



Articles:



Announce

THE E-NEWSLETTER FOR AGENCY PARTNERS





Articles:

First Quarter Results & Initiative Update

A message from Stu Henderson, President & CEO

Even though many of us were eager for winter weather to turn to spring warmth, as insurance professionals we also know that a longer winter could ultimately mean fewer days of wind-and-hailstorm exposure in the early spring months. Unfortunately, this past winter was unusually snowy and icy in our states of operation (and elsewhere throughout the nation), leading to a larger-than-average number of auto accidents as well as weather-related homeowner and business claims. Through February, U.S. losses for winter perils have already topped \$1.5 billion. So much for a quiet start to the year!

Despite the losses, the good news is that – thanks to quality field and internal underwriting, plus claims, and to the supporting hard work of our other employees – we are operating well and are still largely ‘on track’ through March to meet our year-end goals for premium and profitability. As of March 31, written premium for the group is at \$114.9 million, which is very close to where we aimed to be after the first few months of the year. Meanwhile, our group’s loss ratio is at 54.8% (vs. goal of 56.3%), our loss adjustment expense ratio is at 9.8% (goal is 10.4%), and our underwriting expense ratio is 25.1% (vs. goal of 26.7%) – adding up to a combined ratio of 89.7%, which is an OK place to be as the catastrophe storm season begins. Overall, it’s still early, and there’s plenty of work yet to be done to maintain a positive result for the full year.

Beyond the bottom line, 2014 is shaping up to bring several new and enhanced pieces to our partnership with you. One of our biggest ongoing efforts is our ‘deep dive’ into customer experience (which is detailed in a separate article in this Announce issue). In addition to that program, we’re also continuing our work on an improved billing system, enhancements to our overall *AgentsOnline* system (based largely on feedback from focus groups of agency partners), new features for our mobile app, and new efforts to recognize our top performing partners (see the Partner Recognition Program article in this Announce issue). Many of these efforts, combined with other product and service developments, should be visible in the coming months and should continue to drive our ability to achieve mutual success with you, our agency partners.

Thank you, as always, for your partnership in the service of our mutual policyholders. I look forward to delivering more positive news later in 2014. Stay tuned!

~ Stu Henderson





Articles:

Customer Experience Initiatives Update

As Western National continues its focus on being customer centric, several customer experience initiatives have been implemented to carry out our mission to “anticipate and impress”. One of our first efforts was to define a framework for this mission, put strategic priorities in place, and identify evidence of success.

One such strategic priority is providing employees with further customer service training. Western National has recently partnered with Normandale Community College on a state grant to develop a customer experience curriculum. The MN DEED Partnership Grant awarded to Normandale will be used to develop and provide customer experience training at Western National throughout a two-year training period. Western National’s Chief Experience Officer, Mara Bain, explains: “Investing in employees and equipping them with the skills necessary to meet our customers’ evolving needs is critical to providing the customer experience we want for our agents and policyholders. We’re confident this partnership with Normandale is the right next step for this effort.”

While the training program will help enhance the customer experience on the people side of things, Western National’s technology is also evolving to become more customer-centric. Among the primary areas of focus include the company’s billing system, the navigation of its *AgentsOnline* system, and workers’ compensation quoting. “We brought in several agency partners for focus groups to help us determine how our systems should evolve,” says Bain. “With the help of this input, we are working to design and implement enhancements that make our systems easier for our partners to navigate and use.”

A third program – the ‘Put Yourself in Their Shoes’ campaign – is also working to bring the customer front-and-center for employees throughout our office. “We’re collecting actual shoes and stories from a variety of our personal and commercial lines customers, and including them in a display located in our main office walkway area,” says Bain. “This display will represent a ‘day in the life’ of our customers and to reinforce to employees the importance of empathy and remembering what it’s like to ‘walk in the customer’s shoes’. It’s just one more way we continue to bring the customers into our daily work here at Western National.”

As we work on these customer experience initiatives, we’re also focused on employee engagement, because engaged employees translate to positive customer experiences. We’re confident these efforts will bring Western National’s customer experience to the next level, enabling us to better anticipate customer needs and provide impressive solutions.

We’ll have more to report on these efforts in the months ahead – stay tuned!



