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

Finding the Right Balance

By Todd Robertson, President

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ONE OF THE MOST important responsibilities of any insurance company is maintaining the proper balance between the premiums we charge and the claims we pay. While this concept may sound simple, achieving that balance requires careful planning, disciplined underwriting, and a long-term perspective. Insurance operates on a straightforward principle, premiums paid by many policyholders are pooled together to pay the losses of the few who experience unexpected events. When claim costs consistently exceed the premiums collected, an insurer's financial strength can be challenged. Conversely, if premiums are significantly higher than necessary, policyholders may pay more than is warranted, a goal we do our best to avoid as a mutual insurer. Finding the appropriate middle ground allows Loudoun Mutual to remain financially secure while providing fair and competitive pricing.

Another important consideration in the rate change process is that the rates do not take effect immediately. Because most of our policies are written with a one-year term, any approved rate change is implemented gradually as policies renew throughout the year. It will take a full 12 months before every policy has been renewed at the new rate level. During that transition period, claim costs may continue to rise while only a portion of the premium increase has been realized. This lag effect is one reason insurance companies must evaluate trends proactively and make decisions with a long-term perspective rather than reacting solely to current results.

Over the past several years, the insurance industry has faced increasing pressure from inflation, rising construction costs, severe weather events, and escalating litigation expenses. These factors have driven claim costs higher across nearly every line of business. As a result, Loudoun Mutual is continually evaluating whether premium levels accurately reflect the risks being insured.

At the same time, we recognize that insurance premiums represent a significant expense for many individuals and businesses. Our objective is not simply to increase rates but to ensure that premiums remain aligned with the actual cost of providing coverage. By maintaining this balance, we can continue paying claims promptly, investing in service improvements, and preserving the financial strength that policyholders depend on when losses occur.

Finding the right balance between premiums and losses is not a one-time exercise. Each summer we conduct a comprehensive review of our rates, claims experience, and operating results. This timeline provides the lead time needed in order to seek approval from the Board of Directors at Loudoun Mutual, program the revised rates, and inform our agents prior to these changes taking effect. By the time the final policyholder renews at a new rate level, the rates themselves are already based on data and trends that may be several years old. That reality makes proactive planning and disciplined decision-making essential. While no one welcomes higher premiums, maintaining the proper balance between premiums and losses is critical to preserving the financial strength of Loudoun Mutual. As a mutual insurer, our commitment remains unchanged: to provide reliable protection, fair pricing, and the confidence that we will be there when our policyholders need us most.

SUMMER 2026

IN THIS ISSUE

Don’t Let Good Risks Go Bad

By Chuck Good, VP Marketing

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AS I WRITE this newsletter in the first week of June, work has already begun preparing for the upcoming rate book review that will not take effect until January 2027. Rate revisions, which utilize multiple years of loss and premium experience, are a reactionary process that is often a day late and a dollar short. What preventative maintenance can we take to minimize our exposure to loss and protect our policyholders from steep rate increases? Property inspections are one of the most effective tools agents have to protect rates, improve underwriting quality, and reduce claims. While most agents devote significant attention to new business submissions, existing accounts that have been on the books for several years often receive far less affection and attention. This creates a missed opportunity to identify changing exposures before they become costly losses.

Over the past five years, our new business has been 11-points more profitable than our renewal business. New applications are subject to current underwriting standards, property inspections, and careful risk evaluation before coverage is bound. These measures help ensure that risks meet company guidelines and that potential hazards are addressed early…before that hazard leads to a claim.

Renewal accounts, however, can gradually drift away from the standards that qualified them for coverage in the first place. Roofs age, maintenance is deferred, outbuildings are added, trees become hazardous, and liability exposures evolve. Just recently I received my Umbrella renewal and although I added my daughter to my personal auto policy, it took an independent agent to ask, “Do you have an umbrella policy and if so, did you add her on that policy?” It just wasn’t on my mind; however, this quick renewal touchpoint corrected an exposure change while ensuring the premium once again reflected the risk being insured.

From a profitability standpoint, inspections can help prevent claims that ultimately impact rates for everyone. Water damage, deteriorating roofs, unsafe electrical systems, and other preventable hazards are often visible long before a loss occurs. Identifying these issues early can reduce claim frequency and severity while improving the overall quality of your book of business.

