



RE: Forge Insurance Mid-Year Update – All About Meaningful Numbers!

The insurance business runs on numbers and percentages. Premiums, commissions, limits, deductibles, loss expenses, judgements and awards, EBITDA, revenue per employee, insurer loss ratios, expense ratios, combined ratios, operating ratios and so many more. Today I want to share numbers that you may find relevant to our business together.

33% of Small Commercial and 55% of Public Auto New Business Quoted is Bound

Previously, I have shared to you that we are in a growth phase and made considerable investment in our team and our core insurance systems at levels that spiked our expense ratio in the short term to position us for long term success. We are growing, our systems are being leveraged, and we are committed to improving everything that we do support to our partners that sell and service the Forge commercial auto product. It's a marathon to deliver on that commitment but please know that there is a team of grinders here working to make it happen one mile at a time.

We've long said at Forge "we don't need to quote for practice." Driving our expense ratio lower is about efficiency and this benefits both our team members and your team members alike...time is money for all when dealing with small business commercial accounts.

We remain focused on growing small business commercial auto accounts. I am pleased to share Forge is having success when given the opportunity and we are binding 33% of new small commercial auto accounts quoted for our agencies. It is working.

3-9 Vehicle Accounts - New Small Commercial Auto Success – and 10+ fleets

Our greatest new business success is happening for accounts with 3 to 9 vehicles. And I share that Dale and I are taking a personal interest in following quotes of 10 or more vehicle fleets. Yes, we do want to be competitive on fleet accounts within our appetite.

70% Small Commercial Quoted in Forge FIRE

We launched Forge FIRE (**F**orge **I**nsurance **R**ating **E**ngine) our new rating system for agencies in January. And, despite some glitches customary for such project roll outs **70%** of our small commercial auto quotes are starting in the FIRE system. We will begin testing straight through processing later this year for Small Commercial accounts to make it faster and easier to do business with Forge. More on that to come later in the year.



Foundation is Strong – Committed to profitable Public Autos

Forge remains a strong and consistent market in public autos (*taxi, black car, limo, school transit*) and we are binding 55% of new public autos quoted. Public auto continues to be a high exposure segment with fewer competitors, and we are seeking to insure the best risks in these business classes and be disciplined in our pricing efforts.

Closing Thought

We'll continue to push hard to get better each day here in the Foundry, but it is rewarding to see how far we've come together over the past few years despite some formidable obstacles. While the title of this letter highlights the meaningful numbers that populate our scorecards, I am reminded each time I speak with you that it is the relationships that we have that provide meaning in our work and our lives.

Forge On!

Brian Mancino
Senior Vice President - Distribution

