



DMI Insurance Services, Inc.

Rate increases have become necessary as commercial auto results have been deteriorating over the last few years. Our program has been impacted like many others and our carriers have mandated an overall 12% rate increase. Factors that have contributed to the loss ratio are:

- Frequency - Whether or not losses are more frequent because more people are on the road due to lower gas prices or just less careful, the frequency has increased greatly. Our average claim count has increased between 25-30% on a monthly basis.
- Severity – Loss development from prior years has increased. Over a 20 year period of time from 1990 to 2010 we experienced 2-3 high limit losses. Over the last 5 years, we've seen several. Losses believed to be adequately reserved in the low 6 digits are being settled between \$800,000 and \$1,000,000 on a regular basis.
- Weather - These types of losses may be mitigated by our recent implementation of Risk Meter, a tool that measures the probability of hail. Many states are now seeing renewal offers excluding hail when the report indicates a high risk of hail or renewal offers amending the aggregate per vehicle to no aggregate.

We will make every effort to minimize increases on clean accounts and believe our pricing will still be competitive given what is currently transpiring in the marketplace.

Our relationship with you is very important to us. We look forward to working with you on retaining your renewal business and writing new business.

Something to lighten up the mood

An insurance manager was talking to one of his customers. He said, "Thank you, Mr. Jones, for your business. I wish I had twenty customers like you."

"Wow, well it's nice to hear that, but I'm kind of surprised," replied Mr. Jones, who was a little taken aback. "You know I report lots of claims and I always pay my premiums late."

The insurance manager said, "Yes, I'd like twenty customers like you. The problem is, I have two hundred."

Unlisted drivers and employees mean rate increases for all

The liability portion of Dealer and Garage policies is rated based on the number of drivers, employees, buyers, independent contractors, and family members allowed personal use of autos. In recent years, there has been an uptick in the number of claims involving persons driving that should have been known by the insurance company before an accident occurred... *unreported spouses, children, new employees, independent contractors, etc.* In some cases policyholders intentionally withheld reporting of drivers or household members hoping to obtain free coverage. In other instances, the insurance agent did not ask the insured all of the questions on the application. Either way, unreported persons can result in the denial of a claim or rescission of a policy. Most importantly, unreported drivers means the insurance company is not collecting enough premium on a risk by risk basis. In order to compensate for this premium shortfall insurance companies have to raise rates for all policyholders.

Questions that can be asked in the application process:

- Who picks up and delivers your cars?
- Who does your buying for you?
- Do you have any independent contractors that drive your cars?
- Are there any family members that are allowed to drive your cars?
- Is there anybody else that drives your cars that we haven't identified?

Get to know Kelli



What is your position at DMI:

Account Manager

When did you begin working at DMI:

July 1988

What is your favorite part about DMI:

Holiday parties at lunch time and my co-workers.

What do you find challenging at DMI:

Since going paperless, I find it difficult to sit all day instead of running around looking for files.

Personal background:

I am from Gilroy, CA where I still live with my husband of 23 years. we have 4 kids, Nicholas (22), Ashley (21), Ariana (18), and Alyssa (15).

What was the most unusual job you had before working at DMI:

I started here when I was 19 so this was my first real job.

What is your favorite thing to do on the weekend:

Softball tournaments, my daughter plays travel travel ball, gardening, and going to the beach

What is your favorite movie quote:

"Frankly my dear. I don't give a damn." - Gone With The Wind.

Get to know Janette



That is your position at DMI:

Underwriting Assistant

When did you begin working at DMI:

December 2015

What is your favorite part about DMI:

It's a fun learning experience quoting for underwriters. It's completely different from my experiences with personal autoinsurance from my previous job. Also, doing set up's for Kelli is easy and fun. Also, coming to a friendly work environment makes the day go by quickly.

What do you find challenging at DMI:

Initially, I was very overwhelmed with everything and felt as if I was not going to get the hang of things. Since then, I have learned much and have become more comfortable with my duties.

Personal Summary:

I am 24 years old and grew up in Hollister, CA. I have been working in the insurance industry since 2012. I like to spend time taking my German Shepherd, Puff, on walks

What was the most unusual job you had before working at DMI:

I used to work at Gilroy Gardens and one time a couple brought their dog which was not allowed in the park so I got to watch the dog for an entire shift.

What is your favorite thing to do on the weekend:

Sleep in and relax.

What is your favorite movie quote:

"Just keep swimming" - Finding Nemo

STAY CONNECTED



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