LOUDOUN MUTUAL
PIPELINE
A publication for and about the agents and employees of Loudoun Mutual Insurance Company



Keeping Promises

By Todd Robertson, President
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AT A RECENT agency event, I was approached by an agent who asked me if I knew where one our staff adjusters was "last night". Fearful and sheepishly I replied "No, but now you have me curious". She proceeded to share a story of how one of our staff adjustors, Bill Stetson, had been at her house the previous evening adjusting a claim. Unfortunately for the agent, one of her insureds had experienced some of Hurricane Helene's wind; however fortunately for her the insured was a Loudoun Mutual policyholder.

Let's be honest, insurance whether it be home, auto, or your health insurance, sometimes gets a bad reputation. As someone who works in the insurance industry, I am always curious as to why the individual who is sharing their story feel that way. Often it's because of a frustrating claims process, insufficient coverage, or unmanaged expectations.

But in this case, the story that followed was different. Bill, as it turned out, had gone above and beyond. He didn't wait for normal working hours to resume. He understood the urgency of the situation and showed up when the agent/insured needed him most, on a Sunday night right in the thick of the storm's aftermath.

This is a perfect example of why keeping promises matters. Not just during quiet times when everything is calm, but especially when weather or unforeseen events make things difficult. Our commitment to our policyholders doesn't end with the issuance of a policy. It's in the moments when claims are made, homes are damaged, or when lives are disrupted that our promise really counts.

This story serves as a reminder that despite the frustrations many people experience with insurance, we are committed to being there when it counts. It's the moments of distress, like in the aftermath of a hurricane, that our true value shines. It's not about filling our forms or checking boxes, it's about providing real help at a time when it matters most.

While our financial results this year aren't where we would like them to be, another measure of success is how effectively we can support our policyholders when the unexpected happens At Loudoun Mutual our promise isn't merely a transaction; it's a relationship built on trust, responsibility, and commitment It's a promise we take seriously every day.

While this story focused on one individual the same can be said about our entire claims team. Together through teamwork and collaboration, they were able to provide support and relief to our policyholders when it mattered most. Keeping promises one insured at a time.

WINTER 2024

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Looking Back With Gratitude, Looking Forward With Excitement

By Chris Shipe, President Emeritus
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THE REALITY OF my impending retirement at the end of the year hit home recently when I discovered I could no longer sign into the company benefits portal to register for 2025! I am incredibly grateful to the board of directors and employees of Loudoun Mutual for ensuring this transition period has been not only smooth but truly enjoyable. As I prepare to conclude my tenure as President Emeritus, I find myself reflecting on my time at Loudoun Mutual and looking ahead to the exciting opportunities that lie in the company's future.

My introduction to Loudoun Mutual came through David King. We had worked together at Rockingham Mutual and stayed in touch afterward. My first visit to Loudoun Mutual was under the guise of evaluating their new computer system to see if it would be a good fit for Farmers and Mechanics, the company I was working for at the time. Although it wasn't officially a job interview—especially since the search for John Clemens' successor hadn't begun yet—it gave both the Loudoun Mutual team and me an opportunity to get to know one another. I distinctly remember how friendly, welcoming, and professional everyone was, and I was particularly impressed with Tim and Todd.

As I reflect on my time at Loudoun Mutual, I'm struck by two pivotal "bookends" that frame my career here: the graciousness of the Board of Directors and the volatility of the property insurance market.

When I was selected to succeed John Clemens, the board was incredibly flexible with my start date, allowing my then-employer, Farmers and Mechanics of West Virginia, time to find a new president. Interestingly, one of the candidates for the Loudoun Mutual presidency ultimately became the president at Farmers and Mechanics. We became good friends and agreed everything worked out wonderfully for both of us. Now, at the other end of my career, the board has once again been gracious by allowing me to transition to retirement through consulting on special projects. This period has given me the opportunity to gradually shift from leading the company to embracing the next phase of life.

