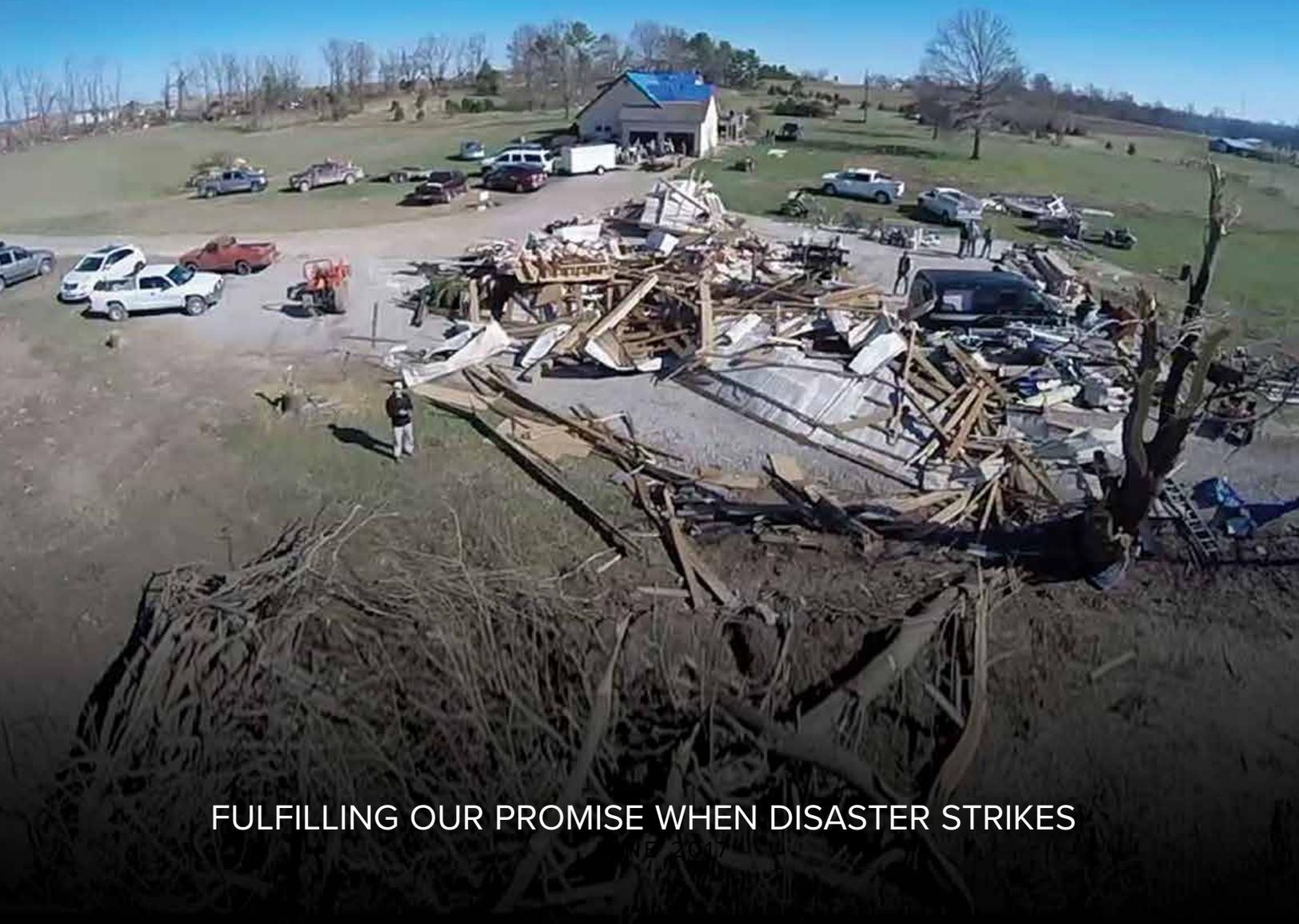




INFOCUS
AUGUST 2017

STORM TESTED



FULFILLING OUR PROMISE WHEN DISASTER STRIKES

DESPITE RECORD STORMS, **ACUITY REMAINS ON PROFITABILITY PATH**

After a number of relatively quiet storm seasons, Mother Nature returned with a vengeance in 2017. In May, a Colorado storm, packed with massive hail, caused an estimated \$1.5 billion in insurance claims for the P&C industry, becoming the state's most expensive catastrophe. In June, thunderstorms marched from the Dakotas through Wisconsin, bringing heavy winds and spawning several tornadoes. In some spots, hail accumulation from these storms was so thick that roads needed to be plowed.

As a result of these and other storms, the P&C industry had its most costly first quarter in catastrophe losses since 1994—a whopping \$7.3 billion in claims. Net income for the P&C sector for the quarter dropped over 40 percent compared to the prior year.

Operationally, Acuity has felt the impact of 2017's weather. "The June storms generated more than 2,500 claims and \$32.7 million in damage, making it the worst storm event in Acuity's history," says **Jamie Loiacono**, Vice President - Claims. The Colorado storm resulted in just over 1,000 claims, and the number of property claims handled this year already exceeds the total of 2016.

At nearly \$85 million in storm losses to date, Acuity has already set an all-time annual record for storm claims—and we still have five months to go in 2017. Yet despite these record losses, Acuity's resiliency has kept us on the path to profitability—unlike other insurers.

"In 2017, our combined ratio is projected to finish under 100. Even before the storms of this year, the industry was already running over 100," says **Ben Salzman**, President and CEO.

Delivering on a Promise

Storms are a call to action for Acuity's claims staff. "This is what we're here for—to rebuild shattered lives when disaster strikes," says **Marty Jaeger**, Manager - Property and Auto Claims.

Acuity's unique combination of people, processes, and technology helps us deliver service that is truly second to none. When catastrophes strike, our effective triage gets claim assignments in the right hands quickly. And our smart use of technology, from the latest estimating software to UAVs (see sidebar), puts tools in the hands of field reps that allow them to handle claims efficiently and safely.

Our philosophy of having field claims adjusters live in the areas they serve provides a speed of response

that can't be matched by companies that rely on bussing people in from across the country.

"Local field reps are able to address emergency storm claims immediately and know the local resources to get repair work started," says **Nichole Van Roekel**, Manager - Field Claims. Many times, we have a check in the insured's hand and a contractor lined up before other companies' so-called "rapid response" vans even get to town.

Additionally, Acuity entrusts the care of our customers only to our own employees. "Although we make selective use of trusted partners to perform some parts of the estimating process, our field adjusters are responsible for claims from start to finish," says **Scott Butzman**, Manager - Field Claims.

"The ultimate credit for our claims response goes to our people—our central claims reps, field claims reps, property specialists, and everyone who is involved in delivering on our promise to customers," Salzman says. "People truly make the difference in Acuity's claims service." ●





BIRD'S-EYE VIEW

In the event of a catastrophe, drone technology is proving invaluable for surveying inaccessible areas or obtaining views of damaged properties that would not be safe for adjusters to access.



