS, following these disasters, homeowners are vulnerable to predatory practices from contractors fraudulently inflating repair or rebuilding costs, and raising public awareness of the various types of contractor fraud schemes is essential to educate homeowners on how to identify and avoid these harmful schemes; and

WHEREAS, predatory practices by unscrupulous contractors ultimately increase costs for consumers by driving up insurance premiums and forcing insurers to reevaluate risk; and

WHEREAS, it is recommended for Wisconsinites to get at least three written estimates, review contractor credentials, and work collaboratively with insurers during the entirety of the rebuilding process when hiring a contractor; and

WHEREAS, this week, the state of Wisconsin joins national, state, and local partners, including law enforcement, first responders, legislators, and state officials, in encouraging all Wisconsinites to become familiar with contractor fraud tactics and to understand their rights as a consumer under Wisconsin Home Improvement regulations;

NOW, THEREFORE, I, Tony Evers, Governor of the State of Wisconsin, do hereby proclaim May 19 – 23, 2025, as

CONTRACTOR FRAUD AWARENESS WEEK

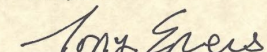
throughout the State of Wisconsin, and I commend this observance to all our state's residents.



By the Governor:


SARAH GODLEWSKI

IN TESTIMONY WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of Wisconsin to be affixed. Done at the Capitol in the City of Madison this 16th day of May 2025.


TONY EVERS
GOVERNOR

Roof Payment Schedule – Do not fear

- Making the insured whole again after a loss – no more, no less
- Insurance is made to restore a policyholder to their pre-loss condition, not to improve it. We owe for what you had. Insurance is not a maintenance policy.
- The RPS accomplishes this by adjusting claims based upon age of the roof.
- With clear communication during all facets of the policy indoctrination, the insured will hopefully understand the value of the RPS and the reason for it.



Would you pay for a new roof to replace these?



20 year 3-
tab

Lifetime class 4 dimensional
shingle



Assignment of Benefits

What is it?

How does it affect the insured?

How does it affect the carrier?

How does it affect the claim?

Who actually benefits from this document?

Communication

Phone or email (not rotary)

Email

File Claims online



Questions?



