



LOUDOUN MUTUAL

"A Tradition of Serving Virginians Since 1849"

ALL AGENTS:

2019 Agents' Meeting Recap

Last week Loudoun Mutual held its 15th Annual Agent's Wintergreen Meeting. A wonderful time was had by all and everyone enjoyed roasting "The King" as he enjoyed his final Wintergreen as the Senior Vice President of Marketing. For those of you not in attendance, here are the highlights:

The company is having a very good growth year as it has now passed \$66.2 million in premium and over 68,000 policies. This amounts to 8.6% premium growth. Our loss experience has improved compared to this time last year and we currently have a combined ratio of 100%.

RATE CHANGE ANNOUNCEMENT

Due to historical losses we are taking a justified rate increase of 6.7% overall with a building cost increase of 3.5%. Please be aware that rate increases are not taken lightly, an extensive review is performed each year to determine what steps are needed to remain competitive and retain approximately 90% policy persistency. Based on that review changes are being targeted as follows:

Effective January 1, 2020:

Homeowners

- ◆ 3.1% increase in the base rate
- ◆ 5% increase to Protected and Suburban Protected classes
- ◆ 10% territory adjustment for NOVA

Dwelling Fire, Mobile Home & Farmowners

- ◆ 1% increase in the base rate

Endorsement Changes

- ◆ \$2 premium increase for Home Systems Protection/Service Line Coverage
- ◆ \$2 premium increase for Identity Recovery
- ◆ \$15 premium increase for the LM-88 Limited Water Damage Endorsement on existing policies (from \$10 to \$25)
- ◆ Elimination of the LM-88 Limited Water Damage Endorsement on new business
- ◆ \$150 premium reduction for the LM-442 Incidental Rental Endorsement (from \$250 to \$100)

FEE CHANGES

As with rate changes, we don't take increasing fees lightly; however, our banking fees have increased tremendously and in order to effectively manage our costs the following changes are being implemented:

Effective January 1, 2020:

- ◆ \$1 increase to the installment fee (from \$5 to \$6)
- ◆ \$10 late fee
- ◆ \$15 reinstatement fee

Regarding IT, our conversion to the new system is 100% complete for personal lines and over 90% complete for commercial. All policies will be converted prior to 1/1/2020. Many issues have been resolved; however, if you see any errors please notify our IT department. Policy download continues to be revised and is a priority for the IT department. At the beginning of 2020, we will have one login for one policy portal for the insured. In addition, the IT department will be creating Agency Reports for you to access. Farm and Commercial quoting is in the works and will be rolled out shortly to a select group of agents for testing. Mid-term quoting changes and mortgagee changes will follow.

Selena Duggar, VP of Claims, introduced the newest member of her staff, Chris Toler, formerly with Nationwide. Chris mainly handles the Lynchburg area for Loudoun Mutual. Regarding claims reported in the Britecore system, additional information has been made available for the agent to review, such as adjuster and payment information and current status of the claim.

We completed the meeting with a presentation on agency valuations and agency perpetuation by Al Diamond. If you would like further information on this important topic, please let us know.

With 2019 about to wrap up, 2020 brings a new year, and a new decade, of exciting changes ahead.

We sincerely appreciate you and your commitment to our mutual success. AND, go ahead and schedule next year's meeting for October 7-8, 2020 for yet another fabulous Annual Agent's Meeting.