THE COST OF HAIL



50%

of all hail claims are for damages to homes.



33%

of all hail claims are for damages to vehicles.

MAY

12

Most claims result from damage that occurs in May, followed by April and June.

TORNADOES ON THE RISE



40.2%

of insured catastrophe losses from 1996 to 2015 were from tornadoes.



221%

increase in tornadoes in 2017 from January to April compared to the 2014 to 2016 January to April average.



\$7.3B

catastrophe losses in the first quarter of 2017.

TORNADO TOP 5

Average Annual Number of Tornadoes

Nebraska: 57 tornadoes

Kansas: 96 tornadoes

Texas: 155 tornadoes

Oklahoma: 62 tornadoes

Florida: 66 tornadoes



CHOICE FINANCIAL PUTS #PEOPLEFIRST

Since the foundation of Choice Financial Insurance, three core values have guided the agency's growth: better the places in which they live and do business, create opportunities for growth, and, most important, put people first.

"The strong, solid culture that we have is based on putting people first. It's what we do," says **Chuck Klabo**, Manager in the agency's main office in Fargo, North Dakota.

In a demonstration of that culture, staff members at the bank-owned agency and its parent company have contributed thousands of hours of volunteer service and have helped raise hundreds of thousands of dollars for local causes. The agency's website (choicefinancialgroup.com), its Facebook page (facebook.com/choicefinancial), and its Twitter feed (@ChoiceFinancial) all feature stories about how Choice Financial's people have made a difference in the lives of customers and the community.

Growing Business

The agency has capitalized on opportunities to grow and succeed. With Choice Financial being the largest agricultural lender in North Dakota, the agency has built not only a large agribusiness book, but also an expansive portfolio of accounts in ag-related sectors that match Acuity's appetite, such as construction, trucking, and personal lines.

"Agriculture is a big part of our history and who we are," Klabo says. "We've built trust, respect, and loyalty among our customers due to our commitment and expertise."

Additionally, the state's energy sector, while volatile in recent years, has presented the agency opportunity to write everything from mainstreet commercial lines business to oil and gas trucking.

"We have capitalized on Acuity's versatility to write business. It's been a very good partnership for us," Klabo says.

Today, Choice Financial Insurance has 9 locations throughout the state, as well as 35 employees who share a passion for service excellence.

"Our people are known for having a genuine commitment to our clients—for helping protect customers and their interests and constantly looking for ways to enhance the service we provide," says Klabo. "We have a great team of people at Choice Financial."

Positive Outlook

Choice Financial Insurance recently created a life/health and benefits division and partnered with a wealth management company to round out its service to clients and help position the agency to continue its growth trajectory in the coming years.

"Going forward, the outlook for the agency as well as the bank as a whole is very positive. We are very excited about our future," Klabo says, adding that putting people first will remain the most important component of the agency's success.

"We are very proud of the people we work with and know that we will all do our best for customers on a daily basis," Klabo says. "At the end of the day, we take great pride in working with our customers and have a genuine appreciation for our role in protecting their businesses and families." ●



Chuck Klabo



Choice Financial's annual "Go Hawaiian for Hospice" event is one example of its #peoplefirst philosophy. The 2017 event fed over 2,300 people and raised money for patient care at Sanford Hospice. Pictured (left to right) are agency staff members Matt Beneke, Jamie Satrom, Jenaah Nyhof, and Cally Colville.

FIELD CLAIMS PHILOSOPHY PUTS US THERE **WHEN CLAIMS HAPPEN**

Every insurance company promises, “We will be there when you have a claim.” But what they don’t state in this promise is who “we” are and where “there” is. More and more, other insurers are reducing their field claims operations and hiring third-party vendors to provide claims service.

Not at Acuity. We maintain our field claims presence throughout our operating territory because it is the best way to serve, protect, and help our customers. When our customers suffer a significant claim, our own field adjusters respond in person, assisting from first contact through final resolution. They meet in person with our customers every day in their homes and businesses and are there when customers need us the most.

Our field claims representatives handle claims close to where they live. They know firsthand the landscape, environment, and culture where our customers live, work, and do business. They get to know customers, and it is not unusual to have our representatives stay connected with customers long after a claim has closed just to check on things. Our field claims representatives also know our independent agents, visiting agencies frequently to provide updates, answer questions, or just to say hello.

Acuity continues to support and advance our field claims operation with the tools they need to do their job best. Our field claims representatives have the technology to stay connected while mobile and provide customers with full on-location services. They are also supported by streamlined back-office processes that expedite claims handling.

We also work hard to hire the best people in claims. We place a great deal of effort and resources into

our hiring process to ensure we employ field claims representatives who care, are trustworthy, and want to genuinely help our customers. We have been very successful hiring fantastic candidates who achieve a high level of job satisfaction by helping others.

As part of our overall claims service, our field claims response is a key component in maintaining our high customer retention rate. As we have reported many times prior, our retention rate actually goes up after our customers experience a claim.

Finally, our field claims operation is an extension of our fantastic corporate culture. We bring Acuity’s caring, empowered attitude into our customers’ homes and businesses and show them we mean what we promise. We are here in person to help our customers get back to enjoying life by working hard to resolve their claims with a professional, caring, and genuine approach.

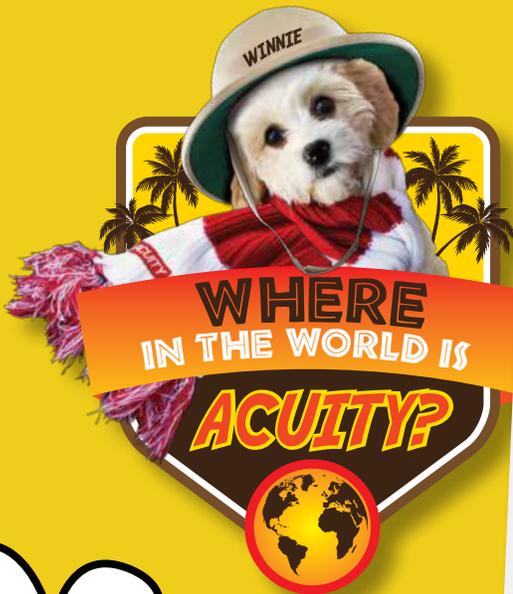
Our agents consistently tell us our field claims philosophy is part of the Acuity difference in claims. They tell us customers who have had claims with other insurers know and can tell the difference when they are working with our employees, particularly when compared to third-party adjusters. They tell us that customers appreciate knowing that Acuity field claims representatives care and are vested in achieving good outcomes.