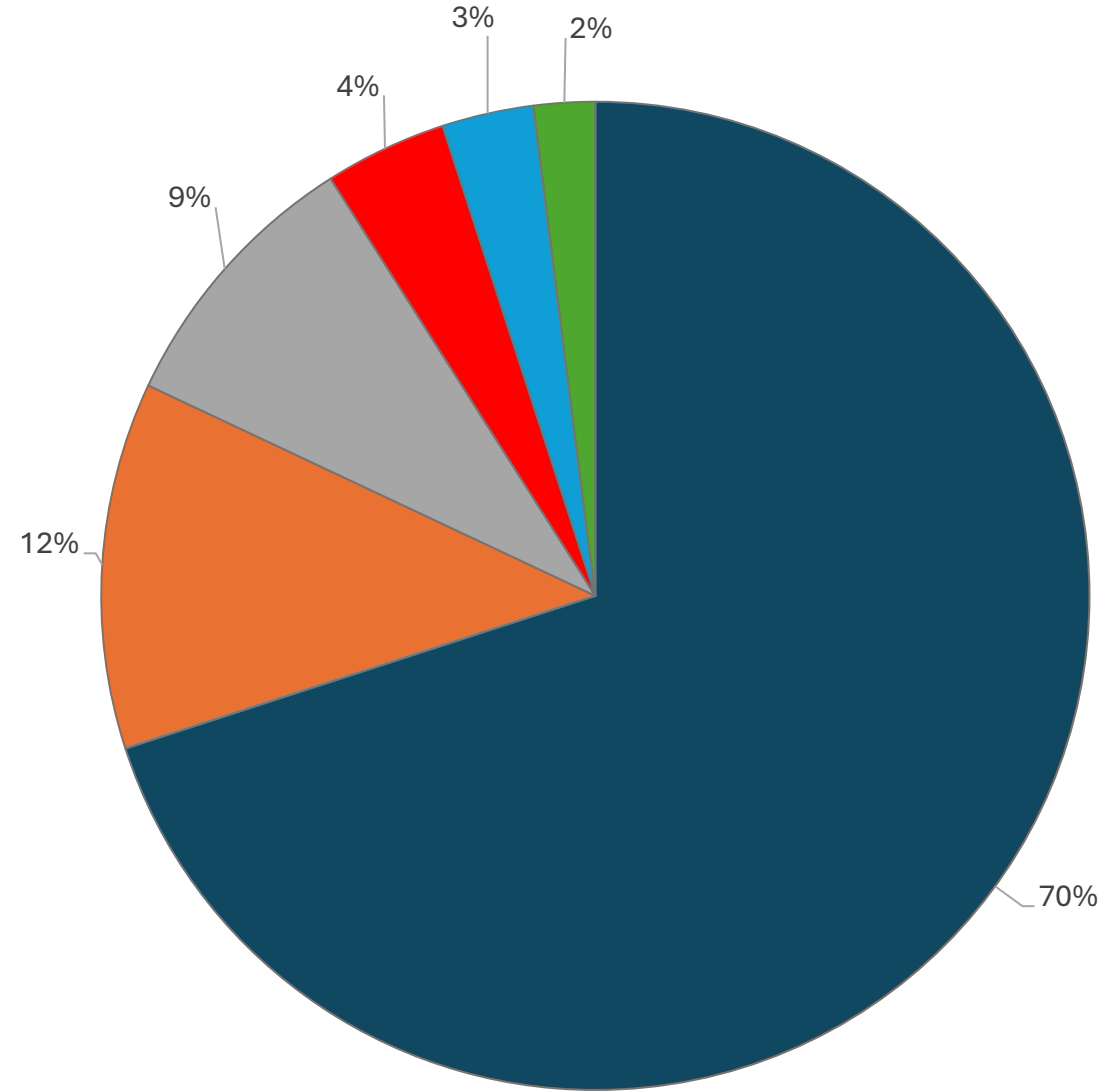
Underwriting Update



Michael Moore, CIC, PFMM, FMDC
Vice President of Underwriting
Mutual of Wausau



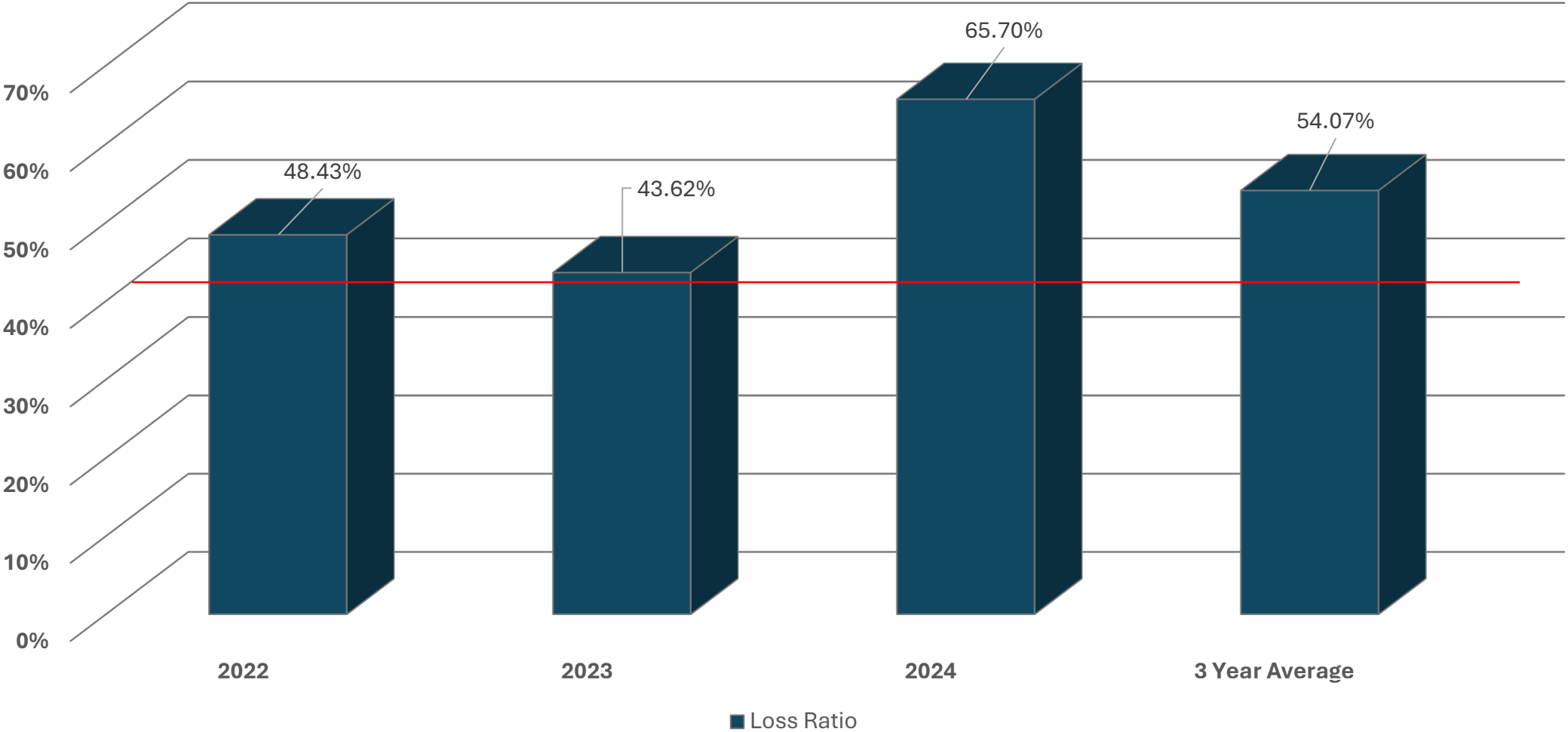
Policy Distribution



■ Home ■ Farm ■ Dwelling ■ Umbrella ■ Mobile Home ■ Commercial

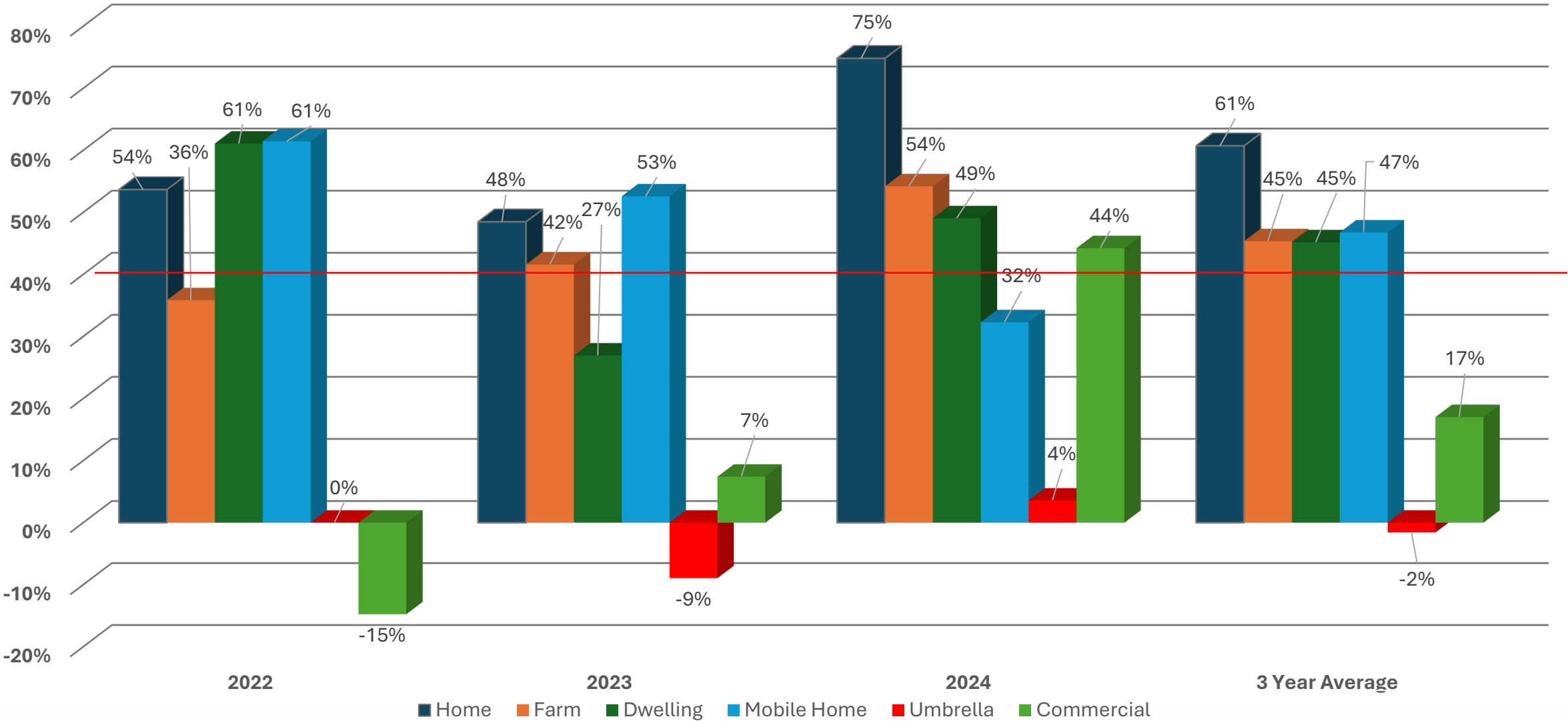


Total Loss Ratio vs Inforce Premium



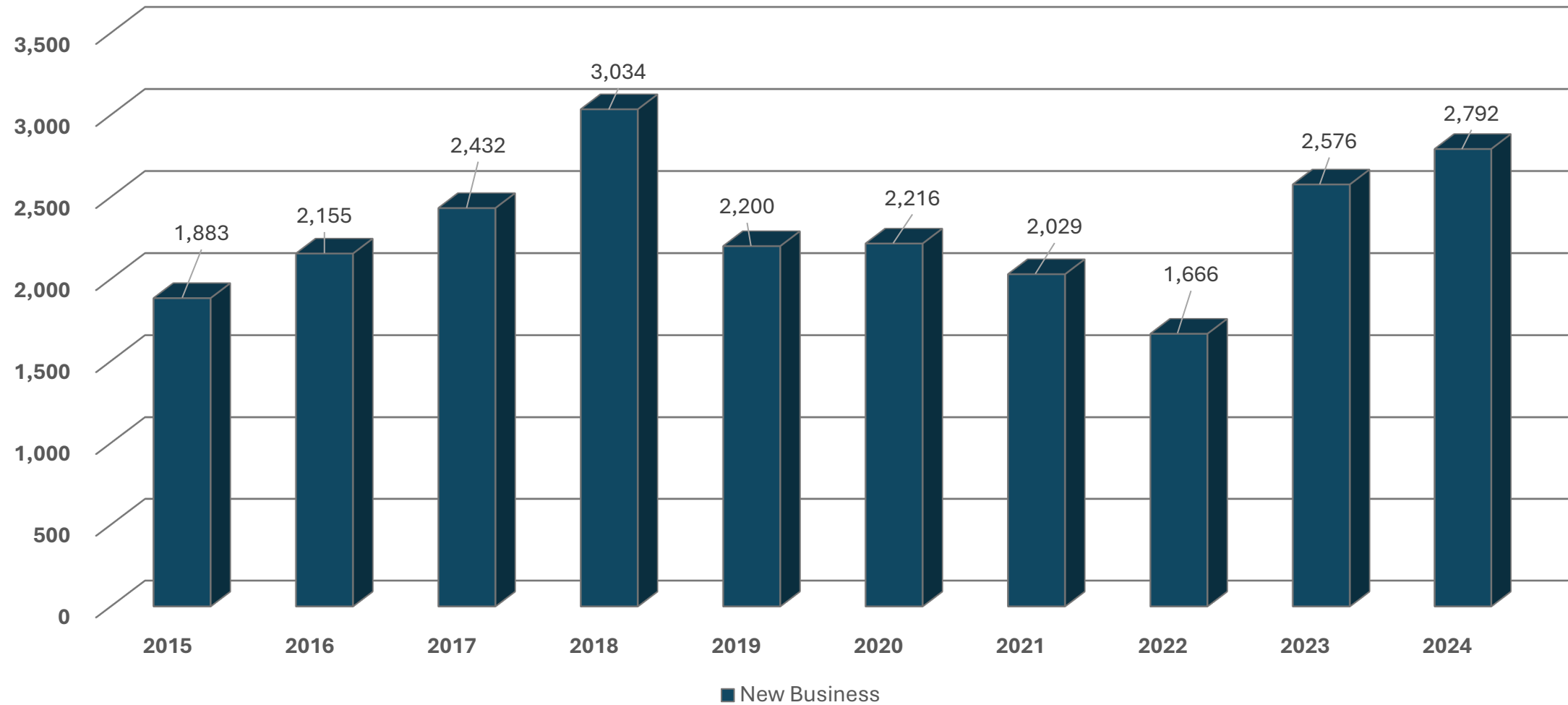


Loss Ratio by Line vs Inforce Premium





New Business



2024 in Review

Valuation project completed

Rate Adjustments

Updated Forms

Valuation Project



- Completed updating valuations for policyholders with the group
- Additional valuations completed for renewal surveys starting in 2023
- All new business have an updated valuation completed

Rate Adjustments

- Coverage A property rates were adjusted 20% in July 2024
- Coverage A property rates were adjusted an additional 30% on January 1, 2025
- This has resulting 25% increase letters mailed to insureds for their renewal since July 2024
- Resulted in loss of policy count, increase in premium
- No immediate plans for taking additional rates



Updated forms

Minimum \$2,500 wind/hail deductible added July 2025

July 2025

Oct. 2025

ACV restriction for all roofing surfaces added October 2025

Impact of form changes

- 05/15/2025 wind/hail event including 10 tornados touching down
- 70 hail claims submitted
- 35% have ACV restriction forms added/50-55% of entire MWIC has ACV restriction forms
- 63% have W/H deductible/80% of entire MWIC book has W/H deductible
- Average claim with recoverable depreciation is \$9,791
- Average claim with non-recoverable depreciation is \$10,708
- Average age of dwelling roof is 14.9 years
- 9/53 roofs are <10 years old

