



SECURA
INSURANCE COMPANIES

2019

ANNUAL
REPORT



We're better together.

A message from Dave Gross, President & CEO, SECURA Insurance





When I look back at 2019, I'm incredibly proud of the successes we achieved — moving to our new home office with no business disruption, delivering exceptional service during a year of difficult weather losses, and hitting 8.7% growth.

As a mutual insurance company, these results are only possible because of the collaboration between our independent agents, associates, and policyholders. When I think of these key groups, one word comes to mind — belonging. I want every associate, agent, and policyholder to feel that sense of belonging, because each person plays an important role in delivering on our promise every day. Together, we are better.

Every year has its challenges. In 2019, we experienced record losses, which tested every part of our organization. Even with the tough losses from the past year, everyone focused on what we needed to do to be successful. Together with our agents, we brought in new opportunities, resulting in growth overall.

There are many things to look forward to in 2020 and beyond.

Our anniversary is coming up, and in March we will celebrate 120 years of helping people protect the things they value.

We know the world is changing — our climate is volatile. We are taking steps to help protect our environment and lessen our carbon footprint. One way we are doing this is through solar panels at our home office that generate 15% of our energy needs. Through 2020 and the years to come, we will continue to look for ways to expand our sustainability efforts.

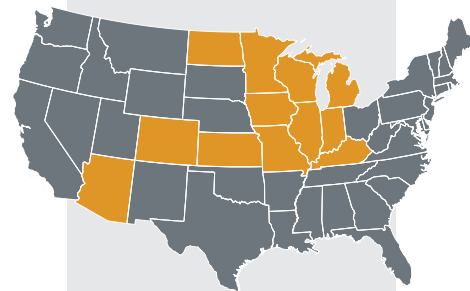
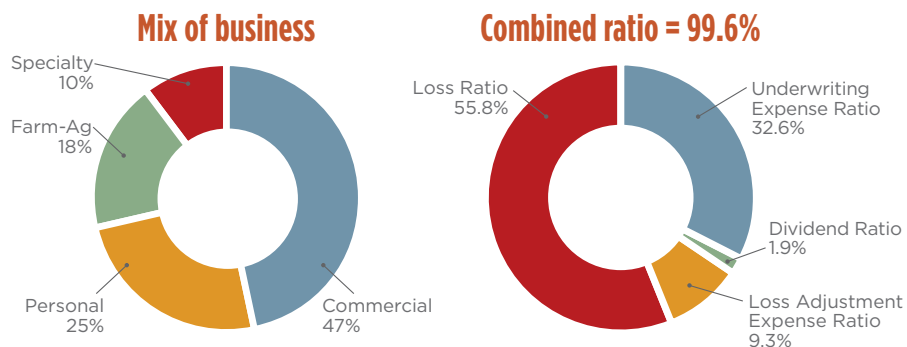
We hear the need for new products, and I'm excited to continue a focus on product development. Plus, we'll keep investing in our agency force through our Agency Training classes both in the field and online.

Together we'll find ways to grow and make a difference in 2020.

Thank you for being a part of our success from this past year and for your ongoing support.

Dave Gross, President & CEO

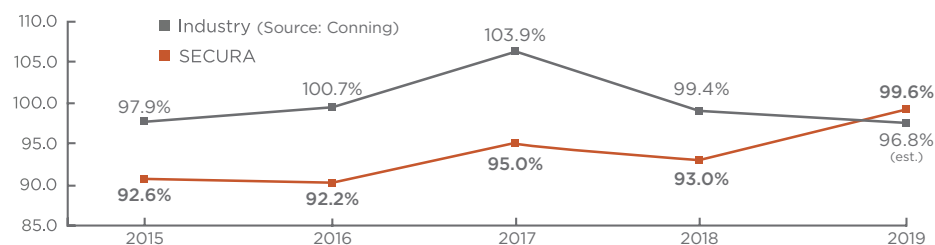
2019 FINANCIAL HIGHLIGHTS



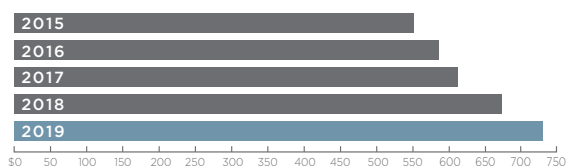
SECURA's states of operation

Arizona, Colorado, Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, North Dakota, and Wisconsin