We believe our field claims service gives our agents a competitive advantage in the marketplace, particularly over companies that use outside adjusters. Agents can have the confidence in recommending Acuity to a client that we will provide in-person claims service when our customers have a significant loss. But most important, we maintain a field claims strategy because it is the right thing to do. ●



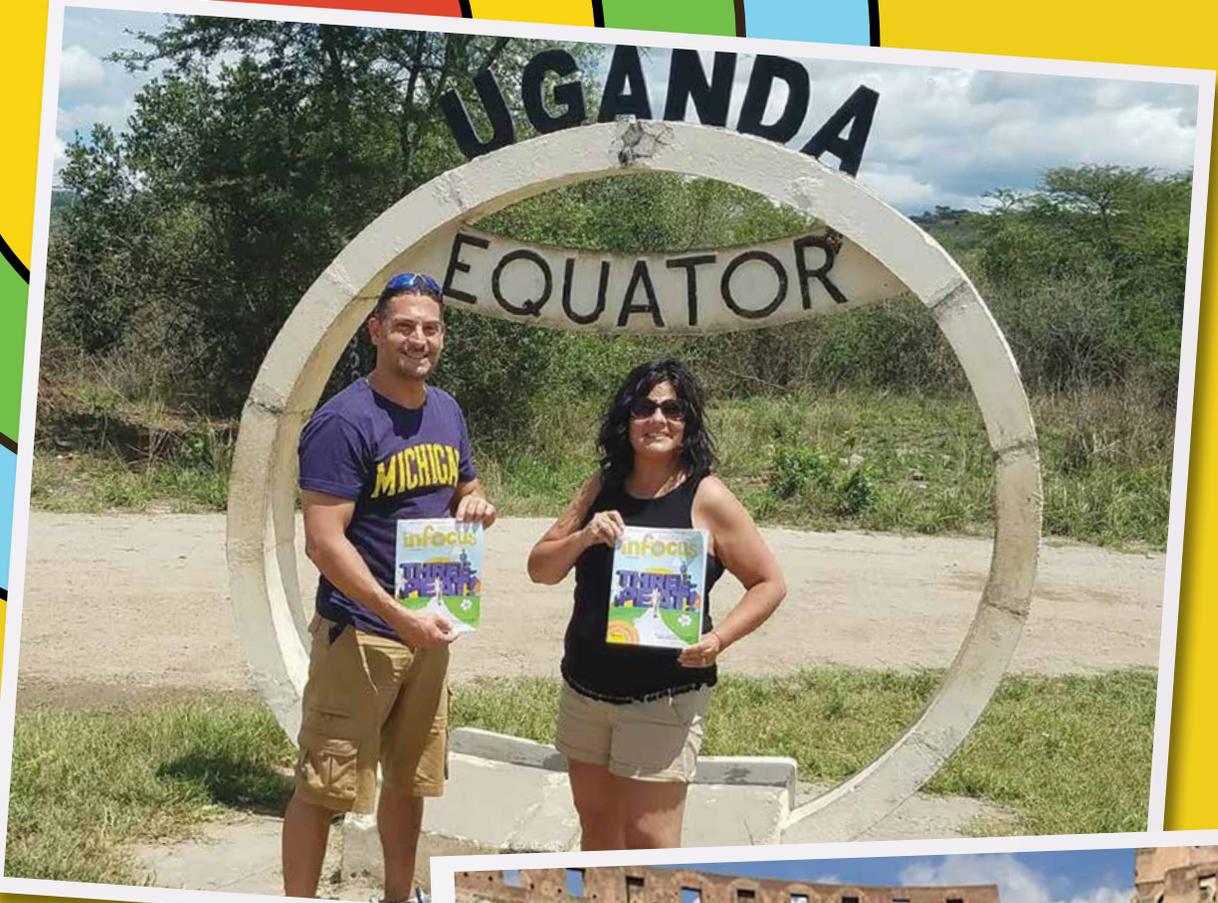
**BY JOHN CURTIS,
GENERAL MANAGER -
FIELD CLAIMS**





On a recent trip to South Korea, Communications Specialist **Lucas Schneider** visited the Demilitarized Zone on the country's border with North Korea. In addition to his "Keep Calm" Acuity T-shirt, check out his hat—and look for a similar one in *Wally's Word 3*.

While in London, **Kathy Salo**, Account Manager at McClone, offered an Acuity mint (unsuccessfully) to a member of the Royal Mounted Guard.



To celebrate their 25th wedding anniversary, **Mark Provo** (Account Executive, VTC Insurance Group) and his wife, **Tara**, took an African safari, bringing some quality reading material on a visit to the equator in Uganda.

Patricia Pairitz, Personal Lines Account Manager at Insurance Brokers of Minnesota, Inc., wore her Acuity handwear inside the Coliseum in Rome.



Would you like to win \$100? Email a picture of you or your family with Acuity logo gear featuring an interesting location to infocus@acuity.com and include a brief description of Where in the World Acuity has been. If we use your picture, we'll send you \$100! This offer is open to all employees of Acuity and our independent agencies.

To increase your chances of being selected, consider these tips for a winning shot:

- Prominently display your Acuity swag—and the more the better!
- Location, location, location! Photos taken in exotic, amazing, and breathtaking locations catch the reader's eye.
- Send high-resolution images that have good lighting and focus.
- Send multiple pictures of your trip, even if they are taken at the same location.
- Keep in mind that all recognizable people will need to agree to a photo release if your picture is chosen.
- Have fun! ●

WORKING TO HONOR OUR NATION'S VETERANS

The Honor Flight Network is dedicated to transporting as many United States military veterans as possible to visit their respective veterans' memorials in Washington, D.C., at no cost. The network consists of hub organizations that operate in nearly every state in the nation. Although the network is focused on veterans of World War II, some organizations have expanded to include veterans of the Korean and Vietnam Wars.

Christy Julius, President of the American Advantage – Julius Agency in West Allis, Wisconsin, is secretary and member of the Board of Directors for Stars and Stripes Honor Flight, which operates out of Milwaukee, Wisconsin. She is serving in her third year as a board member.

In addition to serving on the board, Christy accompanies veterans as a guardian, in charge

of their safety and transportation while visiting memorials and managing daily logistics.

“Showing our oldest veterans how much we appreciate their service and sacrifice is paramount to anything we do as a society. I am reminded of how important this is to our service men and women on every flight we take,” she says. ●



Christy and Ray, a Veteran of the Korean War.

A recent Stars and Stripes Honor Flight Crew included board members (left to right) Jim Kliese, Christy Julius, Karyn Roelke, Amy Klapper, Dr. Ted O'Reilly, Dr. Chris Budny, Paula Nelson, and Amy Luft.



Photos courtesy of Stars and Stripes Honor Flight.

