



Fall 2020 – Part 1

# LUMBERMEMO

PENNSYLVANIA LUMBERMENS MUTUAL INSURANCE COMPANY



John K. Smith, President & CEO

**H**opefully, by the time you read this, some normalcy will have returned to all our lives. Our aim is to have the PLM team back in the office, but frankly, we can't be sure, considering the pandemic.

As I write this, we continue to operate on a remote basis. The PLM team has done a wonderful job in continuing to move the company forward. However, it is really your perspective that matters. You should receive timely, effective, and efficient service from all of our people. Whether it is returned phone calls, policy documentation, claims, loss control or general customer service-related issues, we expect to provide excellent service, even in the midst of COVID-19. If you are not receiving immediate resolution of any issues to your satisfaction, I want to know about it! If you are having any customer service-related issues, please take a moment to email me at [jsmith@plmins.com](mailto:jsmith@plmins.com).

In the previous issue, I shared some of our financial results as an organization, and I think it is appropriate to update my thoughts at this time. We continue to see various insurance companies exiting the wood niche and non-renewing building material dealers, light wood manufacturers, and, especially, pallet and sawmill risks. Our ability to renew accounts is surging, as is our hit ratio. About 1,500 potential new accounts have been reviewed by our team since the beginning of the year. About 60 percent of them were declined because they did not meet our standards for loss control and risk management requirements. The other 40 percent of the accounts were quoted, some more competitively than others from either a coverage or pricing viewpoint.

If we declined to provide you a quote, you should understand the reason why and what you can do to improve (should you choose) the desirability of your business to an insurance company. If this isn't explained to you, please let me know and we will rectify this issue accordingly.

More than 287 businesses, generating almost \$12 million of new premium, have joined the PLM family so far this year. We expect that number to grow as we enter into the fourth quarter. Better than 90 percent of insureds have renewed their coverage this year. While we would like to believe this is solely because of our outstanding value, we recognize that some insureds have been too worried about the pandemic to shop their insurance.

We, like you, have reduced our expenses as best we can despite the outstanding top-line revenue growth that we are experiencing. The result is that our expense ratio has dipped dramatically.

While profitability in the commercial property and general liability lines has been acceptable, the commercial auto experience continues to be poor, for PLM and the whole insurance industry. We continue to underwrite this coverage very tightly and seek additional rate when required, keeping in line with what other insurance carriers are doing.

Our surplus is slowly rebounding from a dramatic drop in March. Assuming this improvement continues, we should be able to recapture our surplus loss by yearend.

Cash flow has improved dramatically, and we are deeply in the process of cleaning up outstanding premium receivables caused by the pandemic. We find most insureds to be very cooperative in our efforts in this area, and we are very much appreciative of their responsiveness.

We have always been very proud of our employees and have insisted over the last four or five years that they all become involved in continuing professional education. More than 85 percent of the PLM team are currently enrolled in continuing insurance education. We are pleased that our business development representative in California, Kobié Jacobs, recently completed and earned his CPCU, which is the insurance industry's premier professional designation.

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This past quarter, we finally rolled out our Net Promoter Score program "Ask Nicely." In a separate article, our Corporate Marketing Manager, Lindsey DiGangi, will provide you with more detail. We expect to further implement this program as we roll into the fourth quarter.

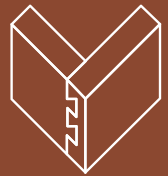
We recently piloted "Any Time Risk Management," a self-risk management tool for small businesses that we believe will enhance our ability to provide our small and medium-sized insureds with a risk management product that includes consultation with one of our loss control representatives and access to a risk management library.

Many of you are aware that I spend quite a bit of my time traveling and visiting insureds, not only at their place of business, but at various industry trade shows throughout the country. PLM views

trade show attendance and involvement with your various associations not only as part of our effort to support the industry, but also to connect with our current customers, many who have become friends over the years. Of course, like any other vendor, we hope to also establish some new relationships at shows, too. So, trust me when I tell you that we are disappointed that over 100 trade shows and industry meetings have been cancelled because of the pandemic. We miss seeing you, talking about your operations, and discussing ways to help you grow and expand your business.

