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



Thoughts and Ramblings

By Chris Shipe, President Emeritus
chris.shipe@loudounmutual.com

AS I WRITE this article, I am preparing to turn over the President/CEO responsibilities to Todd Robertson. There are a multitude of thoughts and ramblings running through my mind which I would like to share.

Foremost among my ruminations is my gratitude for the realization of so many of my aspirations. Beginning my insurance career at Millville Mutual, I quickly discovered I truly enjoyed working at an insurance company, specifically a mutual insurance company. It is a rare privilege for one's life's work to be so rewarding. What sets an insurance career apart, in my view, is the daily opportunity to help people, especially during their most trying times. And the mutual insurance business model appeals to me because it truly is focused on doing the right thing over the long term rather than constantly worrying about meeting a quarterly earnings target. The wonderful paradox of the mutual insurance business model is that by focusing on the purpose of helping people, rather than focusing on short-term profits, mutual insurance companies have a record of longevity and sustainability that is not matched by any stock company.

Reflecting further, it has been my experience, that servant leadership isn't merely a trite adage or a vague management philosophy. Early in my career I was fortunate to hear Zig Zigler speak, and his words, "You can have everything in life you want, if you will just help other people get what they want," has stuck with me and served me well in my career. This is the essence of servant leadership, enabling others' success. It has consistently rewarded me in manifold ways.

Of course, my career in insurance has been interspersed with challenges and setbacks. I have stumbled and made plenty of mistakes. What I have learned is that mistakes don't age well. It has worked best for me to acknowledge my mistakes quickly, and work to to correct them. Likewise, when something doesn't go as I planned, or seems unfair, I have tried to embrace some wisdom from Rick Warren, that when life is challenging and disappointing, "Let your pain make you better, not bitter." I have benefited and grown from difficult experiences. And therein lies another realization: while experience is indeed a formidable teacher, wisdom dictates learning from the experiences of others to avoid repeating their missteps.

Another random thought is that one of the major challenges of an insurance career is, so much is out of our direct control. Insurance is the only business that doesn't know the ultimate cost of the product when it is sold. Unforeseen events, be they human error or severe weather, can disrupt and impact even the best insurance operations. Over the past several years severe weather has particularly impacted the financial results of many very well-run insurance companies.

Which brings me to my last rambling, I am incredibly thankful as I step back from day-to-day leadership at Loudoun Mutual, that we were able to see the

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SPRING 2024

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Thoughts and Ramblings

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results of the hard work and dedication of everyone show up in the year-end 2023 numbers. 2023 may have not been the strongest results during my time at Loudoun Mutual, but 2023's underwriting profit was probably one of the most rewarding.

Although 2024 is starting off to be another year with severe weather, under Todd Robertson's leadership, the Board of Directors' guidance and the employees' ongoing hard work and dedication, Loudoun Mutual is poised to navigate any challenges on the horizon, ensuring the Company's continued success in the years ahead.

As we commemorate Loudoun Mutual's 175th anniversary, I am grateful to have been a part of the Company's tradition of service and caring. The past 175 years are just early chapters in Loudoun Mutual's story. I eagerly anticipate the chapters yet unwritten under Todd Robertson's leadership.

New President Announcement

WE ARE PLEASED to announce that Todd E. Robertson has been selected to succeed Christopher G. Shipe as the President/CEO of Loudoun Mutual Insurance Company. Mr. Robertson transitioned from the role of Chief Information Officer to Chief Operations Officer on January 1, 2024, and was elected President/CEO at the Company's Annual Meeting on March 26th, 2024. Longtime President/CEO Christopher G. Shipe, who announced his retirement after a distinguished 37-year career in the insurance industry, will remain "of-counsel" as President Emeritus until December 31, 2024.

Mr. Robertson joined Loudoun Mutual in July 2001. During his tenure as Chief Information Officer (CIO), he was instrumental in successfully leading the Company through multiple complex technology initiatives. Through his work as CIO, he gained in-depth knowledge of every aspect of Company operations. Prior to his work at Loudoun Mutual, Mr. Robertson also held IT positions with Bering Truck Corporation, and the Jerr-Dan Corporation. Mr. Robertson earned a Bachelor of Science degree in Computer Information Systems from Shepherd College and a Master of Business Administration degree from Frostburg State University. He also holds the Chartered Property Casualty Underwriter (CPCU) designation, the Associate in Insurance Technology (AIT), and the Associate in Insurance Accounting and Finance (AIAF), from the Insurance Institutes of America.



Todd E. Robertson



Back to the Future

By Todd Robertson,

President

todd.robertson@loudounmutual.com

TRUTH BE TOLD, one of the first few projects I worked on after arriving at Loudoun Mutual was to work with a team at Loudoun to conceptualize, design, and launch our very first website. It's only fitting one of the last IT projects I had a (small) part in was Loudoun Mutual's latest website iteration. In all fairness, my input was limited and the heavy lifting was done by Luis, Ryan, and Rachel. They've done a fantastic job of designing the new site with you in mind.