STEVE JABERG NAMED TO ACUITY BOARD OF DIRECTORS

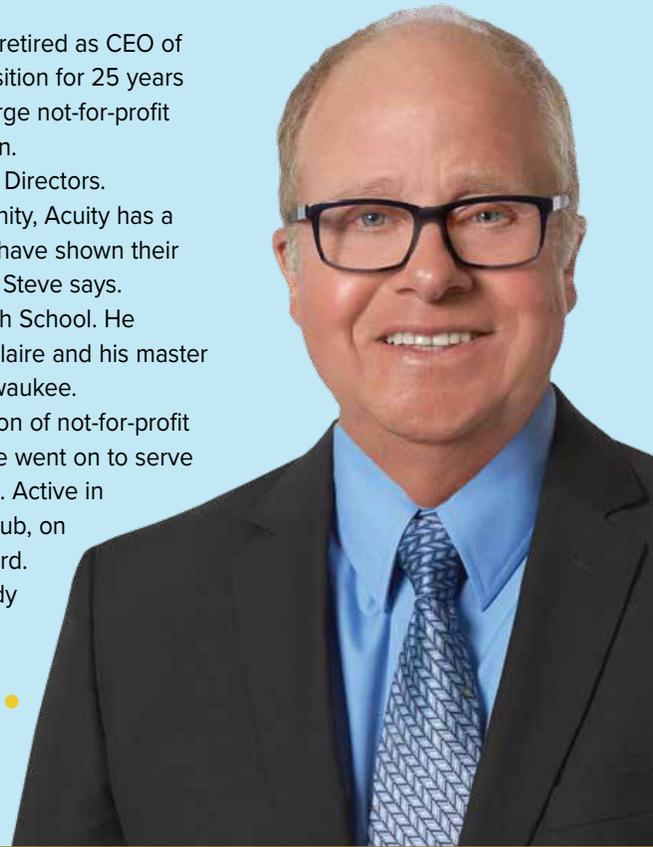
Steven J. Jaberg (Steve) is named to Acuity's Board of Directors. Steve retired as CEO of the Benevolent Corporation Cedar Community after serving in that position for 25 years and working in the organization for 32 years. Cedar Community is a large not-for-profit retirement and healthcare community headquartered in West Bend, Wisconsin.

"It is a great responsibility and true honor to serve on the Acuity Board of Directors. Dedicated to its policyholders, agents, staff, and benefiting the wider community, Acuity has a rich tradition of service and quality. I will be joining a Board of Directors who have shown their intent to support, sustain, and continue to grow Acuity as an industry leader," Steve says.

Steve is a Wisconsin native, having graduated from Sheboygan North High School. He received his bachelor of arts degree from the University of Wisconsin - Eau Claire and his master of science in healthcare administration from Cardinal Stritch University in Milwaukee.

Having served as Board President of LeadingAge Wisconsin, an association of not-for-profit senior retirement and healthcare headquartered in Madison, Wisconsin, Steve went on to serve two terms on the LeadingAge National Board of Directors in Washington, D.C. Active in local communities, Steve has served as President of the West Bend Rotary Club, on the Lakeland University Board, and on the National Exchange Bank Trust Board. He also received a scholarship, given by the Milwaukee Harvard Club, to study non-profit leadership.

Steve lives in Kohler with his wife, **Susan**, who is retired after serving for many years as Principal of the Kohler Public Elementary and Middle Schools. ●



ACUITY RECOGNIZED FOR OUTSTANDING OPERATIONAL PERFORMANCE

Acuity earned a 2017 Stakeholder Team Accomplishment Recognition™ (STAR) Award from independent financial analysis firm Demotech, Inc., putting the company among the top 1 percent of insurers nationwide.

The Demotech STAR Award recognizes insurers whose performance benefits all stakeholders, including agents, customers, employees, consumers, regulators, and reinsurers. Acuity was honored with a STAR Award for exceeding performance criteria and maintaining outstanding financial strength and stability, profitability, claim handling, and compensation to employees and agents. Nationwide, just 25 of nearly 3,000 property-casualty carriers evaluated qualified for a STAR Award.

Demotech, Inc. is an independent financial analysis firm located in Columbus, Ohio. Since 1985, Demotech, Inc. has been serving the insurance industry by providing

consulting services as well as accurate and proven Financial Stability Ratings® (FSRs) for property and casualty insurance companies of all sizes. ●



JOHN BELL NAMED OH/KY TERRITORY DIRECTOR



John Bell is named Territory Director for Ohio and Kentucky. He replaces **John Dyer**, who retired in July.

Bell started at Acuity in June 2013 as Commercial Field Underwriter for Kentucky. Prior to joining Acuity, he was the Vice President of Underwriting for Kentucky National Insurance. He also worked for CNA and Cincinnati Insurance.

A graduate of Eastern Kentucky University with a bachelor's degree in insurance, Bell has also earned the CPCU and CIC designations and is President-Elect of the Kentucky CPCU chapter. He lives in Louisville, Kentucky, with his wife, **Colleen**. ●

ALLISON AND COX DUO REPEATS AT STAMPEDE TOURNAMENT

Crystal in hand, **Vance Allison** (left) and golfing partner **Ed Cox** pose after winning the Stampede at the Club at Old Hawthorne for the second straight year. By hitting what **golf.com** writer Mark Godich called "the best golf shot I witnessed," Allison sealed a second consecutive tournament victory for the duo at the Columbia, Missouri, course. Allison is Territory Director for Missouri and Kansas. ●



NEW SERVICES MANAGER NAMED

Leanna Peterson is promoted to Manager - Services. Leanna joined Acuity in June 2013 as a Commercial Processor. She earned a bachelor's degree in psychology from Wright State University in Ohio. She currently resides in Oostburg. ●



JOEL KATZMA NAMED DIGITAL SALES DIRECTOR

Joel Katzma is promoted to Digital Sales Director. He joined Acuity in 2011 as a Commercial Underwriter and was promoted to Commercial Lines Staff Underwriter in April 2014. He was promoted to Branding Specialist in April 2015, focusing on initiatives ranging from Lead Generation and Quoting to digital brand research and development. Prior to Acuity, Joel worked for an independent insurance agency in several different roles.

A resident of Howards Grove, Joel earned a bachelor's degree in business administration from Northwestern College. He also holds the CPCU and AU designations. ●



FOR MICHAEL SCOTT, JUGGLING TEACHES LIFE LESSONS

When he was a student at the University of Houston, **Michael Scott** applied for an internship with Zurich Insurance. Among the questions he was asked was what set him apart from the other applicants for the position. To answer the question, Michael pulled out three balls from his pocket and started juggling.

"I was actually prepared because I was asked that same question in an earlier interview with a different company. I felt my first answer was pretty generic and wanted to be prepared with a better one," Michael says.

Michael explained to the interviewer that juggling gave him an appreciation for exploring new skills and learning from mistakes. "In juggling, there is always a new technique to learn, and you can't be afraid of making mistakes as you master them," he says.

The tactic worked: Michael got the internship, which also introduced him to career opportunities in insurance. He joined Acuity as a Commercial Underwriter in 2016 and relocated to Sheboygan, a move that brought him closer to his hometown of Wrightstown.

Sibling Rivalry

Michael started juggling in high school in a friendly competition with his brother, **Andrew**. "We are pretty competitive," Michael says. "We would try to outdo each other by learning new tricks and sending each other videos of them."

