



2020 ROADSHOW

FUNDAMENTAL UNDERWRITERS



AGENDA

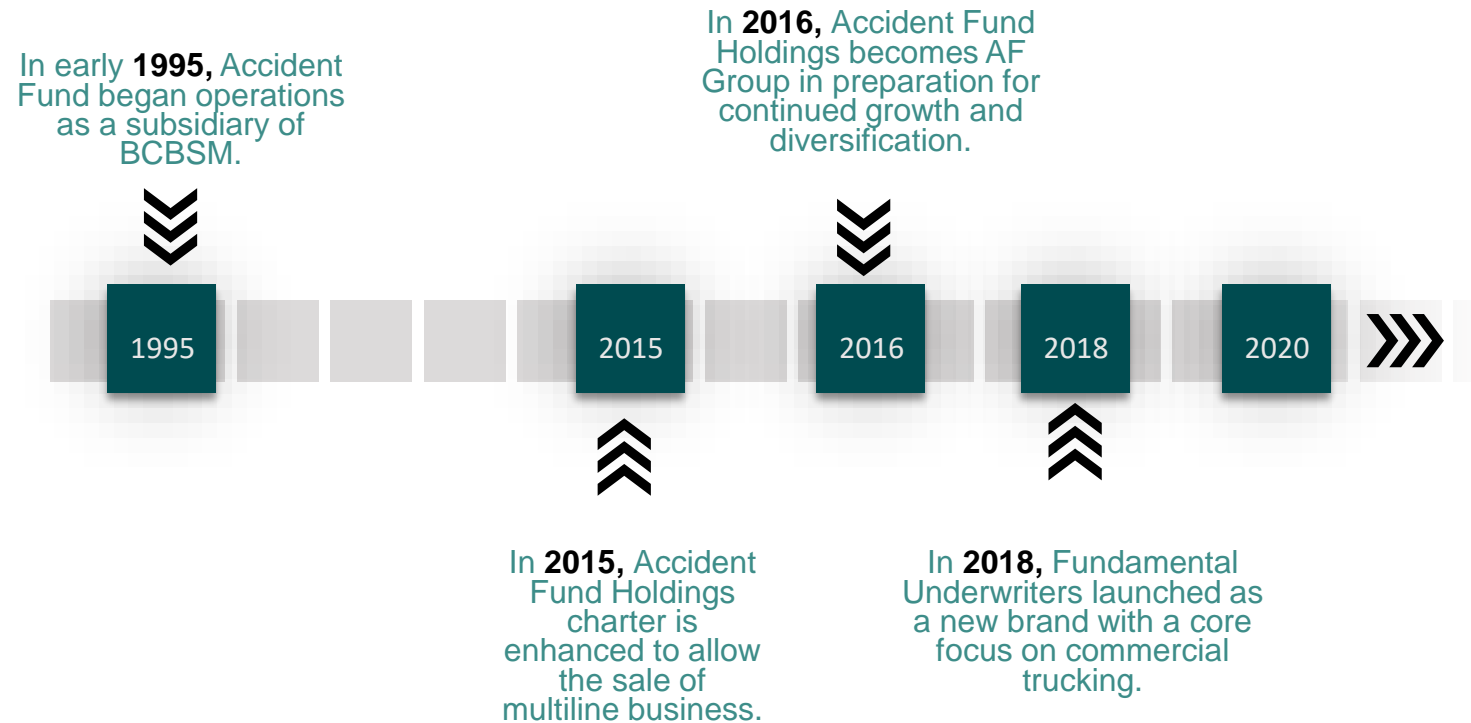
- Senior Leadership Presentation
- State of the Business
- Underwriting and Operations
- Claims
- Loss Control



STATE OF THE BUSINESS

ABEL TRAVIS, VICE PRESIDENT

FUNDAMENTAL UNDERWRITERS INTRODUCTION



Today:

- Fundamental Underwriters has grown into a multiline discipline within AF Group.
- Fundamental Underwriters actively invests in enhancing our commercial trucking product and expanding our state footprint.
- Fundamental Underwriters' "go forward" discipline around diversification will allow us to continue investing in and serving our commercial trucking clients.
- We are focused on deploying new products and lines of business in support of our agent partners, driving proactive response and shaping of the market.