In 2025, renewals represented roughly 90% of all policies in force at Loudoun Mutual. If your agency is struggling with loss performance or, to the contrary, loss results are strong and you want to maximize profit-sharing, give your renewals some tender loving care. The result will be a healthier book of business, more stable rates, fewer claims, and better long-term outcomes for both policyholders and the company/agency.

Last, the twenty-first annual sales contest is on the back nine of the thirteen-week contest period. The sales contest sets the foundation for The Annual Agents Meeting that will be held at Wintergreen on October 14th and 15th. To participate in the contest prize drawings and social events on 10/14, your agency will need to accumulate 13 points via new business during the submission period which ends July 26th, 2026. All agents are encouraged to join us for the business meeting to be held on October 15th.

Thank you for your continued partnership, your trust, and your commitment to our mutual success.

Update on Debit Cards

By Kimberly Fry, Vice President/Treasurer

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A FEW WEEKS AGO, I sent out a constant contact notification that we had made a change to electronic processing fees. Previously, our vendor was charging 3% on all electronic card payments as our vendor could not differentiate between debit and credit card payment methods. They now have the ability to distinguish between debit and credit card transactions. Going forward, the 3% processing fee will apply only to payments made by credit card. This is a processing fee retained by the vendor and is independent of Loudoun Mutual's installment fees. Loudoun Mutual strives to provide our insureds with multiple payment methods as a convenience, and encourage our insureds to use an alternative method to avoid this processing fee.

To avoid this processing fee, we encourage our insureds to log in to their accounts and switch to ACH (Automated Clearing House) or debit card payment methods, which will remain free of this processing fee. The processing fee is independent of any installment fees charged based on the payment plan selected by the insured.

At this time, we have refunded all fees to insureds. Unfortunately, due to limitations of the process, we were unable to put the funds directly back on the insured's card; therefore, we issued a check to the insured. If the policy had multiple payments that incurred a fee, these fees were combined and the insured was issued a single refund. Each check was accompanied by a letter explaining the refund to the insured.

Financially, Loudoun Mutual continues to sit in a solid financial position. Invested assets are just over $120 million and total admitted assets are just under $150 million. On the income statement side, investments are doing well. We are breaking even with underwriting and currently have a combined ratio of 99.7% as we head into the summer. In summary, here is our financial snapshot through May 31:

	Year to Date through May 31, 2026	**Year to Date through May 31, 2025**
Total Invested	120,877,698	117,293,200
Total Admitted Assets	149,547,502	130,968,940
Underwriting Profit (Loss)	(143,524)	(457,176)
Investment Income	1,671,106	1,204,752
Net Income (Loss)	1,292,195	638,991
Combined Ratio	99.7%	99.4%

Underwriting Tools

By Jenna Livesay, Underwriting Manager

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SUMMERTIME BRINGS sunshine, family vacations, and hot weather. It's a season that spurs home improvements and property changes and ushers in severe weather and storms, both of which present a challenge to underwriting. At Loudoun Mutual, we utilize multiple tools to help us face these challenges and appropriately underwrite new business and renewals.

One tool that we utilize is aerial imagery through Betterview. When people think of aerial imagery, they often only think of it as a tool to address roof condition. While this is true and an invaluable aspect of aerial imagery, it also can detect property features such as: changes in the size of a building, new buildings on the property, pools, decks, and solar panels. It helps us identify changes and improvements to the property that may have gone unnoticed. With respect to roofs, Betterview helps us evaluate roof conditions and identify those roofs that need replacement or a change in coverage due to age/wear and tear. A separate windstorm and hail deductible, an ACV roof endorsement, a cosmetic roof damage exclusion, or a roof exclusion are options that underwriting can use to address roof conditions.