From a technological standpoint, our aim has been to enhance the user experience by segmenting our site according to whether visitors are agents, insureds, or perspective insureds and delivering relevant content. We've also made it a priority to prominently display shortcuts to our most commonly visited pages in the main menu to assist in navigation. Reflecting on my journey here at Loudoun Mutual, from the inception of our very first website to the recent iteration, I am filled with a sense of pride. While my contribution to the latest iteration has been modest, it's a testament to the collaborative efforts within the IT department at Loudoun Mutual who are committed to enhancing your experience using our website. As always, we welcome your comments and feedback on the most recent changes. Through your feedback we can continue to enhance our site and provide quality content.



Looking Back, and Looking Forward

By Kimberly Fry, Vice President, Finance

kimberly.fry@loudounmutual.com

NORMALLY I SPEND my Spring Article talking about the challenges of the prior year's numbers and the hope for the future. Spring is the time for warm weather, flowers and plants starting to sprout and remind us that the doldrums of winter are over. 2024 is going to be a year of looking back and looking forward for Loudoun Mutual. We are looking back to celebrate 175 years of service to our policyholders and looking forward to what changes the next 175 years will bring to our policyholders and industry. Additionally, we will be looking back and celebrating Chris Shipe's 20 plus years of service and remarkable contributions to Loudoun Mutual and then looking forward to the continuation of that legacy with our new President, Todd Robertson, while he creates his own legacy. I feel honored and blessed to be at Loudoun Mutual in 2024 when we have so much to celebrate looking back and looking forward.

	For the Year Ended Dec. 31, 2023	For the Year Ended Dec. 31, 2022	Year to Date through Feb. 29, 2024	Year to Date through Feb. 29, 2023
Underwriting Profit (Loss)	182,872	(8,685,507)	(742,870)	10,395,019
Investment Income	2,850,592	4,569,778	599,557	4,752,598
Net Income (Loss)	2,627,379	(3,086,749)	(128,631)	2,727,278
Combined Ratio	97.8%	113.8%	108.9%	79.5%
Total Admitted Assets	118,588,792	115,974,669	117,758,408	111,467,820

I would be remiss if I did not provide the final audited 2023 year-end results as well as the February 2024 results. Looking back, you will see 2023 ended very positively compared to 2022. Unfortunately, looking forward 2024 has started a bit rough but most of the underwriting loss is related to some specific accounting rules regarding certain reserve accounts, but the year is still young and with so many great things happening at Loudoun Mutual, if Mother Nature is kind, I expect 2024 to continue to improve as we move into the next quarter.



Daffodil

By Chuck Good, Vice President & Marketing Manager

chuck.good@loudounmutual.com

THE OFFICIAL FLOWER for March in the United States is the Daffodil. Daffodils are often associated with hope and optimism as spring symbolizes a fresh start to a new year. This perennial also personifies strength and perseverance to withstand harsh weather, yet it has the resilience to keep coming back each and every year… similar to Loudoun Mutual. The 175th year of Loudoun Mutual serving our valued policyholders is well underway. Like the daffodil, there is hope and optimism that we can build off the many successes of 2023 as early key performance indicators show 2024 is off to a healthy start. Speaking of 2023 successes, here are a few highlights from the past year:

- Inforce premium growth of $5.3M
- Nearly 6,000 new policies
- 96 agencies outproduced prior year new business
- Persistency improved to 90.3%
- Combined Ratio of 97.8%
- Added $5.1M to Surplus
- Affirmed A- (Excellent) with Stable Outlook AM Best rating

Considering the challenges faced by the industry and our peers, a combined ratio under 100% was a phenomenal feat in 2023. From the competitor intelligence gathered thus far, the industry is responding with continued double-digit rate increases in the property markets. Last year, weather driven loss perils continued to challenge underwriting results. Whether it is hail or wind, storm chasing roofers, rising reinsurance costs, or inflation, something must change. The easy fix is rate; however, the folks at Loudoun Mutual are seeking a balanced approach to overcoming the current obstacles plaguing Virginia policyholders. One of our strategies will be to expand our current Homeowner tiers that include 6 qualification tiers. We still need to iron out the details, but I see tremendous value and potential in adding a basic, value-oriented homeowner tier that



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We Need a Haven

By Tim Koppenhaver,
Executive Vice President-Underwriting
tim.koppenhaver@loudounmutual.com

ON THE SECOND DAY of spring, I set out from my home in Winchester to visit agents in Harrisonburg. Typically, trips to Harrisonburg are a driving delight – the scenery within the Shenandoah Valley is spectacular, especially in Spring.