Beginning with a two-ball, one-handed juggling pattern, Michael then learned the basic three-ball "cascade" technique that anyone who has ever watched a juggler has seen. Today he knows more than two dozen three-ball patterns and counting. Every pattern comes with a distinctive name. Some are descriptive of the technique, such as claw catches and under-the-arm throws. Other names are more colorful, such as the Boston Shuffle and Rainbow Cross. His current favorite is the Factory, which rotates a ball in and out of the pattern and resembles an assembly line.

"There is a progression of difficulty to patterns. Some you can pick up in an hour or two; others you have to watch over and over and take quite a bit of time to break down and master," he says.

Michael will put a number of patterns together and set them to the beat of pop music. He has done a few public performances, but mainly prefers juggling for the pure fun of it. He also volunteers with Big Brothers and likes showing new tricks to his little brother, **Andres**.

"Andres enjoys watching different tricks, but doesn't have the patience to juggle yet," Michael says.

Up in the Air

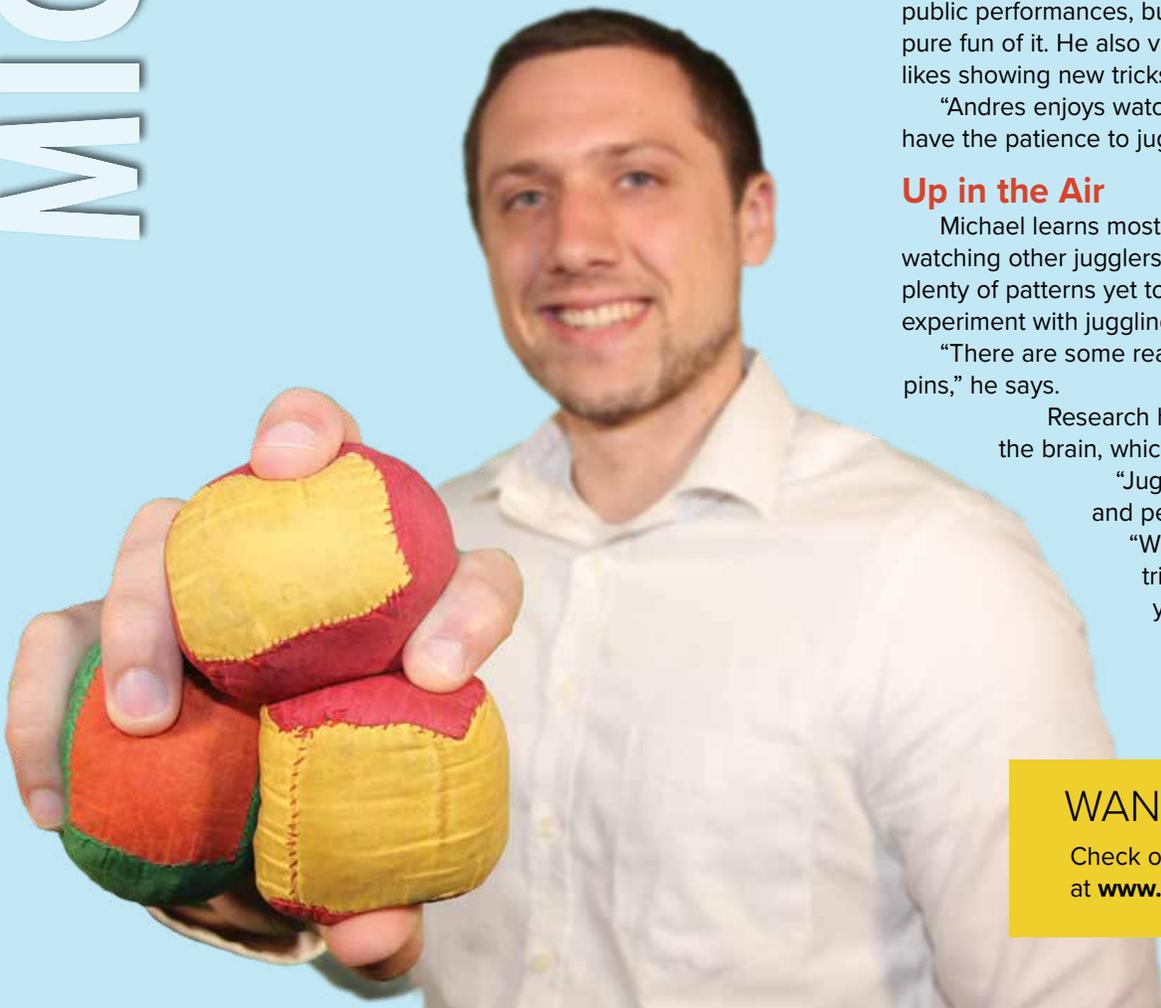
Michael learns most of his new patterns from watching other jugglers, often on YouTube. There are plenty of patterns yet to explore, and he would like to experiment with juggling bowling pins as well.

"There are some really cool tricks you can do with pins," he says.

Research has shown that juggling boosts the brain, which doesn't surprise Michael at all.

"Juggling is an exercise in patience and perseverance," Michael says.

"When you start learning a new trick, you drop a lot of balls until you get the hang of it. That's something that can help you approach any new thing you learn in life." ●



WANT TO SEE MORE?

Check out a video of Michael juggling at www.acuity.com/juggle.

FOCUS ON INSTRUCTION

Congratulations to many staff members who recently earned insurance designations:

- Alyssa Aleff**, Commercial Processor, Associate in General Insurance (AINS)
- Alana Artzer**, Senior Claims Representative, Associate in Personal Insurance (API)
- Collin Hubertz**, Commercial Underwriter, Associate in General Insurance (AINS)
- Nick Kunstman**, Senior Commercial Underwriter, Associate in Commercial Underwriting (AU)
- Marci Post**, Senior Commercial Underwriter, Associate in Commercial Underwriting-Management (AU-M)
- Justin Thimmig**, Commercial Underwriter, Associate in Commercial Underwriting (AU)

Additionally, kudos go out to staffers who completed insurance coursework:

- Ryan Blatz**, Programmer, AINS 24
- Kate Dunning**, Programmer, AINS 24
- Alex Goeman**, Commercial Processor, AINS 21
- David O'Connor**, Claims Representative, CPCU 500
- Carol Thompson**, Senior Claims Representative, CPCU 540
- Haleigh Wehrmann**, Commercial Processor, AINS 21
- Liz Weinhold**, Commercial Processor, AINS 23 ●



WELL DONE!

MARKET FOCUS

Services

Ridesharing is poised to have a profound impact on both the auto and insurance industries. Many analysts believe that ridesharing will lead to a decline in total vehicles. If this happens, the impact on auto repair businesses is unclear. Although there will be fewer vehicles under this forecast, increased usage of individual vehicles may lead to increased frequency of repair.

Consumers' need for quick, on-demand auto service has also sparked a new trend in auto repair: at-your-door assistance. With this service, a mechanic comes to your location to repair your vehicle on the spot.

