



— STATEWIDE —
 UNDERWRITING SERVICES
QUARTERLY

A STATEWIDE UNDERWRITING SERVICES COMPANY PUBLICATION

*Cheers
 to a New Year!*

I hope you are well and are looking forward to the promises of the new year!

As 2019 comes to a rapid close, it's an ideal time to do some self-assessment in the hopes of uncovering opportunities for personal and professional growth.

Here at Statewide Underwriting Services we try to work and live by our core values:



This is a daily challenge; a daily priority. Still, I've committed to memory several affirmations that often help me maintain my commitment to what is truly important in life - my core values:

- The past can't be changed.
- Everyone's journey is different.
- Things will get better with time.
- Overthinking leads to anxiety.
- Positive thoughts create positive actions/behavior.
- Smiles are contagious.

- Kindness is free.
- You only fail if you quit.
- Whatever goes around comes around.

This short and powerful list reminds me of how little we are able to control things that occur in our hectic daily lives. However, over the course of each day, let's instead strive to focus on those that we can control:

- Your thoughts
- Your honesty
- Who your friends are
- What you read
- What you eat
- What risks you take
- How often you exercise
- Kindness to others and yourself
- Saying thank you and I love you
- Asking for help when needed
- How you invest and spend your money
- The amount of effort you put forth

Change in life is constant, but can sometimes cause anxiety. Let's all focus on our futures, not our pasts. Focus on the positive things over which we have control in our daily lives. See what a difference this more positive mindset can make everyday. Be thankful!

(Continued on next page)

The new year will bring several changes at Statewide Underwriting Services. We have several new employees, new processes and systems, and new products in the pipeline. Several of these are highlighted in this issue. We'll communicate important and helpful information regularly.

Meanwhile, our relationships remain - as always - our top priority. Whatever your thoughts, concerns, or questions, we're available to listen and help however we can.

Thank you for your business and your continued partnership,

Eddie Harper
President & CEO
Statewide Underwriting
Services



FEATURED EMPLOYEES

We'd like you to meet two new additions to the Statewide Underwriting team!



Liga Alpe-Luka, MBA,
Senior Commercial Lines & Farm Underwriter

Meet Liga Alpe-Luka. Liga joined the Statewide team in September 2019. She brings almost 10 years of industry experience from both the agency and underwriting sides, with a focus on farm and commercial lines. Liga holds an MBA from Hood College.



Cheryl Caiozzo, *Senior Commercial Lines Underwriter*

Cheryl also joined Statewide Underwriting in September 2019. She brings 16 years of industry knowledge, with 14 years in commercial and two years in personal lines underwriting. Cheryl also brings underwriting operational management and training

knowledge. She holds a bachelor's degree from The College of Saint Rose.

Liga and Cheryl are looking to bring their combined 25+ years' industry experience to Statewide working with our agents to help grow their book of business!



INSTANT QUOTING FOR PERSONAL LINES BUSINESS

BLUE360 has been a successful platform for Mid-Hudson Co-Operative Insurance Company, but its technology needed a refresh. Welcome to BLUE360 2.0!

A new view of BLUE360

BLUE360 is Mid-Hudson's agent portal for quoting personal lines policies. It provides instant quotes for homeowner, landlord, manufactured home, and dwelling fire risks.

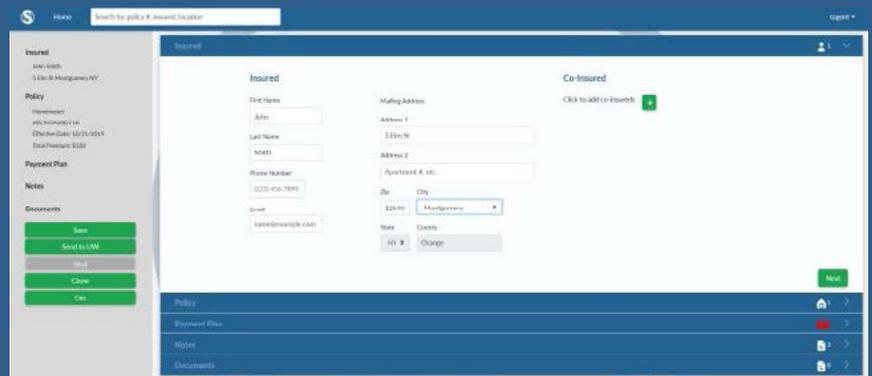
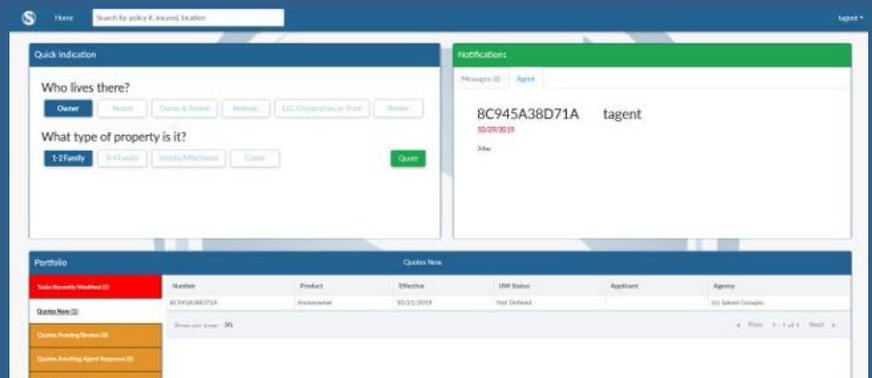
But the underlying technology was becoming obsolete, in particular, its reliance on Internet Explorer and lack of support for more modern browsers.