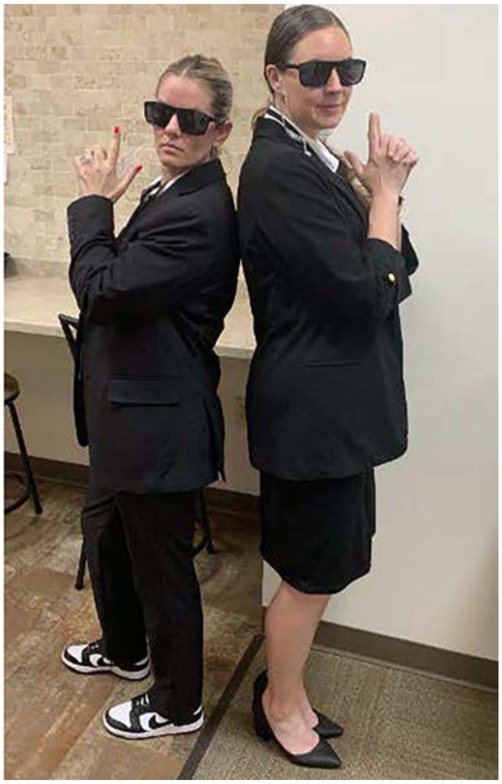
Underwriters also use property inspections that are conducted by the Mutual Inspection Bureau (MIB) and/or JMI Reports. These inspections allow us to get a closer look at the property and will often include replacement cost estimates. The inspections provide so much insight into the condition, occupancy, and any activities going on at the property, which is especially important for older policies. JMI Reports offer a unique feature where the insured can actually conduct the inspection using an app on their mobile device. This allows us to receive the inspection report more quickly, it doesn't require an inspector to visit the property, and the report includes both interior and exterior photos.

Aerial imagery and property inspections provide underwriters insight into a property. No one wants a surprise, especially during a claim, so this insight is shared with our agency partners and we work together to determine if the current policy needs to be amended to address the items found during an inspection or through aerial imagery.

Employee Engagement Day at Steven F. Udvar-Hazy Center

Dulles Relay for Life

IN THE FIRST two quarters of this year, Loudoun Mutual staff chose to support the Dulles Relay for Life through the American Cancer Society in their mission of ending cancer as we know it, for everyone. Staff and agents together raised $1,721 through personal donations, bake sales, games and potlucks, Spirit Week, and even a "Dress like Todd Day" at the LMIC Home Office! Loudoun Mutual matched all funds raised by staff and agents at 100%, for a total contribution to the American Cancer Society and Relay for Life of $3,442. Celebrate. Remember. Fight Back…Thank you to our agency partners who joined us in supporting this charity!



IT Update

By Luis Manzano, Director of Information Technology

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IT'S HARD TO believe we are already in June, the year seems to be flying by! I hope you've all had a chance to enjoy the outdoors lately, and I hope you've caught some great matches during the World Cup. While our team has been busy working on various backend enhancements and bug fixes, we want to highlight a few specific improvements that will directly impact your daily experience.

What's New:

- **BriteCore Quoting Wizard:** We have resolved an issue where answers entered for application questions were not saving properly. Your responses will now persist correctly across sessions and quote revisions, which should save you time and reduce the need for re-entry.
- **Search Index Reliability:** We have resolved an intermittent issue where policies would occasionally disappear from search results for specific agents. Previously, this required a manual index rebuild as a temporary fix. The system is now corrected to ensure search indexes remain consistent, so you can reliably find every policy you have permission to view.

As a friendly reminder, please encourage all policyholders to sign up for our online portal at **https://loudoun.briteapps.com/**. It is a powerful tool for insureds to manage their policies, make payments, download documents, and receive text or email reminders about upcoming transactions. We appreciate you encouraging your clients to sign up!

We appreciate your patience as we continue to refine our systems. As always, thank you for the feedback, it helps us prioritize the right work for you.

Human Resources *by Mary Hicks, HR and Administrative Specialist*

New Hires

Michael "Mike" Healey, Jr.

Integrated Services Representative

Marc Warlick

Specialty Claims Adjuster

Recent Promotions

Please join us in congratulating
Summer McFadden
– promoted to Senior Claims Examiner
Effective 04/01/2026