AF GROUP ACCOMPLISHMENTS

A

(Excellent)

XII

w/ Positive Outlook

Improved financial
outlook from
A.M. Best

*2019

11

Consecutive Years
Business Insurance's
Best Places
to Work

*2019

9th

Largest Workers'
Comp Writer Among
Private Insurers –
Fastest Growing in
Top 15

7th from a NWP
standpoint

*2019

\$308M

Premium outside
Workers' Comp
(Fronting, Servicing
Carrier, Multi-Line)

*YTD through Aug.

FUNDAMENTAL UNDERWRITERS ACCOMPLISHMENTS

Gross Written Premium

\$44.8M

Target GWP 2020

New Business

\$14.2M

*YTD through June

Core States (Q4)

29

Target CY Combined Ratio

101.9%

Products (Q4)

2

FUNDAMENTAL UNDERWRITERS **MISSION & VISION**

MISSION

We create innovative insurance products that exceed customer expectations

VISION

We will be a leading provider of specialty insurance products

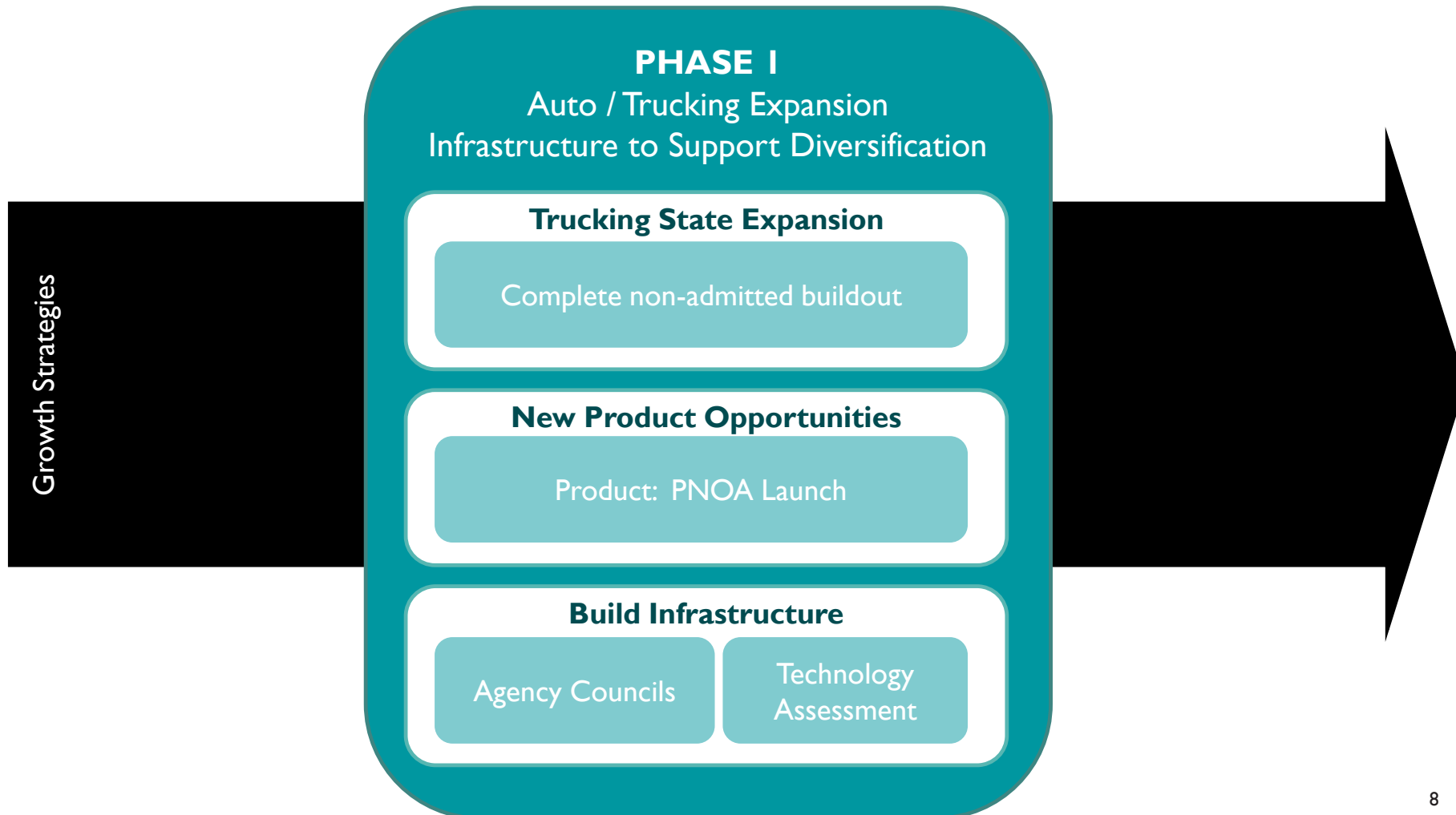


Fundamental
UNDERWRITERS

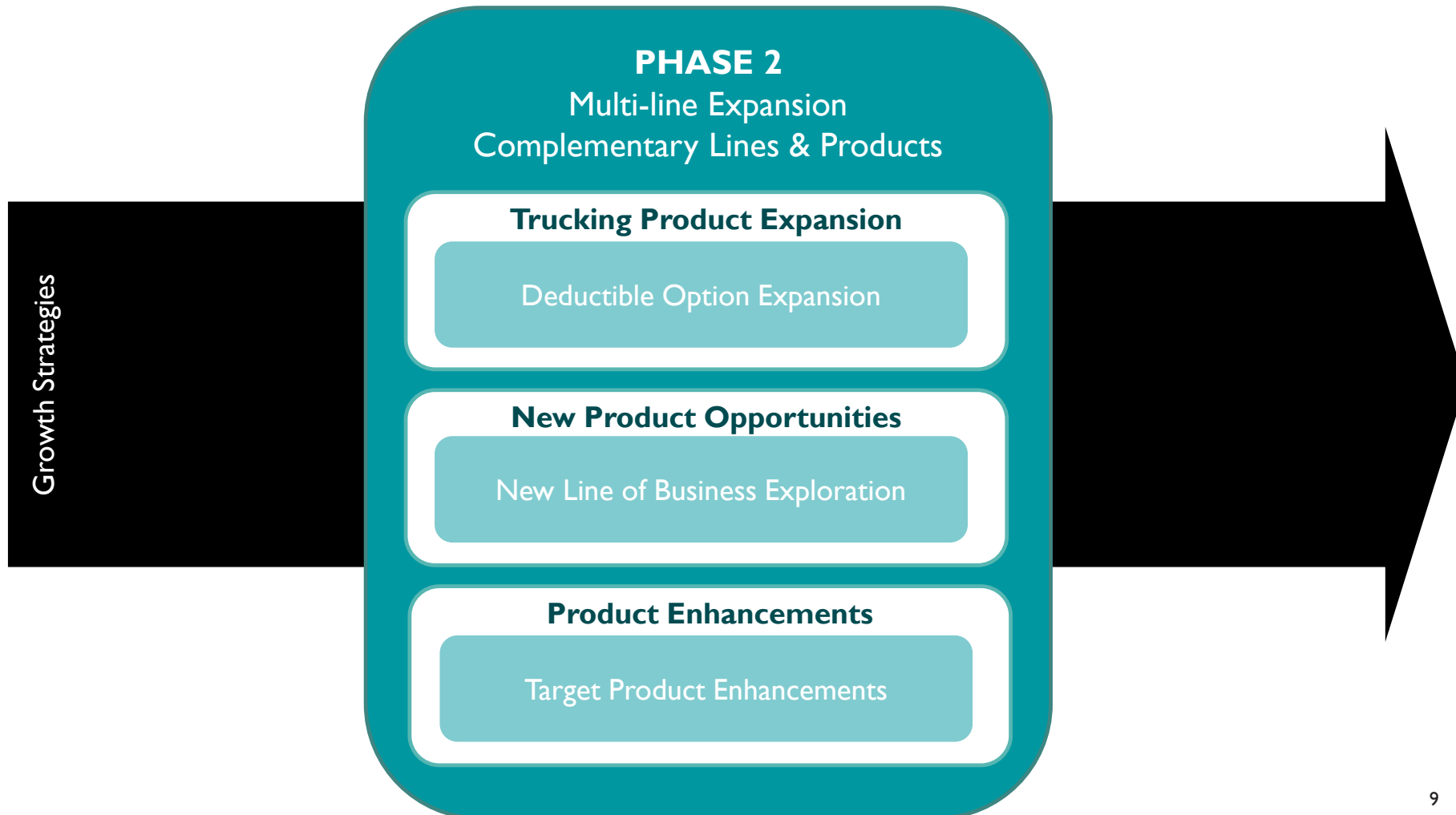
Fundamental Underwriters will create innovative multi-line products that expand beyond traditional workers' compensation and exceed customer expectations.