Articles:

Employee Profile

Western National's BOP Team



Terry Madsen

Years I've been at Western National:

1.5

The one thing on my bucket list that I'm determined to do:

A guided elk hunting trip to New Mexico

If I wasn't an underwriter, I'd most likely be:

A professional hunter

My favorite reality show is:

Duck Dynasty

Most of my work day is spent on:

Quoting new BOP submissions

The one unique thing I have on my desk is:

A BOP game toy

The last movie I went to was:

Noah



Articles:

Employee Profile

Western National's BOP Team



Diane Elverud

Years I've been at Western National:

18

The one thing on my bucket list that I'm determined to do:

Attend my daughter's wedding in Maui

If I wasn't an underwriter, I'd most likely be:

Veterinarian Assistant

My favorite reality show is:

Survivor

Most of my work day is spent on:

Underwriting and rating BOP new business

The last movie I went to was:

The Great Gatsby



Articles:

Employee Profile

Western National's BOP Team



Jan Townsend

Years I've been at Western National:

6

The one thing on my bucket list that I'm determined to do:

Cross the U.S. by train

If I wasn't an underwriter, I'd most likely be:

Pet shop owner and dog/cat groomer

My favorite reality show is:

Gator Boys

Most of my work day is spent on:

On AgentsXpress, phone and emails

The one unique thing I have on my desk is:

Handmade Siamese cat figurine made by one of our raters

The last movie I went to was:

Last Vegas



Articles:

Employee Profile

Western National's BOP Team



Stacy Olson

Years I've been at Western National:

2

The one thing on my bucket list that I'm determined to do:

Develop products and system solutions that allow us (our agents and WN) to grow our commercial writing in target market areas

If I wasn't an underwriter, I'd most likely be:

A Cabana girl on the beach

My favorite reality show is:

The Voice

Most of my work day is spent on:

Researching the market - reviewing underwriting files

The one unique thing I have on my desk is:

A picture of me with George Clooney - actually Ted Plombon and Bill Werlinger

The last movie I went to was:

The Book Thief



Articles:

2014 Partner Recognition Awards & Regional Top Agencies

As part of our ongoing efforts to better recognize top performing agency partners, this year we launched our group's first Partner Recognition Program. This program is intended to recognize top performers in five categories each year, plus the Top 25 performing agencies in our Central Region (IA, IL, MN, ND, SD, and WI) and the Top 10 performing agencies in our Western Region (ID, MT, NV, OR, UT, WA). Please join us in congratulating these 2014 award winners and overall top performers:



2014 Fast-Track Agency of the Year: **Winona Agency (Winona, MN)**



(L-R) *Stu Henderson (WN), Garry Watts (Winona), Lori Malavsky (Winona), Kevin Ritz (Winona), Jeff Couchman (WN)*

This award recognizes superior performance in the first three years of partnership with Western National. The recipient must have been a top performer by profitability, premium, and growth over that span, and must have both grown and been profitable with Western National in at least the previous year.

Winona Agency has grown its book of business with Western National to just under \$900,000 in direct written premium in three years of partnership. Over that time, working with our staff, they have produced a 20% loss ratio, leading to excellent profitability. To quote JoAnn Hartung, Regional Agency Manager for Winona Agency: "This agency is an incredibly professional agency, with great commercial and personal lines staff. In addition to being friendly, they're always accessible – whether it's six in the morning or a Saturday afternoon. Overall, they're awesome people to work with, and we're excited about the future of our relationship with Winona Agency."



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2014 Personal Lines Agency of the Year: **Advance Insurance Agency (Edina, MN)**



L-R) Stu Henderson (WN), Dick McKenny (Advance), Jeff Couchman (WN)

This award recognizes outstanding sustained profitability and growth in personal lines with Western National. The recipient must have been a top performer by profitability, premium, and growth over the past four-to-six years (minimum of four years of partnership), and must have both grown and been profitable with Western National in the previous year.

Appointed with Western National since 1984, **Advance Insurance Agency** has grown its book of business with Western National to \$7.6 million in direct written premium, and ranks in the top 10 of all agencies – personal and commercial – in terms of six-year profitability and premium volume. Despite years with catastrophe activity, they have managed to maintain a personal lines loss ratio in the mid-50s over the long term. To quote Tina Pratt, Personal Lines Underwriter: “Advance has been a strong partner and advocate of Western National as our relationship has developed over the years. It’s great to work with an agency that really understands the ‘Western Philosophy’ and that continues to place quality business we can count upon, year after year, in helping us reach our goals.”



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2014 Central Region Commercial Lines Agency of the Year: **The Horton Group** (Orland Park, IL)



(L-R) Stu Henderson (WN), Josh Vedo (on behalf of Ken Vos and Pat White from The Horton Group), Jeff Couchman (WN)

This award recognizes outstanding sustained profitability and growth in commercial lines with Western National. The recipient must have been a top performer by profitability, premium, and growth over the past four-to-six years (minimum of four years of partnership), and must have both grown and been profitable with Western National in the previous year.

Appointed in 2010, **The Horton Group** has grown its book of business with us to over \$5.5 million in direct written premium since just 2010. This agency has consistently been among our top Central Region partners in terms of both growth (exceeding 15% last year) and profitability (running a 30% loss ratio). To quote Josh Vedo, the agency's Regional Agency Manager: "The Horton Group has been our biggest supporter in Illinois since we launched that state in 2010. They have grasped our message, and have been committed to our partnership since day one. Their results are a reflection of this commitment, and their leadership has been, and continues to be, a key contributor to the success of our relationship."