Statewide Underwriting Services has taken this as a challenge to redesign the platform with new technology and support for modern browsers such as Chrome and Edge.

We also aspired to make it more user-friendly and with additional features. From our perspective, this new version will be easier and more cost effective to maintain and support going forward.

All core functionality has been retained. And any existing login credentials will remain the same.

Look forward to additional communications to offer you training on the new platform.



BLUE360 is available on Vertafore's PL Rater platform for comparative pricing. If you are a regular user of PL Rater you should ensure that your credentials for BLUE360 are integrated into the PL Rater platform so that you can obtain a premium indication from us. With the release of

BLUE360 2.0, you will obtain the best possible price from the most appropriate of the three insurance carrier companies in the Statewide Underwriting Services group.



Combating Weather-Related Hazards

Article provided by MSO, Inc.

WINTER IS UPON US, and with the colder weather comes increased risk of loss. Weather-related emergencies can occur at any time. Proper underwriting and communication to your insureds can help to avoid potentially devastating and often tragic losses. After a few years with no major storms or severe winter temperatures, complacency tends to set in, but the potential for loss is always present.

Fire is always a leading cause of loss, and this only increases during the colder months. With rising fuel costs, people are using wood burning stoves, propane/space heaters and fireplaces to heat their homes and places of business. In tough economic times, stoves (sometimes homemade) tend to be quickly and often improperly installed. Fireplaces that were meant for decorative fires are being taxed to heat an entire house. The fuel that is used can also be a problem. For example, improper use of propane can easily lead to explosions. As the demand for wood as a heating source increases, people will turn to less expensive fuel sources such as soft woods. Kits to make newspaper logs are available for sale online and through mail order catalogs. Materials such as soft wood and newspaper increase the hazard of chimney fires. Heating sources should be included in company underwriting reviews. Proper installation is a must in order to avoid costly fires.

In all cases, equipment must be UL approved, as well as operated in an appropriate manner. Regular maintenance, including cleaning chimney flues and stove pipes, is also essential.

An added hazard from fires is the improper disposal of the ashes.

When a fireplace is being used constantly to heat the home, it may not be possible to adequately cool the ashes prior to removing them. Ashes should be stored in a covered, fireproof container, away from combustible materials.

Seasonal and vacant dwellings are often unattended for months at a time. Proper care must be taken to prevent weather-related losses.

Water must be turned off and pipes insulated, or adequate heat must be maintained to prevent freezing.

Even though the heat may be on, if the insulation is inadequate, or the thermostat is not set high enough, the pipes can still freeze. In a seasonal or vacant building, ensuing water damage from pipes that burst may go unnoticed for weeks and months, leading to substantial additional damage, such as mold or buckled and rotting floors. Even buildings that are occupied are subject to freezing pipes if they are not properly insulated.

In upstate New York, snowfall is often measured in feet not inches.

Weight of ice, sleet and snow can bring down power lines, or cause trees to fall on them. Weight of ice and snow is especially problematic for flat roofs. Left uncleared, these roofs and buildings are subject to collapse. Freezing and thawing can lead to ice damming and water damage to the interior of the building.

Roof inspections should be part of the underwriting process to determine measures that may be needed to protect them from storm damage. Gutters should be cleaned regularly, and snow should be removed from the roof. Special flashing to prevent water entry into the structure and heated coils to reduce ice buildup may also be recommended.