These services can be requested through mobile apps, which will come in handy for many consumers, but especially for rideshare drivers. Mobile repair services save an average of 2.4 hours of travel and wait time and average 30 percent less than dealership services. And for independent agents, mobile repair services represent a growing business opportunity.

Manufacturing

The Manufacturing Focus Team is constantly looking for educational opportunities that allow us to better understand our insureds' needs.

Recently, Lakeshore Technical College developed a Manufacturing Rocks workshop for us. During the workshop, we learned about:

- Safety in manufacturing
- Modern manufacturing equipment, with demonstrations on computer numerical controlled (CNC) machining centers, CNC lathes, laser cutters, drills, and hydraulic presses
- Mechanical design using CAD software
- Simulated welding
- Robotics



Our Manufacturing Specialist, Mike Schlagenhauser, provided additional information to help complete our understanding. If you have manufacturing questions, don't hesitate to contact him at Mike.Schlagenhauser@acuity.com.

Construction

Water. Rest. Shade. According to OSHA, these key words should serve as a reminder for how to keep employees who work in the heat safe. Both outdoor and indoor workplaces have the potential for causing heat-related illness. It is an employer's responsibility to provide a workplace free of hazards, and this includes protecting employees from extreme heat. Heat exposure can cause many different general illnesses, ranging from exhaustion and heat stroke to cramps and rashes. When the temperature rises and the work is strenuous, workers are at risk.

How can heat-related illness be prevented? Air ventilation and air conditioning make an indoor work environment cooler. For indoor and outdoor jobs, work practices such as work/rest cycles, drinking water often, and allowing workers to build up tolerance to working in the heat are suggested. A few simple steps to prevent heat illness can go a long way in keeping employees safe and healthy!

Mercantile

Small business owners wear many hats, and stressing about insurance is something that our Acuity agents can help them with. Coverage reviews are critical to make sure policyholders have adequate coverage in the event of a loss. When completing coverage reviews, it is not only important to address the underlying policy, but endorsements should also be considered.

Acuity offers a number of endorsements that add to or enhance coverage provided in the underlying policy. Did you know that the Acuity enhancements property form provides coverage for business income or extra expense resulting from off-premises interruption of utility services caused by a covered loss? A standard BOP policy excludes these expenses if the outage takes place away from the premises. Also, consider the employee dishonesty coverage form. Unfortunately, internal thefts do occur and the standard policy will not respond to employee theft.

Creating a checklist and conducting annual coverage reviews helps to ensure customers' risks are addressed. Also, check out our online brochures to help you with your next coverage review! ●

Acuity's Manufacturing Focus Team recently attended a manufacturing workshop at Lakeshore Technical College

Trucking

As shown by the Large Truck Crash Causation Study (LTCCS), the majority of factors contributing to commercial motor vehicle (CMV) crashes are related to human factors. This can include the driver being physically impaired, inattentive, or misjudging the situation. Ultimately these contributing human crash factors are ten times more likely to be the cause of the crash than other factors, such as weather, road conditions, and vehicle performance.

This study makes it clear that the industry needs to spend more time addressing driver behavior, empowering them to do their job and holding them accountable for their job duties. Controlled substance and alcohol testing regulations fits into this discussion as their purpose is to prevent crashes and injuries resulting from the misuse of alcohol or use of controlled substances by drivers of CMVs.

The controlled substance and alcohol testing regulations are found in the Federal Motor Carrier Safety Regulations Parts 40 and 382. These regulations are applicable to most motor carriers and drivers of CMVs operating in interstate and/or intrastate transportation.

Employers are required to have controlled substance and alcohol testing programs and procedures in place to ensure that drivers who operate CMVs that require a commercial driver's license (CDL) to operate are tested for controlled substance and/or alcohol use. The controlled substance and alcohol testing requirements apply to for-hire carriers, private carriers, and others. An important note to remember is that an employer who employs himself or herself as a driver must comply with both the requirements that apply to the employer and the requirements that apply to drivers.

A carrier may administer their own controlled substances and alcohol testing program or may contract with outside services and/or consortiums to assist with administration of the carrier's controlled substance and alcohol

testing program. Frequently contracted services include development of a company policy, selection of subjects for random testing, locating collection sites, and testing/analysis services. If an employer contracts with an outside service and/or consortium, the employer is still responsible for ensuring compliance with the controlled substance and alcohol testing regulations.

It is important to be aware that if trucking operations require a carrier to comply with FMCSA regulations, failure to do so can result in stiff fines and penalties. But more important is the fact that willful violation of regulations increases a company's exposure to adverse liability. And should a serious claim ever arise, compliance with regulations helps keep a company in the "driver's seat" and out of the "hot seat."

Acuity's Loss Control experts and Motor Carrier Tool Box provide truckers with many easy-to-use tools to help them achieve greater compliance. For example, the "Motor Carrier's Checklist in Preparing for a DOT Audit" document can be used as a self-audit tool to provide a baseline of where a company's compliance currently sits and where they may need to focus. Truckers can also contact their federal or state motor carrier enforcement centers and request direct help and resources or a local DOT consulting service. ●



THE IMPORTANCE OF ACUITY'S PER PROJECT/LOCATION AGGREGATE

General contractors (GCs) are asking their subcontractors for more and more these days. As an agent, you've probably received requests to add additional insureds, waivers of subrogation, primary and noncontributory coverage, and hold harmless agreements. Another common request is per project/per location aggregate limits.

To explain the need for this coverage, consider the example of an owner of a plumbing company that works for a dozen different GCs during the policy period. Each GC is listed as an additional insured on the policy, which is a standard request.

Now let's also assume that the plumber carries limits of \$1 million per occurrence and \$2 million aggregate. Unfortunately, the plumber suffers a

\$1 million loss early in the policy term. That means the general liability aggregate for the rest of the year is just \$1 million. Then, on another project, the plumber suffers another \$1 million loss.

With \$2 million in losses, policy limits are exhausted for the rest of the policy term, leaving the business completely exposed for remaining projects and the other GCs listed as additional insureds on the policy.