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2014 Western Region Commercial Lines Agency of the Year: **PayneWest Insurance** (Missoula, MT)



(L-R) Stu Henderson (WN), Ryan Bramlette (PayneWest), Jeff Couchman (WN)

Appointed since 2006, **PayneWest Insurance** has grown its book of business with us to \$11.5 million in direct written premium. In 2013, the agency led all agencies in premium growth, growing over \$3.9 million in premium. This agency has consistently been among our top Western Region partners in terms of profitability, and the partnership has led to a loss ratio of 35% in Western National's first three years of operation in Montana. To quote Rachel Jones, Commercial Lines Underwriter: "I can best describe this relationship in three words: commitment, collaboration, and communication. The people at PayneWest are committed to a successful relationship; they collaborate on territorial strategies and on products and services that meet client needs; and they communicate issues in a productive way. I love the way they've established this relationship."



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2014 President's Award: Maguire Agency (Roseville, MN)



(L-R) Jeff Couchman (WN), Matt Clysdale (Maguire), Jeff Erager (Maguire), Stu Henderson (WN)

This award is chosen by the President & CEO as recognition for special contributions and achievements. The recipient must demonstrate the partnership concept and embody the values of Western National.

Maguire Agency, selected by Stu Henderson as this year's President's Award winner, posted a top-10 rank among all eligible Western National partners in a variety of categories for 2013, including total premium, year-over-year premium growth, and profitability. A Western National partner of nearly 30 years, this agency produced over \$5 million in direct written premium with Western National last year, accompanied by an excellent loss-and-adjusting-expense-ratio in the low 30s. Beyond the numbers, Maguire Agency has an established history of valuing professional relationships and earning the respect of their employees, communities, and the industry as a whole. Of Maguire, Commercial Lines Underwriter Dave Mykkeltvedt says, "This agency has a well-deserved reputation for the knowledge and expertise they apply in their operation every day. They are intensely personal in their relationships with clients and companies, and that translates into a long-term insured who understands the value of insurance beyond price."



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2014 Top 25 Central Region Agencies – top performers by **profitability, growth, & premium**



- Advance Insurance Agency
- Ahmann Martin
- Anderson Insurance / Brainerd Insurance
- Arthur J Gallagher RMS Inc.
- Brown & Brown of Minnesota
- BW Insurance Agency Inc.
- Christensen Group / SMA
- Cobb Strecker Dunphy
- Cottingham & Butler Inc.
- Cox Insurance Associates Inc.
- Dilley Zimny Insurance
- First Iowa Insurance Agency Inc.
- The Horton Group
- Insure Forward
- Itasca Reliable Insurance Agency
- JA Price Agency Inc.
- Kraus Anderson Insurance
- Maguire Agency Inc.
- Otis Magie
- Pierce Agency Inc.
- Robertson Ryan & Associates
- Solutions Insurance Agencies
- The Service Agency
- TIC Inc.
- Wells Fargo Insurance Services



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2014 Top 10 Western Region Agencies – top performers by profitability, growth, & premium



- A & H Insurance
- Bell Anderson Agency Inc.
- Choice Insurance LLC
- Cragin & Pike Inc.
- GLB Insurance Group of Nevada
- Hanson Insurance Group
- Hub International Northwest LLC
- KBI Insurance Inc.
- PayneWest Insurance
- United Risk Solutions Inc.



Articles:

Agency Milestone Anniversaries

Congratulations to these Western National & Umialik agency partners who celebrated a milestone partnership anniversary between May 2013 and May 2014.

55 Years

- Root River Ins Agy, Preston, MN (7/1/1958)
- Matetich Ins Agy, Hibbing, MN (7/23/1958)
- Central Ins Services, Braham, MN (10/1/1958)
- Ellis Ins Agy, Elbow Lake, MN (12/4/1958)
- Schiller Insurance, Detroit Lakes, MN (12/10/1958)

50 Years

- BW Ins Agency, Morris, MN (9/26/1963)
- Lloyd F Smith Ins Agency, West St Paul, MN (5/7/1964)

45 Years

- Northern State Ins Agy, Thief River Falls, MN (2/1/1969)

40 Years

- Cass Company Ins Agy, Hackensack, MN (5/2/1973)
- Landahl Ins Agy, Robbinsdale, MN (10/1/1973)
- Professional Ins Providers, Glencoe, MN (1/2/1974)

35 Years

- Citizens Agy, New Ulm, MN (7/1/1978)
- Key City Ins Agy, Mankato, MN (7/7/1978)
- Security State Ins, Aitkin, MN (1/1/1979)
- Blanchard Lindberg Ins, Minnetonka, MN (1/1/1979)
- Lensing Agency Inc, Arlington, MN (1/2/1979)
- Winter Ins Agency, Hector, MN (1/8/1979)

30 Years *(continued to next page)*

- Kelliher & Associates, West Saint Paul, MN (6/1/1983)
- American Agency, Mpls, MN (6/6/1983)



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Agency Milestone Anniversaries

Congratulations to these Western National & Umialik agency partners who celebrated a milestone partnership anniversary between May 2013 and May 2014.