In addition to snow, winter often brings high winds. Outdoor property such as sheds and garages are usually covered as additional structures and for the same causes of loss as the dwelling building. So if the dwelling is covered for wind, then so would the shed and/or garage. However, other outdoor structures such as pools, patios, bulkheads, wharves, and docks are not normally covered for weather-related damage such as freezing, thawing, and weight of ice, sleet, or snow. Insureds should store their campers, trailers, and watercraft inside as these are not covered for wind or hail damage unless they are in a fully enclosed building or other structure at the time of loss.

Power failures are also common in the winter. Depending on the cause of the power failure, ensuing damage such as spoilage may or may not be covered. While damage caused by the power failure may not be covered, the loss of power compounds other weather-related issues. The potential for freezing is increased, even in occupied buildings.

As mentioned previously, the use of alternate heating and lighting sources such as fireplaces, wood stoves, and candles increases the fire hazard. Power failures can occur anywhere. Everyone should have an emergency plan for heat, water, and food. For tips on preparing for emergencies, go to the Homeland Security website: www.ready.gov.

Coverage for storm and weather-related damage may be limited or nonexistent.

For example, damage to the interior of a building and other property in a building is not covered for damage by rain or snow that comes in through an open window or skylight. For coverage to apply, the exterior of the building must first be damaged, thus letting in the rain or snow. Water damage from runoff, or due to blocked drains or sewers, or caused by flooding is not covered under most standard policies.

Recent years have shown us the devastating effects of wind and related damage. While hurricanes are what make the eleven o'clock news, wind damage from unnamed storms is much more common.

Many policies now include special deductibles for wind damage.

Although property damage claims come to mind more often, there are also significant weather-related liability exposures that are usually preventable, including trip and fall claims from improperly cleaned sidewalks. Each year, numerous serious accidents are caused by snow and ice flying off cars and blinding the drivers behind them, or damaging other vehicles.

Drivers with "dangerous accumulations" of snow or ice on their cars or trucks could be fined.

One solution to avoiding weather-related claims is the use of named perils policies. While this is not going to be acceptable to many of your standard homeowners and business risks, it may be the only way to write coverage on seasonal or vacant buildings that are not adequately monitored or protected.

Named perils is also an option for older buildings that may not be properly maintained, or that may be prone to collapse or damage from the weight of ice and snow. Creative underwriting can enable a risk to be written that might otherwise be ineligible. This is especially important if the "ineligible" risk belongs to an important client.

In any season, proper underwriting by the company and preparation by the insured can help avoid or minimize costly losses. Providing information and assistance to help insureds avoid potential losses is another value added service that insurers and their agents can provide.

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SWUS QUARTERLY, a Statewide Underwriting Services publication, provides insight into the latest trends in the insurance industry, including technology and business analytics, among other great topics. You'll get industry buzz, as well as an exciting employee profile, in every edition of SWUS Quarterly!

AGENCY RE-CONTRACTING

We are pleased to announce Midrox Insurance Co. has joined Statewide Underwriting Services (SWUS). Statewide is one organization with three underwriting companies: Midrox Insurance Co., Claverack Cooperative, and Mid-Hudson Co-Operative Ins. Co. Whichever company you have represented in the past, you now are an agent appointed with all three companies, with more tools and opportunities to write business together.

We look forward to offering BLUE360; a new agent system to quote, bind, and issue all personal lines for all three companies before year end. Additional plans for similar capabilities on commercial lines are well underway.

We are also re-contracting all agents from all three member carriers with one new Agency Agreement, to improve the ease of doing business. By early January 2020 there will be one combined Agent's Profit Sharing Program as well.

No matter your company affiliation, you will now have one Agency Agreement for improved consistency and efficiency. This helps us facilitate moving to one new agency code, regardless of whichever company with which you place business going forward. All of your renewal business has migrated over to your new agency code(s) as well. This consolidating step is in preparation of eventually having one common new underwriting, policy admin, accounting/billing, and claims systems for all SWUS member companies.

There will be more agency communications to follow along with several breakfast meeting events to meet in person. We'll also send out email, eblast, and newsletter communications to keep you apprised.

Please note that our new email format is: **fmorse@swus.com**

Meanwhile, we need your urgent help to please sign and return the new Agency Agreement if you haven't already done so. If you need these documents sent again, please email the contacts below. Please return the following:

- Signed Agency Agreement
- Copies of Agency's & key staff's NYS PC and/or BR licenses
- Copy of Agency's current E&O dec page showing coverage limits
- The names & emails of current staff that require access to our proprietary agent systems

PLEASE RETURN BY 12/31/19 TO:
adagg@swus.com or fmojica@swus.com

Thank you for your business and for your continuing partnership. We look forward to our mutual future success.

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