Industry Challenges – Remain the Same as 2023



- Market contraction
- Inflation
- Rising claim costs
- Rising reinsurance Costs

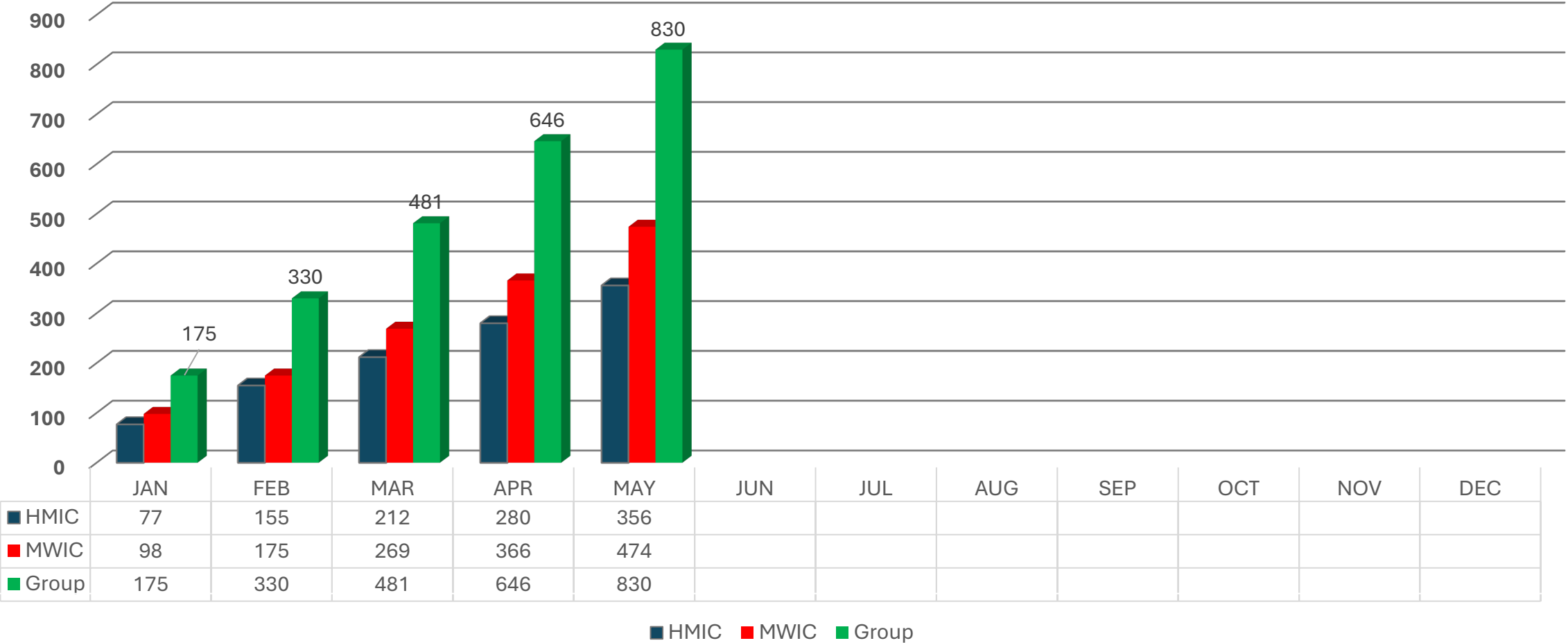
Industry Response Continues

- Companies exiting the personal lines market
- Moratorium on new business submissions
- Tighter underwriting eligibility
- Restricting or eliminating coverage availability
- Increasing deductibles
- Increasing rates