5-year combined ratio

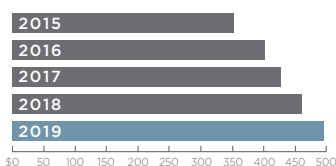


Direct written premium (in millions)



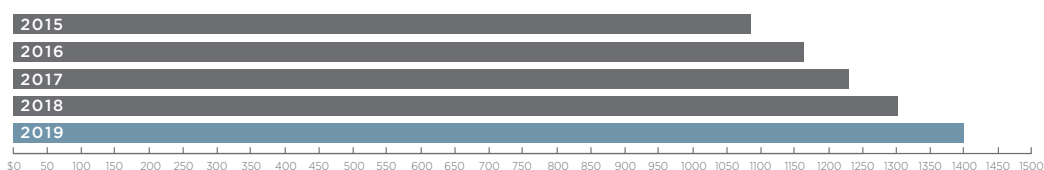
Direct written premium grew to **\$728 million** as our agency partners produced **\$113 million** in new business

Policyholders' surplus (in millions)



Increased surplus to **\$496 million**, an all-time high

Total assets (in millions)



Assets grew to more than **\$1.4 billion**, a new record level for SECURA

LINE OF BUSINESS HIGHLIGHTS

SECURA had 8.7% growth in 2019. This growth was possible with a mix of our business units across 12 states.

Commercial Lines

Commercial Lines continues to perform well across our 12 state footprint. In 2019, Commercial Lines grew by 7.4% — the strongest growth in the last four years. Our Beverage Manufacturing program launched in August targeting microbreweries and wineries.

Personal Lines

SECURA continues to invest in Personal Lines coverage. In 2020, more product enhancements will be introduced to help serve the evolving needs of our policyholders and help our agents win business. In 2019, Personal Lines had the highest MILE-STONE® home and auto policy retention in eight years.

Farm-Agribusiness Lines

2019 was a tough year as weather losses hit our Farm-Ag segment particularly hard. Our Claims team did an excellent job getting our policyholders back in business and making them whole. In spite of record losses, Farm-Ag Lines grew by 13.3% and continued providing a stable market in a difficult and volatile agricultural economy.

Specialty Lines

Specialty Lines provides unique coverages for a broad appetite of risks, such as commercial child care, nonprofits, and special events. In 2019, Specialty Lines achieved record growth in terms of both direct written premium and profitability.





Our people genuinely care about what they do, and their focus on serving our independent agents and policyholders shows day in and day out.

IMPROVEMENTS TO SERVE OUR CUSTOMERS

We learn from each other, and the constant drive for innovation keeps us moving forward. 2019 brought many improvements to help us better support our agency partners and policyholders.

Learning through loss

Although 2019 brought record losses, it also provided insight into ways we can improve and do more on the front end to mitigate losses. We'll continue to invest in Risk Management programs, new technologies, and education to help agents and policyholders reduce potential losses.



Technology investments

We made improvements in our IT development process to allow us to be more nimble to changes, maximize our investments in technology, and improve our product base for our agency force to sell. We'll continue using this method to keep moving forward.

Following the successful implementation of our new commercial policy system in 2019, we're excited to expand the rollout of our online rating system for agents in 2020. This is just one of the ways we are making improvements in our capabilities for agents.



Becoming more efficient

SECURA is always looking for ways to streamline our business. In 2019, we rolled out paperless delivery for Commercial, Specialty, and Ag policies. The program helps agencies save money on mailing costs, reduces the paperwork in their workflows, and delivers their customers policy information in a timely manner.



BUILDING ON OUR WORKPLACE CULTURE

We are proud of our new facility, but it's our people who bring our culture to life.

Moving to a new home office

In 2019, SECURA's new home office construction was completed, and by mid-October, Fox Valley associates were back under one roof. The new facility includes 300,000 square feet with space for more than 1,000 associates. It features:

- Conference rooms and computer training rooms to promote collaboration and help train associates and agents for the future
- Solar panel field with room to expand, which generates 15% of energy needs for the facility
- Fitness areas, walking paths, and a wellness center to promote associate health

The space is a reflection of the fun, genuine, inclusive culture associates live out every day.

Our people

SECURA's team grew by 60 new full-time associates in 2019, and associate voluntary turnover was just 3.58%.