The other "bookend" is the state of the property insurance market. When I arrived in the early 2000s, the industry was reeling from years of "cash flow underwriting," where companies relied on investment income rather than properly pricing and underwriting risks. Addressing these challenges required adjusting commissions, strengthening rates, restructuring the reinsurance program, and updating underwriting guidelines. We also introduced new products to support profitable growth and implemented a computer system to improve operational efficiency. These efforts led to a sustained period of success.

Fast forward to today, the market faces new challenges, including inflation, weather volatility, and evolving policyholder expectations. While Loudoun Mutual initially took a measured approach to address underwriting losses, recent years—2022 and 2024 in particular—highlighted the need for stronger action. Much like in 2004, we've adjusted commissions, strengthened rates, restructured the reinsurance program, and enhanced underwriting processes. Additionally, several new commercial lines products are in development and poised for launch.

Thanks to these initiatives, Loudoun Mutual is well-positioned to capitalize on the current market volatility. As other companies exit personal lines, we have a unique opportunity to solidify our position as a strong, stable, and reliable presence in the property insurance marketplace for years to come.

Looking ahead, I foresee significant changes in the property insurance landscape. Artificial intelligence and machine learning will likely take over routine administrative tasks and play a key role in risk selection. While this may seem daunting, it's akin to the disruption caused by the introduction of computers, which automated tasks like typing policies by hand. The main difference this time will be the rapid pace of change.

I also predict a bifurcation in insurance products. On one hand, we may see a return to simpler products with limited coverage, such as excluding cosmetic repairs to roofing and siding. On the other hand, there could be an evolution toward comprehensive maintenance policies that include routine home upkeep services. However, one thing I am confident will not change is Loudoun Mutual's culture of caring and its commitment to thoughtful, responsive underwriting and claims services.

As I close this chapter, I want to express my heartfelt gratitude for my time at Loudoun Mutual. I have been privileged to work with an exceptional group of employees, agents, and an engaged and supportive board of directors. Under Todd's leadership, I look forward to witnessing the continued success of the company and the fruition of all the hard work we've put in together.

Here's to very successful 2025 and beyond!



Still Improving

By Kimberly Fry, Vice President & Treasurer

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NORMALLY I BEGIN my report with an inspirational moment or a business reminder and end with the financials. However, for this article, I felt it would be more helpful to reverse the order. Throughout 2024, our income statement has faced significant challenges. This year has been called "The Year of the Fire," and we also contended with Hurricane Helene. Taking a step back and looking at the year holistically, without Hurricane Helene, both October and November were profitable for Loudoun Mutual. Although our results through November are not where we want them to be, we remain diligent in our underwriting actions, claims handling, and expense management.

At first glance, a combined 110 might raise some eyebrows. However, this snapshot doesn't fully capture how well capitalized Loudoun Mutual is. Loudoun's total admitted assets have consistently increased year over year. It's important to note that Loudoun Mutual holds most of its investments at cost rather than market value. Despite this, admitted assets have risen by $5.3 million since last November, and the market value of Loudoun's portfolio has grown by 8% or $7.8 million to $102,667,000. Additionally, Loudoun's portfolio has increased by this amount without any funds being withdrawn this year. This means that all cash outflows were covered by operational cash, allowing Loudoun Mutual to maintain its strong capitalization without dipping into its continually growing investment portfolio.

	Year to Date through November 30, 2024	Year to Date through November 30, 2023
Underwriting Profit (Loss)	(8,496,672)	(1,320,816)
Investment Income	3,913,296	2,128,001
Net Income (Loss)	(4,480,731)	718,017
Total Admitted Assets	124,490,689	119,185,138
Combined Ratio	110.4%	99.9%