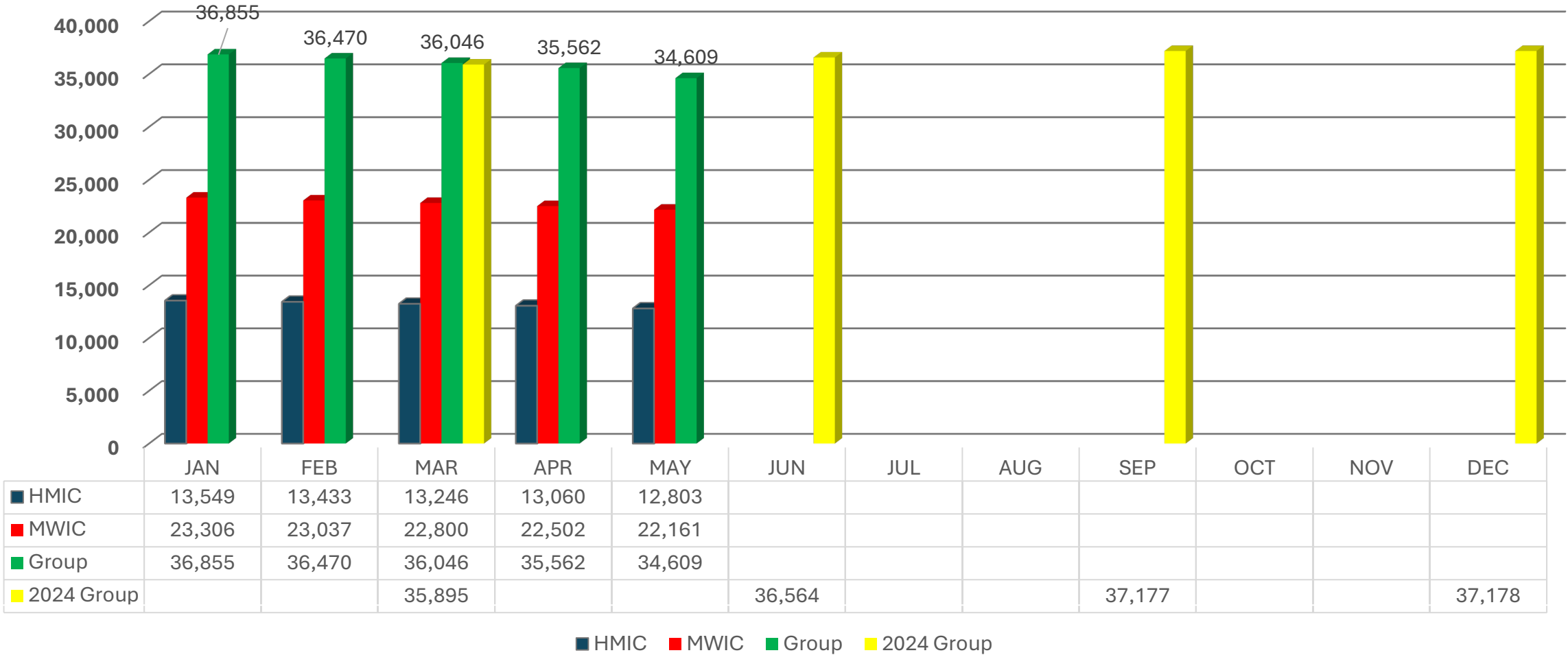


2025 - New Business Cumulative-Group

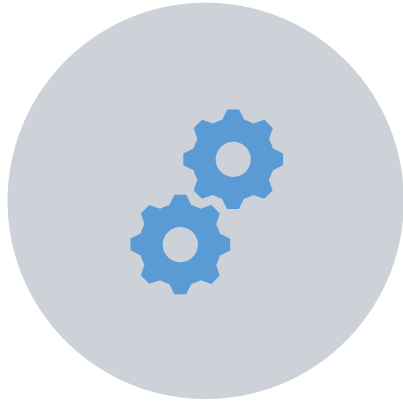




2025 - Policy Count Totals-Group



What's New



MANAGEMENT
SYSTEM



FORMS



RATES

Management System



Singular system for Homestead Mutual



Streamline coverage and forms



Singular rating system for Homestead Mutual



Singular source for data collection enhancing reliability

Forms



Limitation on Personal Property coverage in Outbuildings

10% of Coverage C is available for property stored in an outbuilding

Additional coverage can be purchased (MWIC policies for now)



Rebuilding Clause (MWIC adding-HMIC MIPS has a form already)

Farm buildings that are not rebuilt are subject to a 60% payment



Updated ACV roofing form with depreciation schedule



Forever chemicals exclusions



Agritainment Exclusions with possible buyback option

Rate Increases

No planned rate increases at this time

Changes when a common management system implemented

Discount options available

Blending of optional rates for group

Increase of solid fuel rates

Change in rating for modified replacement cost endorsement

Blending of liability rates for group

Homestead Mutual Umbrella rates will be increasing later this fall

Loss Control Update



Kelly Weller
Underwriting Supervisor
Mutual of Wausau



Loss control

Insured Notifications

Insured provided surveys

Chrp



Notifications



RENEWAL POSTCARDS

CALLING SERVICE



chmp





Inspection Details

Inspection ID

196082

Date Onboarded

04/29/2025

Policy Effective Date

Inspection Completed Date

05/04/2025

Bad Condition Count

2

Year Of Construction

1996

Construction Type

wood frame

Home Occupancy

Primary

Home Square Footage

1218

Wiring/Electrical System Update

Plumbing System Update

Roof Update

updated (2015)

Roof Type

Architectural Shingle

Ongoing Renovations

no

Structure Type

NA

Number of Stories

1

Number of Bedrooms

0

Number of Bathrooms

2

Gated or Guarded Community?

Business Onsite

no

Pool

no



Analysis

Air Handler / Furnace location:
Basement



Air Handler / Furnace 1 >
[Overview of Air Handler /
Furnace 1](#)

Click blue link to view
enlarged image.

Issues 1

Zone	Classification	Condition	Notes
1	HVAC Safety Switch	Bad	Missing HVAC drain safety switch. Installation is recommended to prevent water backup.

No Issues 0

No Data Available

Age of AC Condenser : 27
years 3 months - Replacement
Recommended.



OCR Details

Manufacturer	Serial Number	Mfg Date	Notes
Lennox	5898B03463	02/1998	Exceeds service life



Front Of Home 1 > [Front of Home 1](#)

Issues 0

No Data Available

No Issues 0

No Data Available



Front Of Home 1 > [Front Roof 1](#)

Issues 0

No Data Available

No Issues 1

Zone	Classification	Condition	Notes
1	Architectural Shingle	Good	No recommendation



Issues 0

No Data Available

No Issues 0

No Data Available



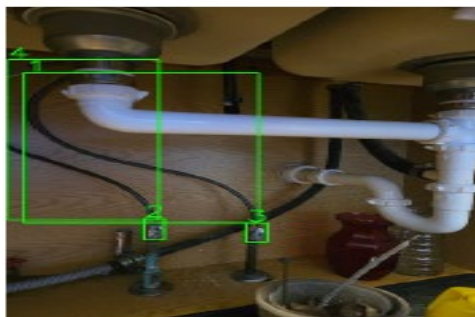
Kitchen 1 > [Kitchen 1](#)

Issues 0

No Data Available

No Issues 0

No Data Available



Kitchen 1 > [Sink Plumbing 1](#)

Issues 0

No Data Available

No Issues 4

Zone	Classification	Condition	Notes
1	Supply Line	Good	No recommendation
2	Shut Off Valve	Good	No recommendation
3	Shut Off Valve	Good	No recommendation
4	Supply Line	Good	No recommendation



Issues 0

No Data Available

No Issues 0

No Data Available



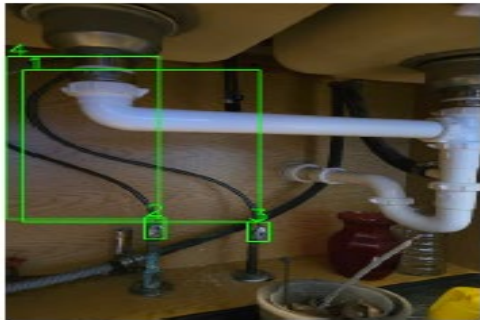
Kitchen 1 > [Kitchen 1](#)

Issues 0

No Data Available

No Issues 0

No Data Available



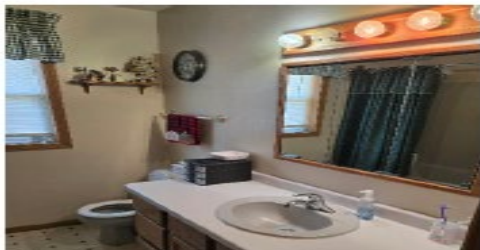
Kitchen 1 > [Sink Plumbing 1](#)

