

125 Years of Partnership: PLM and the Wood Industry



“Sturdy as the Oak” – The PLM emblem used throughout the 1940s and 50s.

The wood products industry has been a mainstay of the American economy almost as long as this nation has existed. What started as small lumberyards, handling and processing logs one by one, has now blossomed into an industry run on efficiency, with automated processing and log scanning, complex electrical systems and more. For 125 years Pennsylvania Lumbermens Mutual Insurance Company (PLM) has been there alongside wood operations, adapting to changes and setting the standard for insurance service and coverage.

As one of the first lumber mutual insurance companies, PLM has long provided the wood products industry with services and strategies designed to overcome the various challenges lumber has faced over the decades. PLM's story begins in the 19th century and is marked by thoughtful, measured adaptation. At the time, lumber businesses were a critical component of many local economies, helping to develop cities nationwide. While these businesses were flourishing, the need for fair and comprehensive insurance coverage was greater than ever.

In 1895, lumber executives joined industry leaders to form Pennsylvania Lumbermens Mutual Fire Insurance Company, which would later become PLM. PLM was continued to respond to the growing needs of the lumber industry and today is the last remaining lumber mutual. Over the next 100 years, PLM grew financially, expanding throughout the country and to other businesses in the wood niche.

Today, under President John K. Smith, PLM continues to work directly within the lumber industry to support its businesses. PLM's customers include more than 5,000 wood-related businesses across the United States today — approximately 600 of them sawmill and heavy manufacturing companies. Under Smith's leadership, PLM looks forward to the next decade and considers the risks ahead.

As the wood products industry and PLM have evolved, so too have exposures and risk management. Heavy manufacturing businesses have always faced a few serious risk exposures, such as fire and natural disasters, but the way in which they prepare for and respond to these risks has changed significantly. In the past, these operations would rely on retired firemen to inspect their facility for obvious fire risks. Between the 1960s and 80s, PLM strengthened its Loss Control programs and established a formal Loss Control Department. Today, specialized risk management professionals, accompanied by advanced technology such as thermal imaging, work directly with wood products businesses to mitigate risks in their manufacturing workflow and facilities.

In recent years, PLM has focused on several risks common to the insurance and wood products industries. This includes regulatory changes and the political atmosphere, which have a significant impact on both industries. Additionally, PLM must consider what drives customer loyalty and retention as customer expectations change. The company is tackling head-on the challenge of finding new, profitable customers, while preparing for the digital-savvy customers of the future.

Plus, both the wood products and insurance workplaces are changing. PLM is actively engaged in developing its employees and the abilities of those employees to manage change, learn new skills, and embrace new technologies and methodologies of the business world over the next decade. Succession planning and attracting and developing young talent is critical to both the lumber and insurance industries.

Technological innovation has come to the wood niche and the insurance



A group of PLM employees is shown setting up a trade show display. PLM continues to exhibit and support trade associations throughout the U.S. In 2019, PLM participated in 125 wood-related industry conventions, meetings and events.



Here is an early photo of a field representative inspecting a lumberyard. Today, PLM's business development and loss control representatives continue to inspect premises, provide risk management services, and offer valuable recommendations for its customers.

industry. Cyber security needs to be at the forefront of PLM's decision-making process. PLM knows data privacy is critically important as it handles sensitive information for customers and its own employees. For the wood products industry, cyber liability insurance has emerged as an essential coverage in the age of cyber intrusions and data breaches.

Over the past 125 years, PLM and the wood products industry have been through major disruptions and significant changes. Through all of these changes, the key to both PLM and the industry's success has been an emphasis on relationships. There is no other insurance carrier in America as committed to a spectrum of wood-based businesses as PLM. As the world goes digital and remote, maintaining strong relationships remains at the core of the wood industry, allowing insurers, workers, and customers to better understand each other and what is needed to succeed today.