

# Wisconsin Mutual Insurance

## Celebrating 100 Years

1903 was a year of great beginnings: Ford Motor Company, Harley Davidson Motorcycles, and the Wright brothers' first flight. But, to the people at 8201 Excelsior Drive in Madison, the best event of '03 was the beginning of Wisconsin Mutual Insurance Company.

On June 25, 1903, Wisconsin Tornado, Cyclone, or Hurricane Mutual Insurance Association was incorporated in Milton, WI. At that time, the company only covered windstorm losses and had little premium volume. Over the last 100 years, things have changed significantly. Today, Wisconsin Mutual has a premium volume of over \$50 million and offers personal, farm, and small commercial lines. One thing that has not changed from the beginning is its mutual structure and commitment to its independent agents and policyholders.

Looking back through the company's ledgers reveals some colorful history. In 1917, total receipts were \$8,200 and total disbursements were \$7,300. Approximately 13 years later, the company secretary was authorized to purchase a new, modern product; the adding machine. In 1941, the company voted to comply with a new federal employment law that mandated a 40-hour, 5-day workweek. In the 1930's and 40's, the company would give policyholders metal lockboxes to house their insurance documents. Wisconsin Mutual recently received one of these boxes from an auction on EBAY. Certainly a sign of the times!

Heavy wind losses caused the 1942 board to resolve that silos which had already been blown down two times would not be insured anymore. During this year, the country was consumed by the war waging in Europe and the Pacific. To lend its support to the troops in 1943, the company offered war bonds as a sales incentive contest for its agents. That year, the company also began to write wind in Minnesota. Later, this strategy was withdrawn due to poor experience. No further expansion to other states has occurred since; Wisconsin is still the only state WMI writes in.

Wisconsin Tornado outgrew its building in Milton and migrated to the capitol city in 1945. The company spent 10 years on Atwood Avenue in Madison. In the fall of 1945, the board voted to sell the one company car, as it would not be used for winter. The following year was a note as to how much has changed: the company decided to employ a legal service with a \$50 annual retainer. In 1952, multi-line insurance was launched and auto insurance was introduced the following year. Also in 1953, the company instituted annual agents meetings in May. That tradition continues to this day.

Continuing growth precipitated another move to a new building on Monroe Street in Madison in 1955. The company stayed in this building until 1990, when it constructed its current home on Madison's far west side. The 1950's saw another wind related decision: farm windstorm coverage was pulled due to poor experience.

Events in the late 60's and 1970's would work to shape that Wisconsin Mutual is today. First, elementally, the name of Wisconsin Mutual Insurance was adopted in 1966. Next, in 1972, Dan Keyes was hired as claims manager. In 1974, Clarence Ready was hired as the marketing representative. Dan was voted in as company president in 1980

and Clarence became the corporate secretary. Dan's vision of service, efficiency, and profitable growth would prove to be successful and propel the company to the size and strength that it is today.

When Keyes took the reins in 1980, the company was saddled with a high expense ratio and inefficient processes. Workflow was paper and labor intensive; there was no automation and limited the staff to provide optimum service and facilitate growth. Financial matters also needed streamlining, and the claims department structurally would need to change to deal with the statewide business expansion.

In his first few years, Keyes selected new accounting, investment, and reinsurance firms. He knew that efficiency would come from an investment in technology and individuals proficient in it. Tony Skubal was hired in 1981 in the accounting department, and was named corporate treasurer in 1987. He has helped lead the company forward in automation and technology. Internal process programming changes are continual, as is the upgrade of purchased software and hardware. In 1999, the company launched its website and it has become an invaluable tool to its agents and has greatly enhanced the ability of the agents and the company to service policyholders. The website is expanding day-by-day, much of which from feedback by company agents.

The claims department was enhanced in 1987 with the addition of legal council, Charlie Stern. Department structure was reformed in 1988 with the establishment of outside claims service offices, and the addition of claims manager, Jim Brovelli. Efficient, fair claims handling is a cardinal principal of Wisconsin Mutual.

In addition to new business expansion, the company has had opportunity to grow with several mergers. In 1982, Wisconsin Mutual merged with Capitol Mutual and Wisconsin State Mutual. Later, in 1998, Baraboo Mutual merged with WMI as well.

The 1990's and early 2000's have seen significant changes in staffing, products, and volume. In 1993, company officer and human resources director, Holly Casavant was hired. Holly is also an attorney, and her legal expertise has been invaluable to internal processes. Two years later, Clarence Ready, underwriter Carol McDonald, and marketing representative Jack Leightenberg retired. Clarence Ready is still an active consultant to Wisconsin Mutual. The underwriting department has expanded to four, lead by senior underwriter Dick Schoebel. The company re-instituted the marketing department in 2000 with the hire of Kris Berkholder. Other management additions included Eric Bower as accounting department manager in 1987, Darlene DiMaggio as information services supervisor in 1990, and Kelly Singleton as policy services supervisor in 1999.

New, competitive auto and home lines began to arrive in the late 1980's. Premier home began in 1988 for newer, higher-valued homes. Educator's Auto made its debut in 1997, and has been a very successful product for Wisconsin's teaching and administrative professionals. Premier Auto was introduced in mid 2001 for an agency's better drivers. This line has been a great success and has contributed to a great deal of growth and profitability in the last three years. 2002 was a record year of profit and growth for the company.

Wisconsin Mutual's corporate culture focuses on expedient, neighborly service to its policyholders and agents. Efficient internal structure requires staff members to work cooperatively and to remain flexible and "wear different hats" at times. WMI's staff also likes to balance hard work with fun. Barbeques, theme days, and special events happen throughout the year.

As Wisconsin Mutual enters its second century, it continues to focus on the principals of the past. The company relies on the strong relationships built with its agents, and expects them to provide excellent risks. As Dan Keyes says, “Our agents already do credit scoring in their offices- in the form of knowing their customers and knowing which of them are responsible with their bills, cars, and homes.” Facilitating agencies to achieve profitable growth and maintaining one of the state’s lowest expense ratios allows the company to offer its agents competitive rates and contingent benefits.

In conclusion, president Dan Keyes offered the following observations about the past, present, and future: In the last century, our country has endured wars, bear and bull markets, and numerous social changes. And yet, it has remained true to its original vision. At Wisconsin Mutual, we too feel that we’ve remained true to the vision of our founders. As we enter this second century of business, we will remain true to our basic philosophies, futuristic thinking, continual growth, and unparalleled service to our agents and policyholders.