We will provide solutions for internal and external customers with the goal of minimizing overall volatility for AF Group. Our aim is to charge the company ahead as a top 50 P&C *multi-line* carrier with continued elite results.

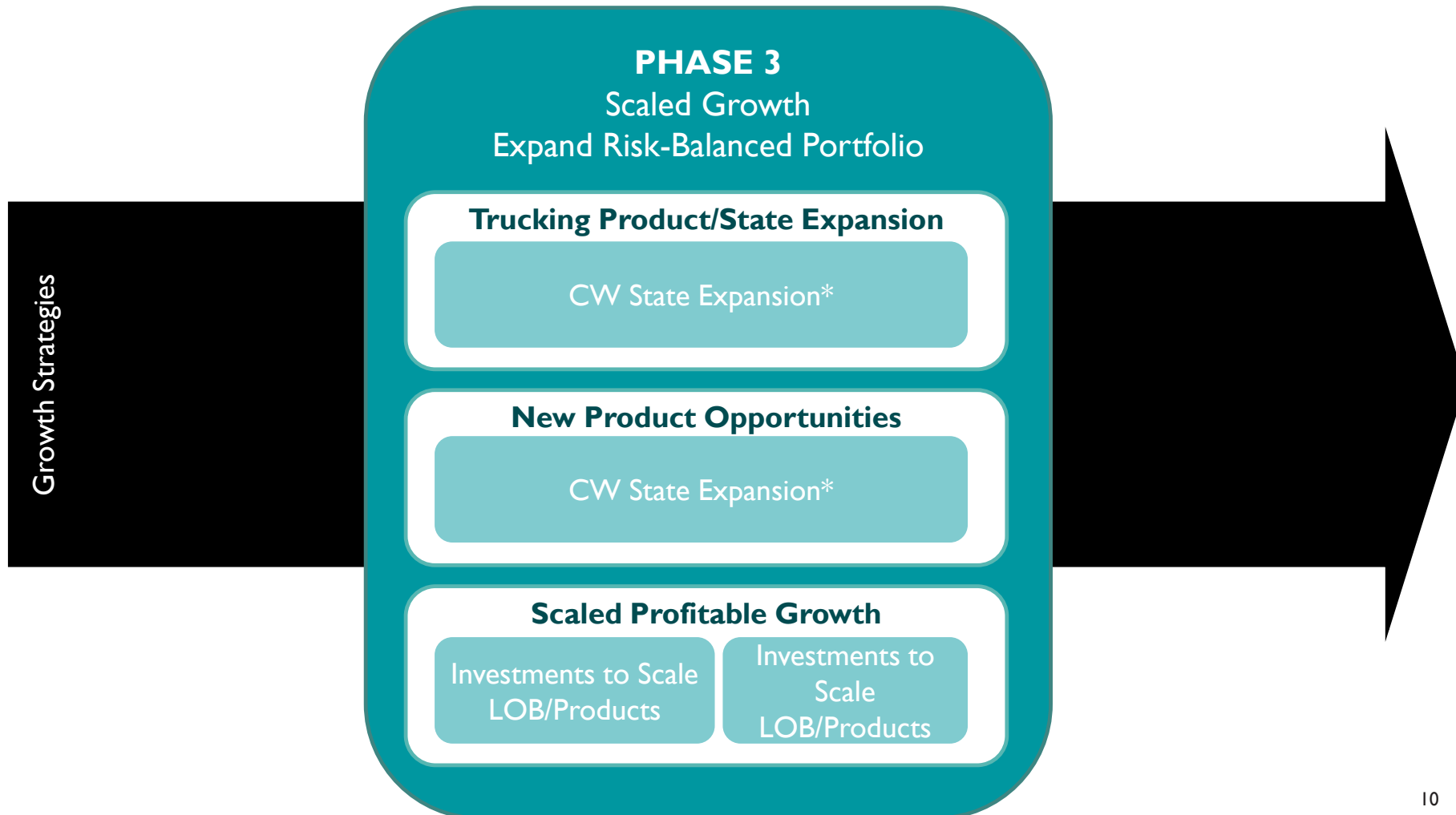
FUNDAMENTAL UNDERWRITERS **STRATEGIC GROWTH PLAN**