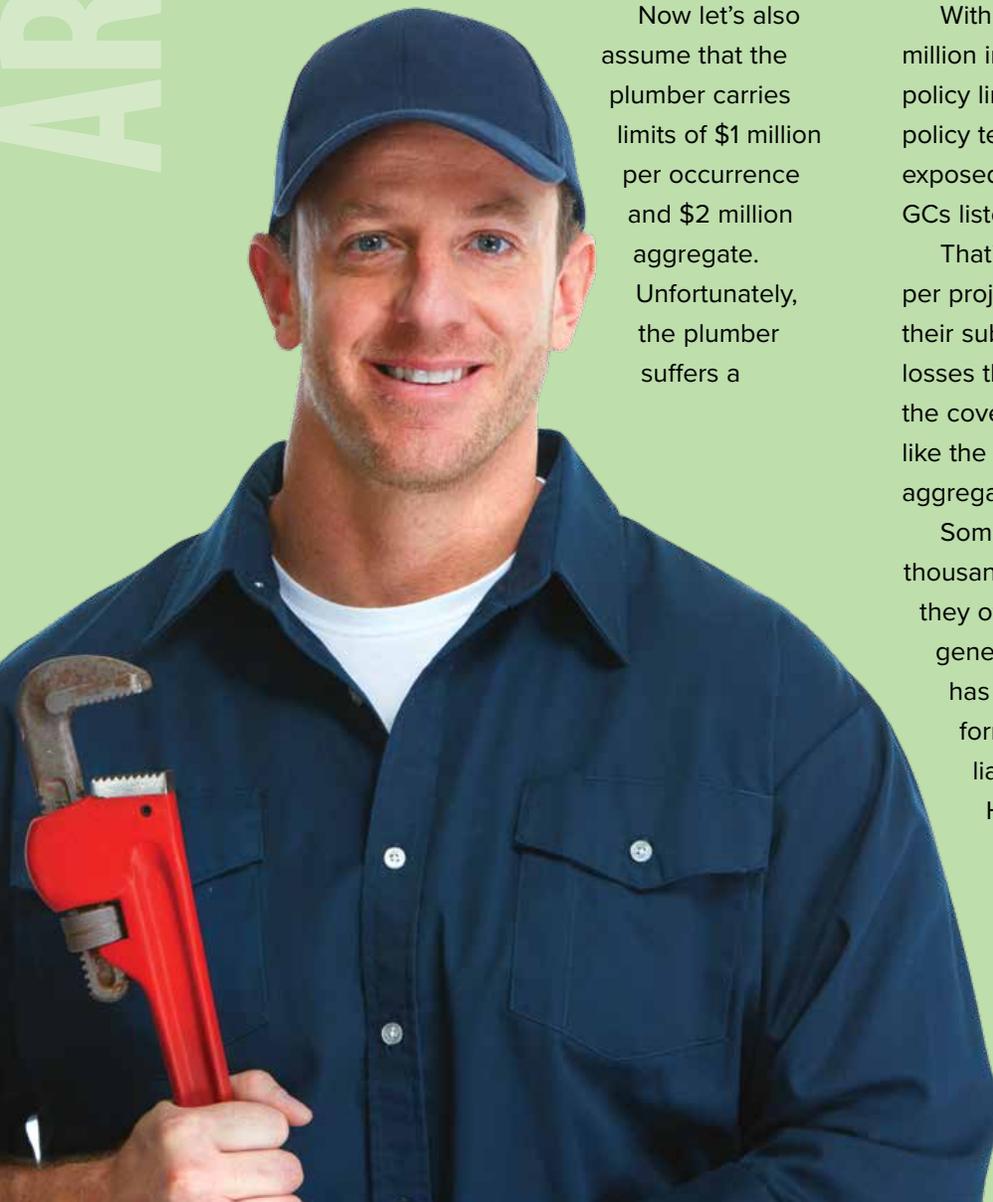
That's why general contractors are asking for per project/location aggregate coverage from their subcontractors. With this policy language, losses that occur on one project won't impact the coverage available for other projects. Just like the name states, this coverage provides full aggregate limits per project and per location.

Some carriers will charge hundreds or thousands of dollars to add this coverage (if they offer it at all), but not Acuity. Every single general liability and Bis-Pak policy we write has this coverage, which is built right into our form at no additional charge, and our excess liability policy responds the same way!

How's that for peace of mind? With Acuity, your contractors are covered. ●



**BY JOEL THOMPSON,
TERRITORY DIRECTOR -
ARIZONA**



This is an illustration of coverage only. Please refer to the actual coverage form for specific terms and conditions.



Searching for a Job?

Headquarters

- Building Mechanical Specialist
- Commercial Lines Underwriters (Entry-Level)
- Director - Facilities Projects
- Director - Mechanicals
- Imaging Processor
- Information Security Compliance Analyst
- Licensed Relationship Manager - Commercial Lines
- Mailroom Clerk
- Personal Lines Processor

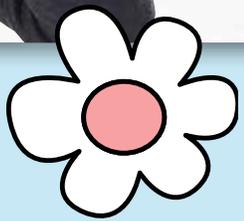
Non-Headquarters

- Commercial Field Underwriter
- Louisville, Kentucky
- Loss Control Representative
- Western North or South Dakota



For more information, contact Joan Ravanelli Miller, General Counsel and Vice President - Human Resources, at 800.242.7666, extension 1666. ●

Acuity provides equal employment opportunities to all employees and applicants for employment without regard to race, color, sex, sexual orientation, gender identity, religion, disability, age, genetic information, veteran status, ancestry, national or ethnic origin, marital status, and all other protected categories in accordance with applicable federal, state, and local laws.



Find the Flagpole



Our July flagpole was hidden in the picture in the Focus on Instruction column on page 13, near the confetti. The three winners of \$100 chosen from among those who found it are:

- | | | |
|---------------------|-----------------------------------|----------------------|
| Devon Beck | Holmes Insurance Agency, Inc | Elkhart, IN |
| Lynda Cooper | Strachan-Novak Insurance Svcs LLC | Twinsburg, OH |
| James Howell | Glenwood Insurance Agency | Glenwood Springs, CO |

To enter this month's contest, find the  hidden elsewhere in this issue, then send an email with its location to contest@acuity.com by August 25, 2017. This contest is open to agency staff only. ●



ASK THE SPECIALIST

ASK JOHN

How can good project management save money for my construction clients?

No matter how large or small a construction project is, proper management is instrumental to the overall success of the project. From the design stage to the bid process, through the construction phase and completion, management is critical.

Construction project management (CPM) has taken on many different definitions over the past few years. A simple way to describe it is the oversight of the planning, design, and construction of the project. Whether that role is filled by a construction management firm, the general contractor, or someone else, they are at the helm of the project.

Whatever the scope of construction management one is involved in, experience can make all the difference. Here are several areas in which good management can help save money on a project.

Building design. Getting involved early in the planning and design is beneficial to the project. Working with the owner and/or architect can help with choosing time- and cost-saving products. Knowing your audience and the purpose of the building can help determine areas to allocate money in providing the most accurate budget estimates.

Finding the right contractor. Take the time to build the right team from the start. Choosing the right general

contractor and/or subcontractors can avoid many problems. Use specialized contractors for specialized tasks. Picking a contractor that is experienced in the region or location of the project can also make a big cost difference. This is especially critical in choosing excavators and for any subsurface work.

Using technology. Technology has made managing projects more efficient, saving both time and money. Programs and apps have improved areas such as communications, scheduling, daily job site logs, and punch lists, and can also be a resource for quick research. Building information modeling (BIM) is being used for 3D digital building visualization. Simulating building characteristics such as walls, columns, stairs, windows, and roofs allows these items to be adjusted to maximize business operations and reduce building cost before construction begins.