Issues 0

No Data Available

No Issues 4

Zone	Classification	Condition	Notes
1	Supply Line	Good	No recommendation
2	Shut Off Valve	Good	No recommendation
3	Shut Off Valve	Good	No recommendation
4	Supply Line	Good	No recommendation



Issues 0

No Data Available

No Issues 0

No Data Available

Water Heater location:
Basement



Water Heater 1 > [Overview of Water Heater 1](#)

Issues 0

No Data Available

No Issues 1

Zone	Classification	Condition	Notes
1	Conventional Water Heater	Good	No recommendation



Water Heater 1 > [Connection Pipes/ Expansion Tank 1](#)

Issues 0

No Data Available

No Issues 3

Zone	Classification	Condition	Notes
1	Shut Off Valve	Good	No Recommendation
2	Copper	Good	No Recommendation
3	Copper	Good	No Recommendation



Focus on Quality and Agent Communication



In house inspections – quality over quantity



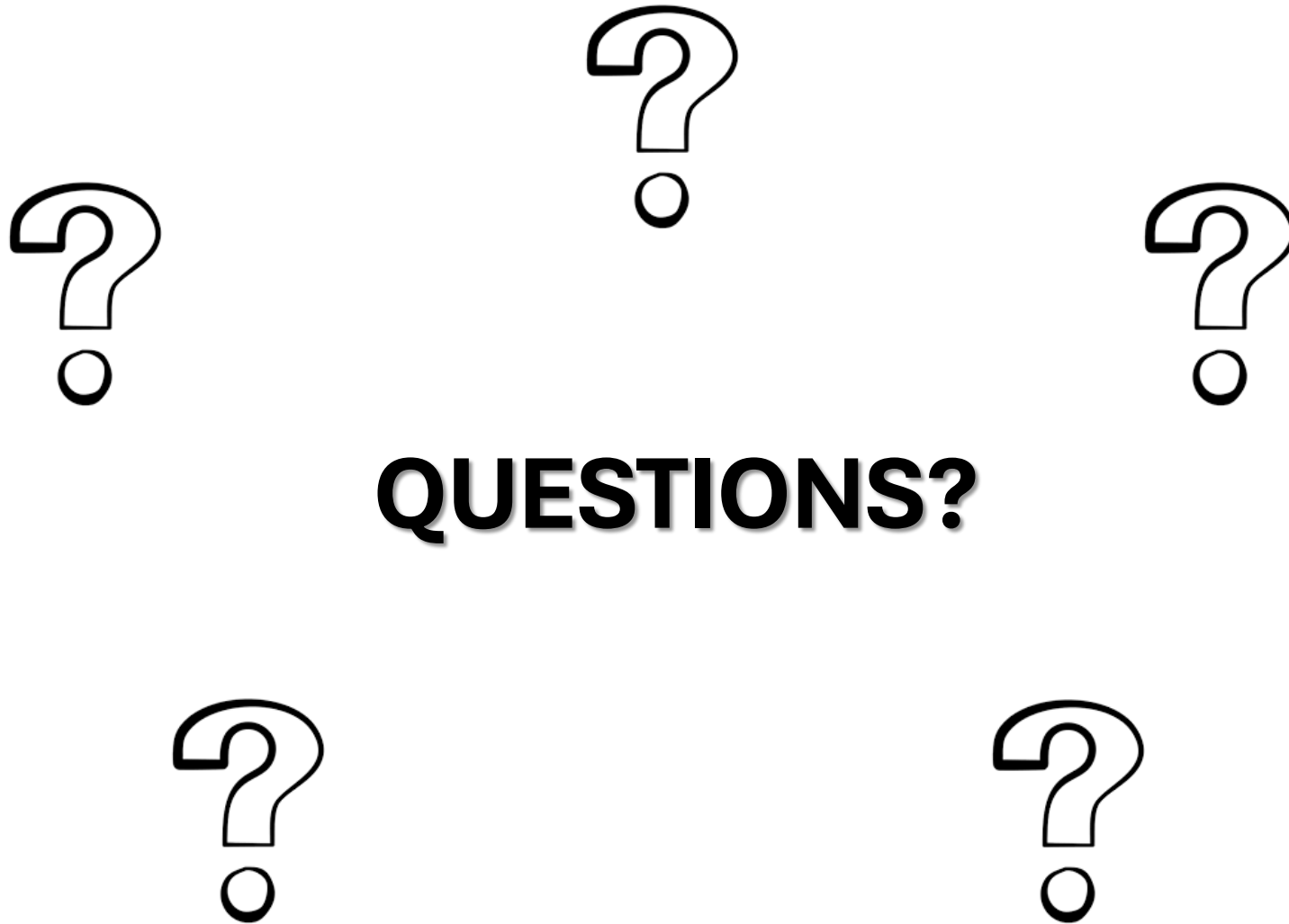
Third-party inspection companies



Keeping agents in the Loop



We're working to respect our policy holders' preferences while also protecting the integrity of our policies



Case Study

2024

	Other Carrier	MWIC
Value	\$249,000	\$329,000
Deductible	1%	\$1,000
Rate	\$1,022	\$980