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UNDERWRITING AND OPERATIONS

ROB WESTBURG, MANAGING DIRECTOR

UNDERWRITING APPETITE & VALUE-ADDED SERVICES



- Write primary commercial auto liability and physical damage coverage on Third Coast Insurance Company non-admitted paper.
- As part of AF Group, we are an enterprise that is committed to innovation and excellence with an “A” (Excellent) XII positive financial outlook from A.M. Best.
- Service mid-size commercial trucking accounts that possess the cultural and technological characteristics to avoid poor performance.
- Individual underwriting model exists to improve performance of these accounts.
- Team has 80 years of combined experience servicing the commercial trucker.
- We understand what you need and can deliver for your customer.

UNDERWRITING TEAM

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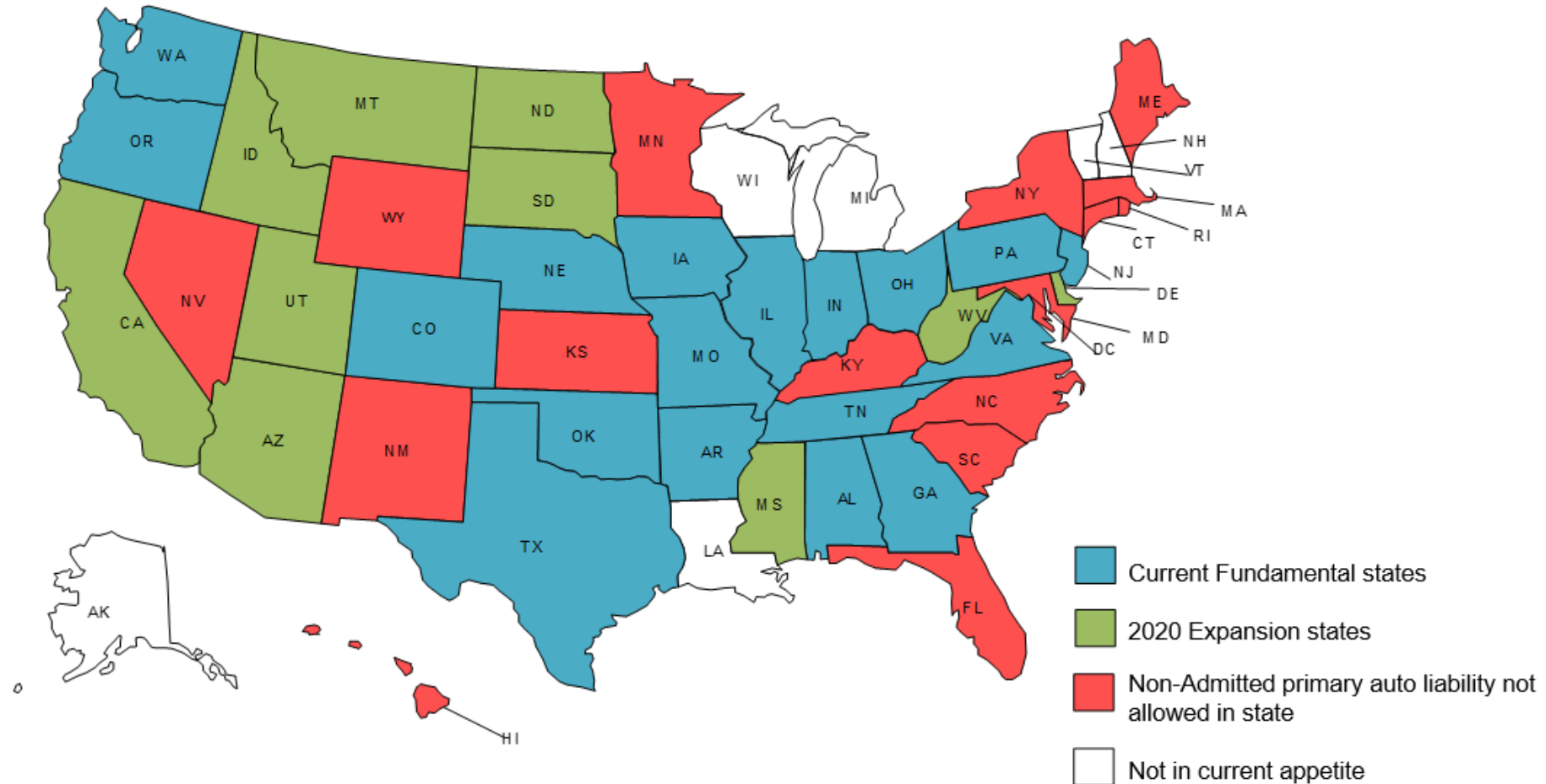
Cell: 972-482-0241

