



## Frequently Asked Questions

### **What are the reasons for the company's decision to exit Personal Lines?**

There are many, but fundamentally our decision to exit our personal lines business is based on the persistent poor underwriting performance, the time, expense, and risk of trying to make the line profitable and our belief, confirmed by financial modeling, that we have a much greater opportunity to achieve consistent underwriting profitability as a Commercial Lines-only insurer.

### **When will this happen?**

Our notification today (September 8, 2022) to functional regulators in each of our states has started the process. We will suspend writing new Personal Lines business as soon as possible and intend to begin non-renewals effective January 1, 2023. As of today, existing business will continue to be serviced under current guidelines.

### **Is the Company in financial trouble?**

Absolutely Not! Oregon Mutual enters this transition in a position of financial strength. Credit rating agencies A.M. Best and Kroll Bond Rating Agency (KBRA) have both rated Oregon Mutual's financial strength as A- (Excellent) with Stable Outlook. Oregon Mutual has also received these agencies' highest balance sheet strength scores. This strategic transition permits Oregon Mutual to focus its efforts on continuing to expand the business segment that is responsible for this strength. This decision is Management's way of expressing that we intend to keep and build on our financial strength.

### **How are we handling new business now?**

New business with effective dates on or before September 30, 2022, may be issued if it is processed prior to that date.

### **What about writing additional lines of business for existing Personal Lines policyholders?**

We will not add any additional Personal Lines of business for existing Personal Lines policyholders. Following the moratorium, only changes to existing policies will be made after the moratorium is in place.

### **What about policy changes for current members?**

We will continue to service current member policies to add/remove coverage as necessary pursuant to our underwriting guidelines and practices.

### **What about re-writes of existing Personal Lines policyholders?**

We will not entertain any re-writes of existing Personal Lines clients to new policies.



**Will we be updating the agency contingency agreement to account for this change?**

We will publish an update to the agency contingency agreement to account for this strategic transition and the increased emphasis placed on Commercial Lines business. This includes an update for the current year as well as for 2023.

**Broker of Record Changes**

We will no longer entertain any agent/broker of record changes for Personal Lines policies.

**Reinstatements**

We will no longer entertain reinstatements for Personal Lines.

**Can I get a list of my in-force Personal Lines policies?**

Please contact your Agency Marketing Manager for this information.