Case Study

2025

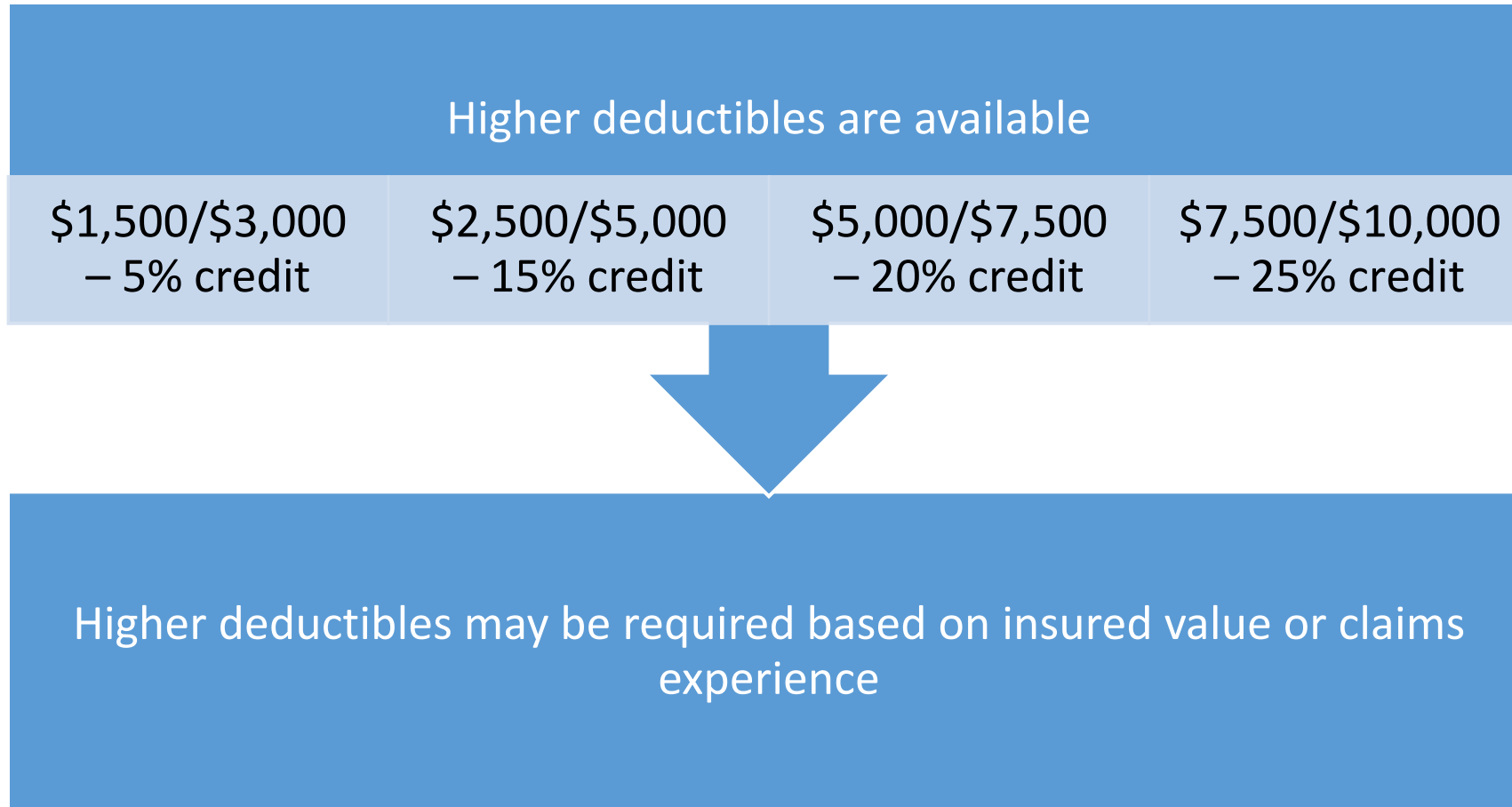
	Other Carrier	MWIC	MWIC at 80%
Value	\$265,000	\$350,000	\$275,000
Deductible	1%	\$1,000/\$2,500	\$1,000/\$2,500
Rate	\$1,247	\$1,601	\$1,220