I continue to look forward to your comments, calls and emails. Call or write me with your thoughts and comments at 267-825-9246 or at [jsmith@plmins.com](mailto:jsmith@plmins.com).

# THE DOVETAIL:



## ABM is Here to Stay!

Earlier this year we introduced you to our wholesale brokerage operation, Allied Building Material Agency, Inc. (ABM). After lying dormant under the umbrella of Indiana Lumbermens Mutual Insurance Company (ILM), ABM was brought back to life by PLM with a new staff (headed by VP Angelo Ganguzza) and some hearty enthusiasm. In January of 2020, we hit the ground running and haven't stopped since.

The restoration of ABM came after many years of PLM contemplating how to help our customers and retail broker partners with the workers' compensation line of business. PLM, as a carrier, stopped writing workers' comp coverage for our insureds years ago, but our insureds and broker partners have never stopped requesting it. It was, and will always be, important to PLM to find solutions for our customers. Thankfully, a solution to offering affordable and comprehensive workers' comp coverage presented itself in the onboarding of Angelo, and the reformation of ABM.

ABM's mission is to work with our insured and broker partners to help place the Workers' Compensation coverage on wood businesses, even without PLM writing the coverage directly. Our ABM team comes with years of experience in insurance, years of insuring the wood industry specifically, and years of employment with PLM. We have honed our skills in brokerage operations, customer service, and underwriting. We have met with wood industry customers and prospects, performed loss control services and inspections, walked our insureds through claims, billing, and coverage issues, and have met with retail and wholesale brokers the country over. Our team is well-equipped to vet and continually assess the workers' comp carriers with whom we partner to anticipate and respond to our customers' needs.

Visit [www.plmins.com/lm-dovetail-abm-fall20/](http://www.plmins.com/lm-dovetail-abm-fall20/) for the full article.

## A Quick Check-In on Your PLM Insurance Experience

**BY: LINDSEY DIGANGI, CORPORATE MARKETING MANAGER**

"How are we doing?" It's a question we ask ourselves daily at the employee, departmental, and organizational levels.

Your business has unique needs and your insurance experience should reflect that. Our goal is to understand what matters to your business. Beyond our tailored coverages and industry-specific risk management, PLM seeks to create a custom experience for you. As an insurance carrier, we are responsible for responding when you need us, and not just when you file a claim. Your experience as a part of the PLM family is important to us every day. That's why we want to hear directly from you.

We have released our first in a series of surveys to check in with you at various times during your PLM insurance experience. Our first survey is a quarterly check-in with all of our insureds. Although you may be communicating with PLM in a variety of ways, we want to ensure that you have the platform to offer feedback during your policy period. This survey functions as your platform to tell us what is on your mind.

After two months, we have surveyed over half of our current insureds with three simple questions that can be answered in under a minute. The feedback we have received so far has been both reaffirming and eye opening, which is exactly what we hoped to see. Improvements come from reflection, and your participation thus far has given us the insight needed to examine and improve our communications, processes, and training.

Visit [www.plmins.com/lm-dovetail-fall20/](http://www.plmins.com/lm-dovetail-fall20/) for the full article.

# PLUMB SAFETY:

## TATTLETALE® PORTABLE ALARM SYSTEMS

At PLM, we are continuously looking for new solutions for our customers to better manage their risks in their operations. We spend time researching different companies and services to partner with to provide risk management tools to our policyholders, such as streaming safety video services, continuous MVR monitoring products, and phone-related distracted driving prevention tools.

We are pleased to announce our most recent partnership with **tattletale®**, a provider of portable alarms systems. They offer an all-in-one portable alert system in a box with sensors for a wide range of potential risks for operations such as wood processing plants:

- Fire Protection (rate of rise sensor) – Transmits an instant signal if the ambient temperature increases 15 degrees or more per minute, or if the ambient temperature rises above 194 degrees.