Contract agreements. Working to develop proper contract agreements for the bid process is very important. Managing contracts between the parties involved includes negotiating terms and conditions, ensuring contract documents are being followed, and evaluating changes throughout the construction process with proper documentation and communications. Contract agreements are a key foundation in minimizing risk, controlling cost, and defining one's scope of work for a project.

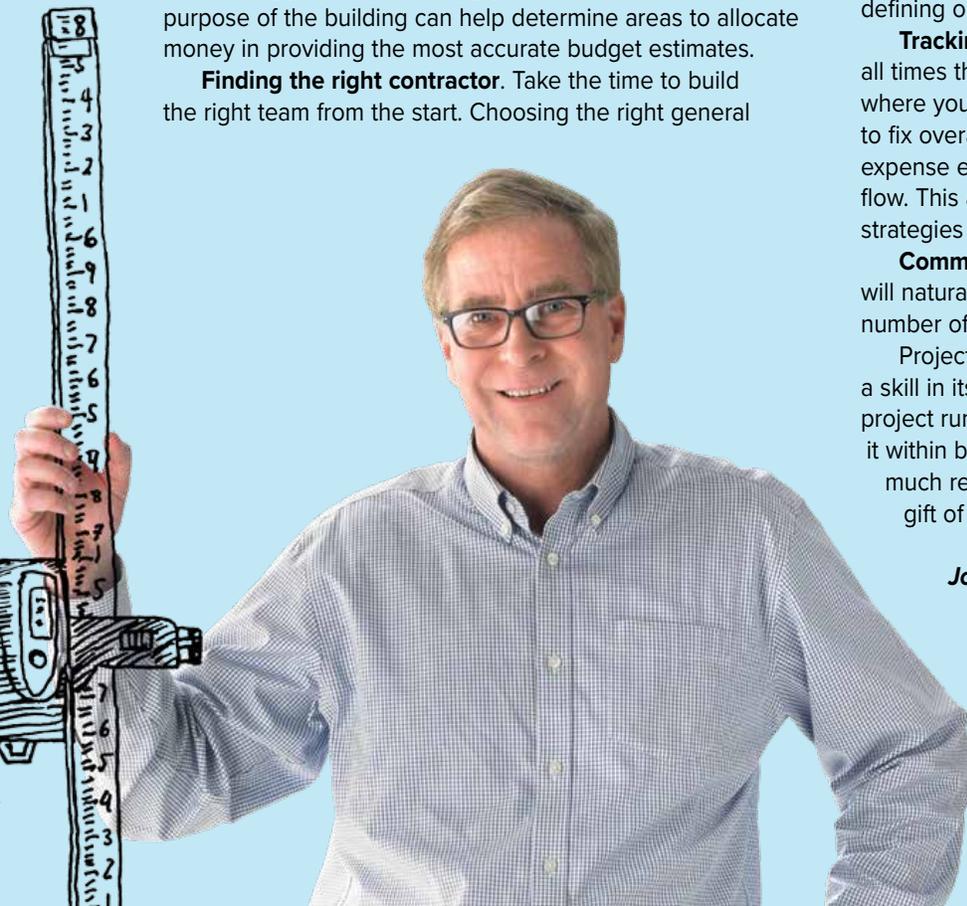
Tracking daily project cost. Being able to track cost at all times throughout the project will help you better track where you are at with the budget. Adjustments can be made to fix overages and stay on track. The ability to project expense estimates accurately allows you to gauge cash flow. This also gives the owner better decision-making in strategies regarding business and finances.

Communication. A manager with good people skills will naturally cause the job to run smoother by reducing the number of conflicts.

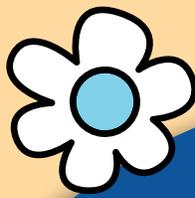
Project management—from the office to the field—is truly a skill in itself. Being able to pull it all together to make the project run smoothly and safely and being able to complete it within budget takes great experience and talent. I have much respect for and take notice of people who have the gift of construction management.

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Industry Insider



Cyber insurance is growing.

The Council of Insurance Agents and Brokers recently reported a slow but steady increase in cyber sales. Additionally, of policyholders who purchased cyber coverage in the last six months, 44 percent increased their coverage levels.

The increase is attributed to more awareness of the prevalence of cyber risks, an increase in third-party contractual obligations, better pricing with more product options, and an increase in both number and severity of cyber attacks.

Brochures on Acuity's Commercial Cyber Suite that you can provide to your customers are available in our online Resources & Tools at acuity.com. ●

Q. How is Acuity helping to keep safe vehicles on the road?

A. Acuity will now notify policyholders when there is an open recall on their vehicle. A recall alert notice will be sent prior to policy renewal that identifies the vehicle(s) with the recall and encourages action to be taken.

Q&A CUIITY

Q. Where does Acuity get the recall information?

A. Acuity partners with CarFax, the nation's leader in vehicle history information. Policyholders may visit myCARFAX.com/partner/acuity for more information on any recall.

Q. Do customers have to sign up to receive recall alerts?

A. No, this is an automatic and free service for all Acuity auto policyholders. ●



SLIP UP

We're not sure what the bigger risk is—the way this worker has his ladder placed, or the way he has placed himself on the ladder. Either way, it's a risk that should definitely be avoided!

Do you have an "Impossible Insurable" to share? Send your pictures to infocus@acuity.com. Pictures must be original photos taken by an employee or agent, cannot be of a prospect, insured, or claimant, and the subject of the photo must be in a public location. If we publish your photo, we'll send you \$100. ●

FOR ROSEMARY GODBEY, GREAT SERVICE STARTS WITH LISTENING

Commercial customers of the Lake Agency, Inc. can't say enough about **Rosemary Godbey's** customer service.

"Clients absolutely love her," says **Cort Niemi**, the agency's Area Director. "She understands responsiveness is key to great service and is extremely quick in helping customers, whether it's a common request or a difficult situation. She also takes the time to get to know clients on a personal level."

Rosemary is Commercial Account Manager in the agency's Grand Blanc, Michigan, headquarters. She has been with the agency for over 5 years and has nearly 20 years in the industry, experience that has taught her that listening to customers is essential.

"There are times when customers call and may not know what they need or how to ask for it, but if I listen, I can generally obtain the information needed in order to assist them," she says. "Listening, communicating, and responding promptly are all very important."

Rosemary says that all the staff of the Lake Agency share a commitment to service excellence. "Everyone here is professional, courteous, and willing to go the extra 10 miles or more for our customers and companies," she says. "We have strong relationships with our underwriters and with each other, and perhaps our strongest asset is our ability to laugh with one another. A sense of humor is very necessary in this business."

Congratulations to Rosemary Godbey, an Outstanding Service Professional! ●



WORD OF MOUTH

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Over 25,000 people and counting have viewed the time-lapse video of the Seven Sisters art installation at our headquarters, featured in a recent Facebook post. You can too by visiting our video collection at facebook.com/AcuityInsuranceCompany. ●