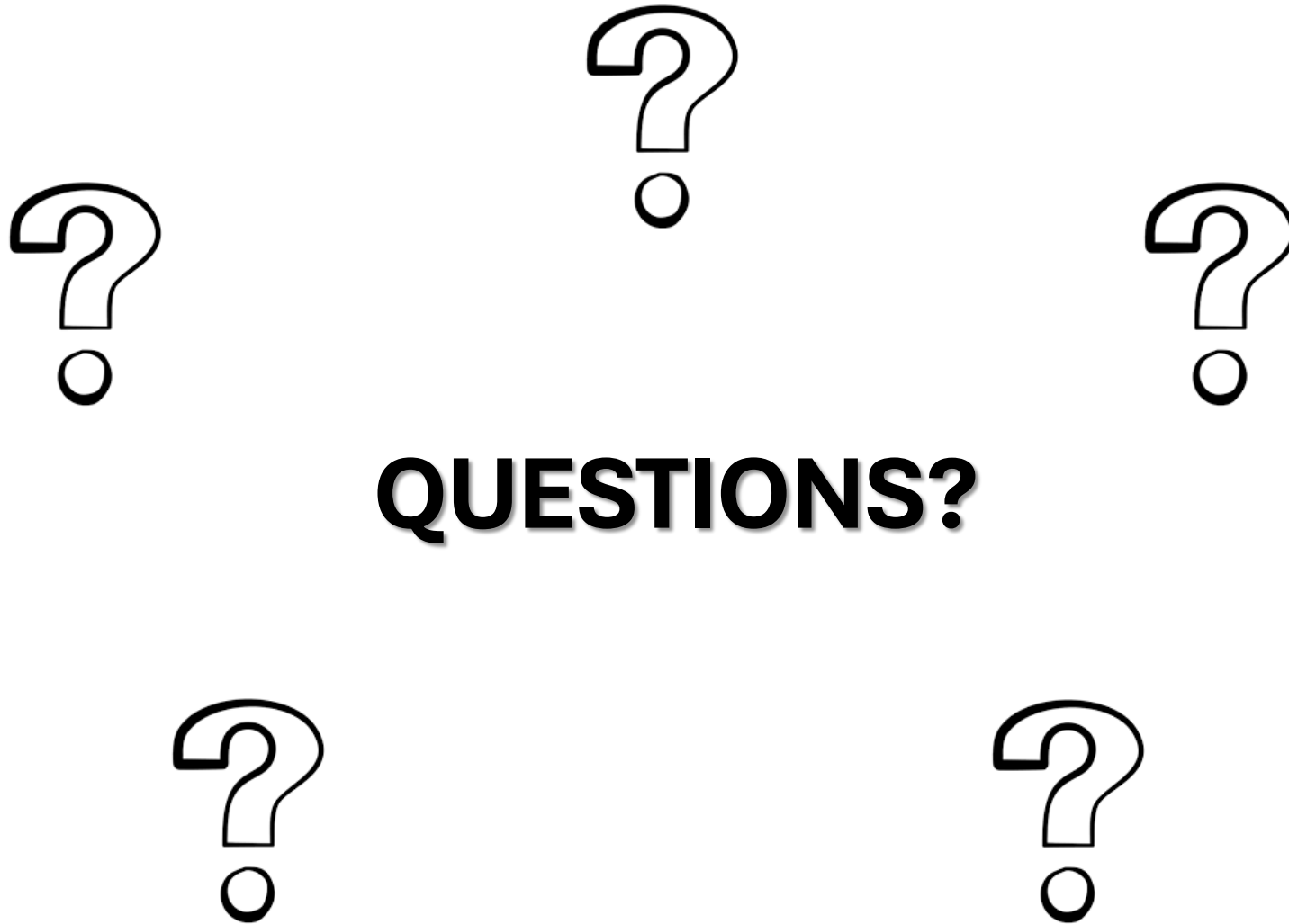
Case Study

2025

	Other Carrier	MWIC	MWIC w/ PG-1
Value	\$505,000	\$503,400	\$503,400
Deductible	\$1,000	\$1,000/\$2,500	\$1,000/\$2,500
Protection Class	4	PG-2	PG-1
Credit Score	-\$760	N/A	N/A
Rate	\$2,016	\$2,540	\$2,330

Deductibles





General Questions & Answers



Advance Question received in...

- General Underwriting
- Product Updates
- Loss Control
- Rates
- Financial Performance Update
- Marketing
- Claims
- Corporate

Most common question submitted

Q:

#1.....Rates and where are they headed

A:

- Beginning in 2020, we were 40-55% underpriced in comparison to regional competition.
- Since 2021, we have lifted rates between 75 – 90% depending on respective entity pricing divergence within the merged/affiliated footprint
- Pricing as compared to independent cost studies shows that MWG is now more in line with state of WI averages
- Rates will likely remain unchanged for the remainder of the 2025 renewals (Outside of Umbrella noted)
- We will review pricing in Q3 to determine 2026 needs
- We may have pockets where we are uncompetitive but our new business counts and business retention indicate that we aren't totally uncompetitive.
- An overall rate reduction is something we won't be doing
- Rate modification/adjustment within our programs will occur with the implementation of the new UW manual

Related to Rates

Q:

What has recent rating initiatives done to the bottom line?

A:

- Overall financial comment is that we are moving in the right direction
- Revenue growth is a focus while policy count has maintained and even declined is acceptable and by design.
- For 2026 into 2027, our premium base will be reflective of full incorporation of rate actions in 2024 and 2025.
- By the end of May last year, we had a 160 combined ratio. That is closer to a 120 combined ratio on a similar year this year. Still unacceptable when comparing to the industry.
 - Q1 comparative results against 75 of our peers:
 - We were 5th from the bottom with a 112 CR.
 - Median was 95 CR
 - Last year Q1 was 104.
 - Without the rating actions, we would have lost an additional 1.5M
- Digging out from providing very good pricing for over a decade.
- Overall, the WI industry, in my/our opinion, is still underpriced when compared to the Midwest as the costs can NOT be that dissimilar.

Underwriting

Q:

Would you consider an ACV buyback on roofs?

A:

- At this point, we feel that this is not something that we would consider. We feel that the impact of ACV far outweighs what we could remotely collect in “buy back” premium.
- By definition, the buyback would not be done by everyone nor in our opinion with enough buyers to fund the anticipated additional annual loss.
- Roofs are maintenance items that are designed to wear out.
- Corporately, we look to insureds to pay their portion of what portion of the roof “expired” before the claim occurred.

Underwriting

Q:

Will Tariffs have an impact?

A:

- Good question and who knows?
- E2Value is anticipating that it will impact overall cost of building materials going into 2026.
- Inflation Guard (IG) is currently at 6.5%. IG is meant to help/guard against the shifts in costs. We revisit our IG rate annually and will be set in Q1.
- For now, we feel our rates and underwriting initiatives has some built-in absorption of variations in costs

Marketplace

Q:
What about Market Stability? What are you seeing?

- A:
- Somewhat better in our opinion but still specific unrest
 - Commercial habitation exodus by multiple carriers
 - Personal lines exodus still being felt
 - Other carriers are not accepting new business
 - Less rating actions in 2025, but have begun to hear/see more being filed
 - Tavern coverage becoming difficult to find
 - Carriers terminating agency appointments based on loss ratio & other factors

Corporate - Reinsurance

Q:

How is global Reinsurance market?

A:

- Is one leg of the three-legged stool that has impacted financial results the most.
- The other two are inflationary cost associated with building materials and labor costs associated with the repairs.
- Reinsurance pricing has stabilized but retentions remain high and will likely not be lowered.
- Price stability is at the new higher prices dictated in the 2023 and 2024 renewal season.
- You can still trade more retention for price softening if you are capable of retaining more risk. This is similar to insured's taking a higher deductible but generally isn't a huge savings.
- Capacity, specifically obtaining more CAT limit, has softened and was more available with 2025s renewal.
- Aggregate Stop Loss, what was our ultimate defense, even limited limit let alone unlimited is simply not available in the open marketplace. Select few reinsurance carriers will offer and if offered, it will come with extremely high attachment points along with higher costs than historically.

Corporate – Company Roadmap

Q:

What is the direction of the company and overall philosophy?

A:

- Direction – we leverage Tri-Annual strategic business planning
- Strategic Business Planning this summer covering 2026 – 2028
 - Auto will be discussed and prioritized
 - Performance of existing lines of business
 - Spread of Risk
 - Expansion within existing lines of business
 - Tech constraints and how best to address
 - Profitability returning??
 - Market analysis
 - Product analysis and overall staff requirements to effectively support
- Philosophy
 - Evolving and Adapting
 - Good customer service
 - Fairly priced if not slightly higher that matches the risk area being written.
 - Focus on Agency relationship as you are our #1 distribution channel
 - We will and are no longer defined by the reinsurance requirements of Ch 612.
 - Controlled growth

Other Questions?

Agent Appreciation Event Reminder



Celebrating

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Years

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