As I came around the bend at Strasburg, where the Shenandoah Valley gets narrowed by Massanutten Mountain, the lovely scenery became obscured by wildfire smoke from a blaze west of town. The smoke only worsened the further south I went. At New Market, an ominous plume was rising swiftly from the other side of the ridge – off toward Luray. And as I approached Harrisonburg, highway signs were warning drivers of yet another fire in the Rt. 33 area. Three fires in total – the valley was ablaze.

After several hours of visiting agents, the return trip home was even smokier. In fact, the fire at New Market had now crested the mountain and was clearly visible from Rt 81. Lots of folks were out taking pictures of the menacing sight. About the time I stopped to take a picture, an email from our claims department arrived advising company managers of two total fire losses in the Shenandoah Valley including one property which had just gotten swallowed up by a nearby wildfire.

For most of my 37-year career, the Shenandoah Valley has been an insurance haven, having the mildest weather, a strong economy, and correspondingly profitable underwriting results. Up until today, it also had very minimal concern for wildfires. But, like so much else over the past ten years, things keep changing, and not for the better. Wind and hailstorms are becoming more frequent; hurricanes are now more intense, and oddly, freezing events are reaching further south. All these new weather patterns have brought a hardened reinsurance market. And let's not forget how a pandemic changed things in the past ten years as well.

My hope is that this trip to Harrisonburg through a valley on fire is just an aberration and not a signal of yet another weather pattern change. In a world where so much is changing, we need a haven. We need the Shenandoah Valley to remain a peaceful place, free of wildfires. We need the valley to be a place for folks to take pictures of its beauty, not its ominous plumes. And I need it to remain a place for pleasant drives uninterrupted by emails from the claims department advising of local fires.

Daffodil

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rewards the insured with lower rates if they are willing to retain more risk…and let us be honest, those not looking for a free roof. The roofs of the early 2000's housing boom are coming due, and this new tier will provide an option to help keep homeowners coverage affordable without sacrificing policyholder surplus. Product development, through new rating tiers and variables, coupled with thoughtful, targeted rate changes will only strengthen and expand our ability to serve the policyholders you entrust Loudoun Mutual to protect.

The property and casualty industry is evolving and so are our policies. These changes can be difficult, but necessary for survival, and the ability to adapt has kept Loudoun Mutual in business for 175 years. We will evolve and succeed by not only focusing on company success, but keeping focus on the value we can bring to our policyholders and the agents that make us viable. In closing, we are celebrating this monumental feat of stability and longevity on June 21st. Please join us at our home office in the beautiful Village of Waterford to celebrate 175 years of service to the great Commonwealth of Virginia.

Upcoming Important Dates:

- April 24th – Agency Council
- April 29th – Start of Sales Contest
- June 21st – 175th Anniversary Commemoration
- October 3rd – Annual Agents Meeting

RISKS WORTH NOTING

- **Strip Mall with Fitness Center, Pizza Shop, & Hair Salon**
- **$7M replacement cost home written on ACV terms at $3.9M**
- **Property-only coverage on boutique downtown hotel and restaurant**



Spring / Summer is Here…Get Ready!

By Selena Duggar, Vice President-Claims

selena.duggar@loudounmutual.com

I LOVE IT WHEN we spring forward into longer sunny days. The weather warms up and I can ride with the top down on my convertible bug. It makes me happy to leave the cold weather behind.

However, the warmer temperatures of spring lead into summer and the beginning of Hurricane season, which runs from June 1 through November 30. The predictions for the 2024 season show the Atlantic Hurricane Season to be above average in activity. It is predicted there will be 20 named storms including 9 which will be hurricanes and 4 major hurricanes. The increased intensity this year is blamed on the extremely warm water of the Atlantic Ocean early this year and the effects of La Nina.

In order to ride out these storms, as well as the numerous thunderstorms we receive during the spring and summer, it is best to be as prepared as possible. At your home make sure to secure any items that could blow away, trim trees of any dead or hanging branches, and clear your yard of any debris. Before a storm make sure to charge your phone and other devices, fill your vehicles with gas, and have non-perishable food and bottled water available. Power outages are common so have flashlights and batteries available and monitor local weather conditions. If you live in an area where evacuation may be needed, know your evacuation route and have your "go bag" ready.

Working in Claims, I find that the more prepared we are for a storm or event, the less likely we are to suffer the event or at least it is less severe than it could have been. My hope for all of us is a lovely spring spending time outdoors with family and friends, happy travels, and a quiet, uneventful (weather) summer!



LOUDOUN MUTUAL
INSURANCE COMPANY

175th Anniversary
OPEN HOUSE CELEBRATION

Save the Date

Friday, June 21st, 2024 • 10:00 am – 2:00 pm

✦

The Home Office of Loudoun Mutual Insurance Company
15609 High Street, Waterford, VA 20197

Formal Invitation to Follow

A CULTURE OF CARING
175
Years of Service

LOUDOUN MUTUAL
INSURANCE COMPANY
Post Office Box 58 • Waterford, Virginia 20197
www.LoudounMutual.com