Summer Storms and Reporting Claims

By Selena Duggar, Vice President & Claims Manager

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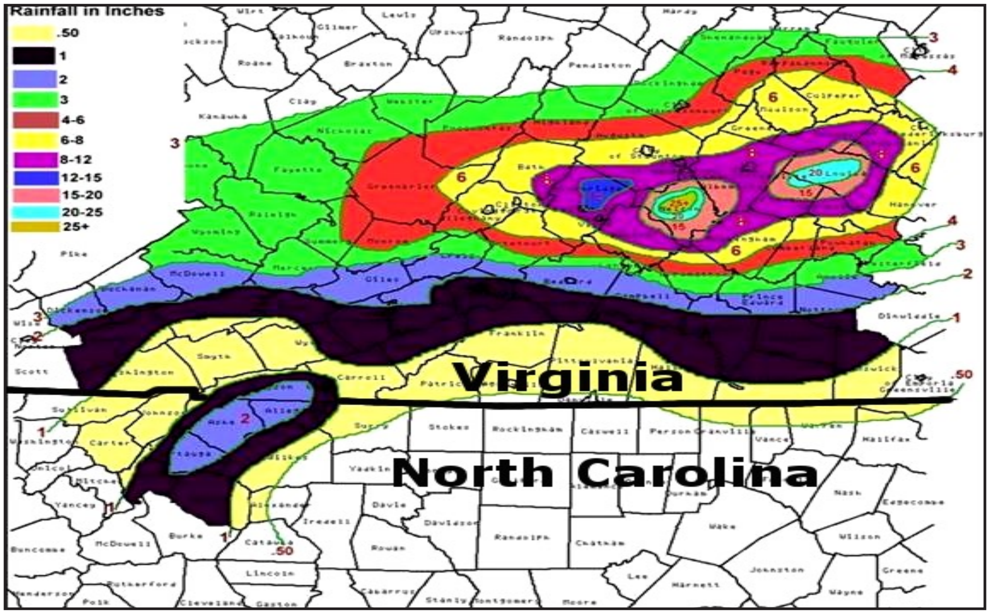

DURING THE SUMMER MONTHS, we are used to seeing photos like the one above. One minute it is sunny and the next minute a storm is rolling through. We love it when we get just a little rain, but as we know sometimes that nice rain comes with heavy winds, hail, lightning and heavier rain that can cause surface flooding and backups. We also know how important it is to capture as much information from the policyholders as possible about their damage when reporting that claim. It helps our adjusters know exactly what to expect from their inspection and how much time they may need to spend on that inspection.

Another important factor in reporting a claim is the date the loss occurred. If a date is not included when the claim is reported, we do not receive it in our system. If they aren't sure of the date, you can guess as closely as possible but indicating the date of the most recent storm that probably caused the damage helps us gather proper reporting information. It sounds like we are being picky, but all of this information helps us take care of our customers more easily and efficiently. Our goal is always to provide the best customer service to our customers as possible. Last, please make sure we have the most up-to-date contact information for the person we need to reach.

2026 HURRICANE SEASON

ATLANTIC STORM NAMES

ARTHUR
BERTHA
CRISTOBAL
DOLLY
EDOUARD
FAY
GONZALO
HANNA
ISAIAS
JOSEPHINE
KYLE
LEAH
MARCO
NANA
OMAR
PAULETTE
RENE
SALLY
TEDDY
VICKY
WILFRED

The beginning of summer also marks the beginning of hurricane season. Forecasters with NOAA's National Weather Service are predicting a below-normal hurricane season for the Atlantic basin this year. NOAA's outlook for the 2026 Atlantic hurricane season, which runs June 1 to November 30, predicts a 35% chance of a near-normal season, a 10% chance of an above-normal season, and a 55% chance of a below-normal season. The agency is forecasting a total of 8-14 named storms. Of those, 3-6 are forecast to become hurricanes (winds of 74 mph or higher), including 1-3 major hurricanes (category 3, 4 or 5 with winds of 111 mph or higher).

I personally am hoping for the below-normal season this year! But just in case Virginia is chosen for windy weather, make sure you are ready in case evacuation is needed. Secure your home, pack your go bag, or have plenty of water and non-perishable food ready in case you lose power.

Happy Summer everyone!!

Office Closings and Events for July 2026/August 2026

Summer Hours

Our summer hours remain in effect for Fridays during July and August, with our home office closing at 3:00 pm on each Friday. During this time, all calls will be directed to our after-hours claims service and escalated as necessary.

Independence Day

Thursday & Friday, July 02-03, 2026

Our home office will close at 3:00 pm on Thursday, July 02, 2026, and remain closed through Friday, July 03, 2026, in observance of Independence Day. During this time, all calls will be directed to our after-hours claims service and escalated as necessary.

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