Email: thomas.anderson2@fundamentaluw.com

UNDERWRITING APPETITE & VALUE- ADDED SERVICES

- **Primary Auto Liability (\$1,000,000 CSL) & Physical Damage** (per unit and per location coverage available on a stated amount basis)
 - Guaranteed cost structure
 - Composite rated
 - Motor carrier coverage form and standard ISO forms
 - No radius restrictions
 - We can write most commodities
 - Competitive direct bill pay plan options
 - Premium adjustments for exposure changes during policy terms can be accommodated on an exception basis
 - Targeted fleet sizes: 50 to 300 Power Units
- Average account size - \$1.2M
- Average composite unit rate - \$10,000
- No passenger carrying or public auto risks
- Typical submission requirements
- Looking for franchise value (not open brokerage) for our distribution partners
- Non-admitted paper used for rate and form flexibility, not for substandard risks
- While much of our existing book is standard quality, we do and will continue to pursue preferred business and will compete if we truly feel an account is above average
- Future capabilities we are considering:
 - Liability deductible structure
 - Complimentary trucking products (i.e. Cargo, General Liability)

CURRENT CAPABILITIES AND STATE EXPANSION PLANS



CLAIMS

JENNIFER PIPER, CLAIMS MANAGER

THE CLAIMS DIFFERENCE



- Dedicated and experienced claim adjuster for each account
- 24/7 claim reporting and investigative services
- Fair and responsive service commitment
- Access to adjuster notes and customized reports through Origami
- Reserving on a claim by claim basis
 - No static reserves (company set reserves for loss types)
 - Detailed points of consideration
 - Vehicle impact areas
 - Type of injuries and treatment
 - Venue
 - Attorney representation

CLAIMS SUCCESS STORY



- Rapid response to accident
- Attentive devotion throughout process
- Quick settlement

LOSS CONTROL

DAN O'BRIEN, LOSS CONTROL MANAGER

CULTURE OF SERVICE



- Commitment to excellence
- High touch
- Consultative/partnership approach
- Customized service plan

SERVICE PLAN



Remote & Physical Meetings (Quarterly Minimum)

- Safety Program Assessment
- CSA Analysis
- Loss Trend Evaluation
- Customized Training Programs
- DOT File Review
- Participation in Safety Meetings
- FMCSA Updates
- Monthly Newsletters
- Quarterly Topical Webinars
- Access to Vendor Discounts
- Origami-based Claim Portal

ORIGAMI-BASED CLAIM PORTAL



- Risk management information system (RMIS)
 - Electronic tool that assists in consolidating claims, policy and exposure information.
 - Provides management and reporting capabilities to enable the user to monitor details and control the overall cost of risk.
- Partnered with RMIS leader Origami Risk:
 - Delivers robust and immediate information.
 - Proactively aligns the customer, broker and FUW with a strategic platform to actively reduce lost costs.
 - Provides an easy-to-use tool.

ORIGAMI-BASED CLAIM PORTAL



- **Customizable dashboards:** monitors your performance in key areas and convert your information into easy-to-read charts and graphs for comparisons and trends.
- **Fast search functions:** give you the ability to access information immediately, including policy, loss and claims data in language you can understand.
- **Detailed information:** including adjuster comments and vendor data, that can be reviewed by clicking on any claim field.
- **Robust reports:** can be set up for automatic delivery right to your email.
- **Automated notifications:** can be emailed when special events occur, such as reserve changes, new claims and other system capabilities.

QUESTIONS AND ANSWERS

IF YOU WOULD LIKE TO SUBMIT A QUESTION, PLEASE DO SO THROUGH THE Q&A FUNCTION.





THANK YOU!





Fundamental Underwriters is a division of AF Group and its subsidiaries. Insurance policies are issued by Third Coast Insurance Company.