30 Years *(continued)*

- Lawrence Bohmbach Agency, Red Wing, MN (6/29/1983)
- CO Brown Agency, Rochester, MN (6/29/1983)
- Service Associates, St Louis Park, MN (7/1/1983)
- First American State Agy, Benson, MN (8/1/1983)
- First State Agency, Sauk Centre, MN (8/1/1983)
- Insurance Planners, Hutchinson, MN (9/1/1983)
- Cartier Agency, Duluth, MN (9/12/1983)
- Advance Insurance Agency, Edina, MN (1/1/1984)
- Heartman Agency, Rochester, MN (2/1/1984)
- Richard L Raveling Ins, Rice, MN (2/7/1984)
- Farmers State Agy of Watkins, Watkins, MN (2/7/1984)
- Security Ins Agy, Albert Lea, MN (2/23/1984)
- Wells Fargo Ins Svcs, St Louis Park, MN (3/30/1984)

25 Years

- Blakestad Phenow Inc, Fridley, MN (5/5/1988)
- Dilley Zimny Agency, Alexandria, MN (5/11/1988)
- Rooke & Johnson & Renslow, Minnetonka, MN (8/1/1988)
- Schmidt Ins Agency, Avon, MN (9/6/1988)
- Heartman Agency, Northfield, MN (10/12/1988)
- Iverson Ins Agency, Miltona, MN (10/14/1988)
- Lake Region Ins Agy, New London, MN (11/1/1988)
- M G Insurance Inc, Willmar, MN (11/30/1988)
- Combs Insurance Agency, Palmer, AK (1/17/1989)
- Ensure, Hastings, MN (3/1/1989)
- Sandys Ins Services, Eagle River, AK (3/3/1989)
- Humble Davenport Ins Brokers, Renton, WA (4/19/1989)



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20 Years

- Jensen Ins & Real Estate, Beresford, SD (7/1/1993)
- Gladwin Agency, Hopkins, MN (9/30/1993)
- Insurance Plus, Aberdeen, SD (1/1/1994)
- Randall Moss Ins, Anchorage, AK (1/1/1994)
- Marsh Ins Svcs, Rice Lake, WI (2/1/1994)
- Connell Insurance Inc, Savage, MN (3/22/1994)
- Lester Smart Fehrman, Wisconsin Rapids, WI (4/1/1994)
- Western Dakota Insurors, Rapid City, SD (5/12/1994)

15 Years

- American Best Agy, Las Vegas, NV (5/18/1998)
- Ahmann Martin, Eden Prairie, MN (6/1/1998)
- ISU Insurance Solutions, Woodinville, WA (6/30/1998)
- Chilkoot-Gateway Ins, Skagway, AK (7/1/1998)
- Central Ins Agy, Cambridge, MN (10/1/1998)
- Central Ins, St Croix Falls, WI (12/1/1998)
- Stearns Ins Svcs, Holdingford, MN (1/1/1999)
- SMA Insurance, St Cloud, MN (1/1/1999)
- Fishbowl Agency, Siren, WI (3/1/1999)
- Midlakes Ins, Seattle, WA (4/27/1999)

10 Years

- Starr Group, Greenfield, WI (9/12/2003)
- NW Ins Ctr, Mill Creek, WA (11/19/2003)
- Dowd Reliance Agy, New Richmond, WI (12/1/2003)
- PCG Agencies, St Paul, MN (1/1/2004)
- Lee F Murphy Ins, St Paul, MN (3/1/2004)
- Wells Fargo Ins, Fargo, ND (3/17/2004)



Articles:

\$50 Gift Card Winner:

Kevin Engman, P.S. Engman Agency, Inc.

Congratulations to Kevin Engman, P.S. Engman Agency, Inc., Virginia, MN, who won a \$50 Visa Gift Card for recognizing Western National's Jack Kulpa, Claims. Here's what Kevin had to say about his experience with Jack:

It is this type of excellent professional service and claims handling that keeps me promoting and selling Western National! I appreciate very much Jack's work on this.

~ Kevin

Do you have a story to share that exemplifies the Western National tagline, "The Relationship Company"? Maybe you've provided excellent service to a Western National policyholder, or you've caught one of our employees "in the act" of providing superior service to an agent or customer? If so, send your story to info@wnins.com, and if we select your submission to be published in Announce, you'll be awarded a \$50 Visa Gift Card