Visit [www.plmins.com/lm-plumb-safety-fall20/](http://www.plmins.com/lm-plumb-safety-fall20/) for the full article.



PENNSYLVANIA LUMBERMENS MUTUAL  
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# 125+1

On February 26, 2020, PLM celebrated its 125th birthday, launching our official anniversary year with a series of events designed to celebrate a century and a quarter of serving the lumber, forestry, and building materials industries. Within three weeks of that momentous day, our Philadelphia office was shuttered and celebratory activities scheduled for the remainder of the year were postponed.

Not to be deterred, we will reignite our 125th anniversary celebration in 2021 under the banner of 125 + 1. We are proud to be the largest writer of lumber-related business in America, and look forward to celebrating with our valued policyholders, broker partners, and dedicated employees who have contributed to our longevity.

We will update our Anniversary Page at [www.plmins.com/125](http://www.plmins.com/125) with events and activities as we get closer to the continuation of our celebration in 2021.

# COVERAGE TOOLBOX

## RISKS FROM AUTOMATION



**BY: JOHN K. SMITH, PRESIDENT & CEO**

Automation and technology have become widely adopted tools to help businesses streamline operations by improving efficiency and quality. Even more technology and automation tools continue to be applied in business, especially manufacturing.

If you have recently planned out, embarked upon, or implemented such a project, you know how expensive the equipment and the technology can be! Understandably, you will want to protect that investment. Changes in operations create changes in risk, so there some risk management issues you should consider if you are undergoing or have recently completed this type of upgrade in your business.

First, the cyber exposure that arises from enhanced automation can be significant in nature, and it needs to be thoughtfully considered to ensure that your operation is protected! Your technology vendors usually can assist you in this area. However, a risk will always remain.

Your broker and PLM can help address this risk with a cyber liability

insurance program. Our program goes beyond the necessary cyber liability coverages available in the market. It includes valuable support services: such as access to experts in cyber extortion and data breaches, experienced and dedicated cyber claims specialists, and an eRiskHub® online portal designed to help businesses prepare for and effectively respond to data breach and cyber attacks. Please do not hesitate to reach out to a PLM representative to discuss the benefits of our cyber liability program, both in coverage and in supporting services. Further, the expertise of our loss control specialists and IT professionals are always available if you have ideas that you would like to bounce off them.

The second issue is the financial value that you have added to your operations because of new equipment and software. Unfortunately, we have seen losses where insureds were underinsured because they had not updated the value on their insurance policy to reflect this enhanced automation. Again, this is something you need to consider and take steps to rectify.

Visit [www.plmins.com/lm-automation-fall20/](http://www.plmins.com/lm-automation-fall20/) for the full article.



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# SPOTLIGHT ON:

## BOARD UPDATES



**Thomas E. Beach, Long-term Board Member of Pennsylvania Lumbermens Mutual Insurance Company Retires**

In April of 2020, PLM's longest serving Board Member, Thomas E. Beach of Beach Investment Counsel, Inc., retired from PLM's

Board of Directors after serving faithfully for more than 40 years.

Mr. Beach has served on several PLM Board Committees, including as chairman of PLM's Investment Committee. During his tenure, the experience and insight he shared to guide the Investment Committee assisted PLM in realizing a number of unique market opportunities, which led PLM's investment portfolio to outpace the Property & Casualty insurance industry's investment marketplace.

Visit [www.plmins.com/lm-spotlight-on-board-fall20/](http://www.plmins.com/lm-spotlight-on-board-fall20/) for the full article.

## MEET OUR INTERNS

*"While many companies were cancelling internships, PLM worked hard to get me working."* – Vincent Pace



Pictured from left to right: Vincent Pace, Kevin Riddick & Sydney Stenson

Although their work environments looked different this year, we were lucky to have three talented interns return to us this summer to build upon their prior PLM work experiences. All of them come from outstanding Risk Management Programs at both St. Joseph's University and the University of South Carolina.

We not only thank them for their hard work but commend them for their flexibility, adaptability, and resiliency. Check out our social media to learn more about these young professionals.

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