High associate retention, with an average tenure of nine years, helps build SECURA's culture. Each day associates working in the home office or remotely strive for open and transparent relationships with each other, agents, and policyholders — and that leads to overall satisfaction, reflected in our Great Place to Work® certification. In fact, 97% of associates report feeling satisfied with SECURA as a place to work. Associates say leaders support a healthy work-life balance and are encouraged to share new ideas.



The solar panel
field generates

15%
of energy
needs
for the facility

Better together

In 2019, SECURA's
new home office
facility construction
was completed

300,000 square
feet with space for

1,000+
associates

The facility promotes
associate health with
features including: **fitness**
areas, walking paths, and
a **wellness** center



EARNING IT DAILY, GIVING BACK REGULARLY

Our employees work hard every day with a focus on our customers. Industry groups have recognized this commitment. An important way we share in our success is to give back to the communities we serve.

Recognition we earned

Recognition by industry groups is just one way we measure our success financially and as a workplace. Here is a look at the recognition we earned in 2019.

Rated A (Excellent) by A.M. Best

for the 16th consecutive year

Ward's 50 Top Performer

for the sixth consecutive year

WELCOA Well Workplace Platinum Award

Fortune 100 Great Place to Work

Top 100 Best Medium Workplaces

Certified Great Place to Work®

Green Masters Program as Green Professional



Living our values

Giving back to the community has been a core value since SECURA's beginnings in 1900. In 2019, the company continued supporting nonprofit organizations in need by awarding donations and grants through a charitable fund with the Community Foundation of the Fox Valley Region.

SECURA encourages its associates to give back to organizations close to their hearts through donations and volunteer time. Here are just a few ways associates gave back in 2019:

- Packed diapers for the diaper bank
- Cooked meals for the homeless shelter
- Helped out at the animal shelter
- Packed food for the food bank

Those efforts are multiplied with our Dollars for Hours and Matching Gift programs. When associates volunteer or donate, SECURA makes a donation to the associate's chosen nonprofit.

Learn more about our community involvement by visiting secura.net/community.



Helping our communities is at the heart and soul of SECURA. We have countless examples of associates sharing their time, talents, and treasures, from serving on nonprofit boards to contributing to the United Way at record levels.

SECURA Officers

David Gross

President & CEO

Martin Arnold

Senior Vice President
and Chief Underwriting Officer

Tamara Bates

Regional Vice President-Sales

Anthony Brecunier

Vice President-Workers' Compensation Claims

Diana Buechel

Vice President-Personal Lines Underwriting

Amy DeHart

Vice President and Chief Actuary

Daniel Ferris

Vice President, General Counsel,
and Corporate Secretary

Jennifer Haas

Vice President-Research
and Development and Training

Timothy Heyroth

Vice President-Sales

Sandra Hupfer

Vice President-Casualty Claims

Jeffrey Kargus

Vice President, CFO, and Treasurer

Kevin Klestinski

Vice President-Specialty Lines Underwriting

Steven Miller

Vice President-Commercial Lines Underwriting

Jennifer Nelson

Vice President-Property Claims

Shane Roh

Regional Vice President-Sales

David Schlichting

Vice President-Farm and Agribusiness
Underwriting

Todd Thiel

Vice President-Information Technology

Carol Wedig

Vice President-Continuous Improvement

Garth Wicinsky

Senior Vice President
and Chief Administrative Officer

Larry Wright

Vice President and Chief Claims Officer

Board of Directors

John Bykowski

SECURA Board Chair
Retired President & CEO
SECURA Insurance

David Gross

President & CEO
SECURA Insurance

Mark Behrens

Executive Vice President and CFO
Johnson Financial Group

Tim Bergstrom

President and COO
Bergstrom Automotive

Mary Lou Casey

Retired Senior Managing Director
CIGNA Investment Management

Alice Gannon

Retired Senior Vice President and Chief Actuary
United Services Automobile Association (USAA)

James Hayes

Retired President & CEO
Hayes Manufacturing Group, Inc.

Wayne Micksch

Retired President
Quality Insulators, Inc. and Asbestos Removal, Inc.

Daniel Neufelder

President
Indiana University Health West Central Region

Anne Ross

Partner
Foley & Lardner LLP

Catherine Tierney

President and CEO
Community First Credit Union

SECURA Insurance
800-558-3405
Neenah, Wisconsin
secura.net