On the Right Track

By Chuck Good, Vice President & Marketing Manager

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WITH THE LIGHT at the end of the 2024 tunnel getting brighter, preparation for 2025 is well underway. Sound strategic planning for the future encompasses a strong understanding of the past. In preparation for the upcoming AM Best assessment, a review of our results over the past 5 years was relevant. It is hard to believe that 2020, now almost 5 years ago, marks what I consider the beginning of a significant evolution in how our business is conducted. From remote work to inflation, we are still feeling the effects of influences put into motion nearly 5 years ago. For starters, the cost of building materials and labor skyrocketed due to supply chain disruptions and demand. Industry wide, for both the property and casualty markets, loss costs outpaced rates as companies scrambled to adapt to volatile market conditions. As a result, claim severity began to rise as insurers adjusted to paying claims within the inflated cost structure brought on by the pandemic. Severity of Loudoun Mutual claims increased by 59% from 2020 to September 2024 and 32% from 2023 to September 2024. The spike in severity year-over-year is driven mainly by fire losses within the Homeowners line of business where severity of Fire (General) claims is up 93% since 2020 and 138%, year-over-year. Fire severity within the Homeowners line is the #1 contributor to our current combined ratio exceeding 100%.

Inevitably, premiums must increase and the company must offset the increased cost to indemnify our beloved policyholders all while grappling with the increased costs of our insurance for insurance…reinsurance.

To the contrary, claim frequency has declined across almost every line of business at Loudoun Mutual, which indicates we are on the right track. Additionally, inflation has settled in under 4% according to the various sources used to review coverage factors such as Verisk's Reconstruction Cost Index, the Consumer Price Index and the Core Consumer Price Index.

In summary, inflation is cooling , claim frequency is back under 5%, production is up 28% year-to-date versus prior year,

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On the Right Track



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and retention metrics are stronger than anticipated. As we reflect on the past year, I am proud of the progress we have made together in protecting what matters most to our policyholders. We have laid a strong foundation for a successful 2025. As we look to the coming year, we remain committed to delivering outstanding service, fostering trust, and ensuring peace of mind for our policyholders and agency partners. Thank you for choosing us as your partner in protection and here is to a successful year ahead!





Not Complacent

By Tim Koppenhaver,
Executive Vice President/Underwriting Manager
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OVER THE 22 YEARS I've worked with Chris Shipe, I've heard him use many catchphrases like "related/unrelated" and "back in my Iowa Mutual days". Everyone loves Chris' catchphrases. But one he uses regularly really defines well how Loudoun Mutual has operated during his tenure and will continue to do so long after his retirement. That catchphrase is this: "Don't Be Complacent".

Where I've seen this in action recently is in how we plan and implement rate changes. Typically, rate changes are done annually but sometime with a mid-year correction. Implementing a rate change requires a lot of coordination – mostly they need to be crafted by Chuck Good, approved by our board, and then programmed into our policy management system. However, because of a commitment to not being complacent, we turn a rate change opportunity into so much more.

We not only update our rates after they've been approved, but we also analyze many other processes to see if they can be improved. As an example, if we uncover a problem with a coverage form, we will update it while the rate changes are being implemented. (By the way, kudos to our Claims department who lead the way in finding problems with our coverage forms). Another example might involve ergonomic changes to help improve the understandability of our quoting system workflow by adding more information boxes or brief coverage explanations.

Long ago, implementing rate changes into our policy management system was done almost exclusively by me. Alone, pecking away at a computer hoping I didn't fat-finger a key premium. Now though, by not being complacent, that process has evolved into an ever-expanding team approach making sure it's done right. Many are involved, either directly by making the changes, or indirectly by awareness of our cadence and making suggestions for improvement.

Some specific things we improved upon as part of our most recent 1/1/2025 rate change include:

- A popup to help clarify where to find UM/UIM coverage under our Umbrella programs.
- Adding links to policy forms that are mentioned in information "i-button" popups.
- Adding credit for ACF Roof endorsement, so this coverage can be more easily offered.
- Re-ordering a few application questions to improve flow.
- Updating the language on our Data Compromise form for Farms & B&Bs.

Now that our 2025 rate change has been completed, I can confirm that we have already started building a list of things to improve with our next rate change opportunity. The cadence marches on. I think Chris would be proud knowing that our rate change process has morphed into something that is clearly not complacent!



Fast Claims Year

By Selena Duggar, Vice President & Claims Manager

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HERE WE ARE AGAIN – my favorite time of year. Time has flown by so fast this year I don't even remember the summer.

It has been an interesting year for claims. We had wildfires in the spring, plenty of wind and hailstorms, and of course, Hurricane Helene. I am ready for this weather year to end.

Through November 2024 we have handled 3213 claims at a cost of approximately $43,125,186 so far. I am always hopeful the weather next year will be less eventful, but my biggest wish this year is to sail through the rest of December without any significant weather issues.

The holiday season is very special. It feels like magic is in the air, people are a bit kinder to each other and there is hope for a better new year. I am always thankful for the many blessings in my life. I have a wonderful family at Loudoun Mutual, my family (including Tucker and Toby) and friends, as well as our wonderful agents and vendors. I am most proud of my claims team and very thankful for them. They worked extremely hard this year, especially after the hurricane in September. Our job isn't always easy, but it is very rewarding.



While decorating your home and getting ready for the holidays, remember to properly winterize your home and remove any chance of damage that wind, rain, snow, and ice may cause. Santa can't come down a dirty chimney, so clean those fireplaces, get your heating systems checked out for best efficiency, and clear those gutters to avoid water backing up causing ice dams. This is the season for fires and frozen pipes, so be aware.

From our claims department to you and your families, we wish you a very Merry Christmas and a Happy New Year!



Dashboard Updates

By Ryan McFadden, IT Business Analyst

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THIS QUARTER, Loudoun Mutual is pleased to announce the BriteCore dashboards have been updated to filter between different agency codes. Additional controls are available to filter the data presented within the dashboards. The added functionality enables agents to get comprehensive insight into their agency. This article covers a couple of the dashboards and their respective capabilities.

The first of the dashboards is the Agent Production dashboard. The data visualized in this dashboard offers comprehensive information into the operation of the agent. A Month to IT Date (MTD) Overview analyzes policies and premiums and presents the data as a chart over time. By expanding the Controls section of this dashboard, the visuals can be filtered to different locations or lines of business. Additionally, the data presented in the dashboard can be exported to a CSV file for further use. This dashboard enables agents to compare and understand their production, underscoring the advantage of working with Loudoun Mutual and BriteCore.

Another useful dashboard available within BriteCore is the CSR dashboard. This dashboard is generated using real-time data, meaning the most up-to-date data is used in this dashboard. Agents can view a list of policies expiring within 30 and 60 days, and a list of policies that have expired over the past 45 days. These lists can be filtered by a variety of different values, such as location and line of business. The information within this dashboard can be utilized to make decisions regarding policy renewals and provide a better customer experience for insureds.

These dashboards are continuously enhanced to better meet the needs of agents, and to make data more accessible for analysis as the landscape of your business changes. We hope that agents find these dashboards, and the others not covered in this article, to be another useful tool at your disposal when working with Loudoun Mutual and BriteCore. Have a wonderful Christmas and a happy New Year!

Milestones & Accomplishments



Kim Fry

KIM SERVES as the company's Treasurer, overseeing all financial operations including budgeting, financial reporting, and cash flow management. Since joining the team in 2014, Kim has played a key role in maintaining the company's financial health and ensuring compliance with industry regulations. Thank you Kim for your 10 years of service to the policyholders of Loudoun Mutual!



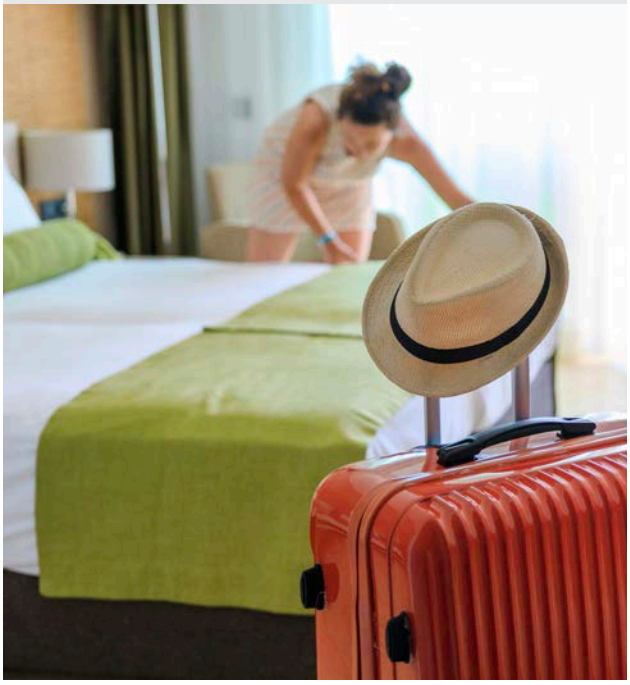
Jenna Livesay

JENNA BEGAN began her career at Loudoun Mutual as an intern while still attending college. After college she found her way home and began her second career at Loudoun as an underwriter. Over time Jenna has progressed from Underwriter to the Assistant Underwriting Manager, to be effective on January 1, 2025. Kudos to Jenna and thank you for your 10 years of service to the policy holders of Loudoun Mutual.

WITH TWO decades of experience at Loudoun Mutual, **Kim Dorman** has developed a diverse skill set by working across three key departments: Claims, IT, and Underwriting. Her broad expertise in each area has given her a unique perspective on how all aspects of the business work together to serve our policyholders. Thank you Kim for your 20 years of service to the policyholders of Loudoun Mutual!

RISKS WORTH NOTING

- 30+ unit motel
- 80+ unit apartment portfolio account
- $3.3M church



Holiday Hours 2024

Loudoun Mutual will be closed as follows:

Tuesday, December 24th at 12:00

Wednesday, December 25th all day

Thursday, December 26th all day

Tuesday, December 31st at 3:00

Wednesday, January 1st all day

LCAS Volunteer Day – November 13, 2024

EIGHT LOUDOUN Mutual employees volunteered at our local Loudoun County Animal Services (LCAS) shelter in Leesburg on November 13th! First, we toured the facility, where we saw the local animal control office headquarters and the medical unit where surgeries take place on-site. Surgeries occurring that day included a feral/outdoor cat spay/neutering clinic that is open monthly (free for local residents). We got to see many of the dogs, cats, bunnies, mice, and birds available for adoption.

After that, we split off into groups to help out. Some of us portioned out bags of cat food for donations around Loudoun County. Others scrubbed cat litter boxes and scoops with disinfectant. We all mopped and dried the high-traffic areas in the shelter. Other tasks included cleaning and disinfecting the "catnip soup" bins and replenishing the "meowijuana" (catnip) in them. We also filled bags of litter for foster cat parents. Several people picked up toys and trash out in the fenced areas where potential pet parents get to meet dogs and sorted toys inside to remove any potential hazards or ones with stuffing coming out. At the end of the day, we got to play with a sweet 9 month-old puppy named Pixy Stick (who is available for adoption) and some of us stayed to play with kittens!

LCAS is a wonderful organization with many volunteers that accepts transfers and they help out many smaller shelters in the area that receive less/no government funding. They are a fantastic place to adopt a pet, and we are proud to have worked with them to raise money and awareness of what they do over the years!









Outreach Committee – Charitable Giving *By Jenna Livesay, Assistant Underwriting Manager*

DURING THE 3rd quarter of 2024, Loudoun Mutual supported two organizations. To honor the memory of long tenured employee, Nancy Milbourn, the first organization we decided to support was Blue Ridge Hospice. Blue Ridge Hospice is a wonderful local organization that is a community based, not-for-profit hospice care provider. They serve Frederick, Warren, Clarke, Shenandoah, Page, Loudoun, and parts of Rappahannock and Fauquier Counties. They offer hospice care and community grief support and are a wonderful support system for many families. Loudoun Mutual employees raised $418.25 in monetary donations, and collected two car loads worth of items that were donated to the Blue Ridge Hospice Thrift Store in Purcellville, Virginia. The proceeds from the thrift stores are used to provide hospice care and their other services.

A couple employees also volunteered at the Blue Ridge Hospice thrift store in Purcellville. They were able to learn and experience the positive impact Blue Ridge Hospice has on people and the community.

The second organization we decided to support was Veterans Baby Shower, which is an event put on by the Martinsburg VA and it provides resources and materials to Veterans who had healthy deliveries in the past year. Loudoun Mutual employees raised $261 in monetary donations and donated many baby items that were distributed to Veterans at the event.



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