


# Talent Management Panel Discussion



**GUARD**  
INSURANCE  
GROUP

*PCI  
Technology  
Conference  
October 5, 2011*

# About GUARD

- **Established:** 1983
- **Insurance Company Subsidiaries:**  
AmGUARD, EastGUARD, NorGUARD, WestGUARD
- **A.M. Best Company Rating (Reaffirmed 11/23/2010):**  
A- ("EXCELLENT")/Financial Size Category VIII
- **Parent Holding Company:**  
 CLAL Insurance Enterprises Holdings, Ltd.
  - Israel's largest insurance group (market share of almost 25%)
  - Publicly traded on the Tel-Aviv Stock Exchange
- **Locations:**  
Home Office in Wilkes-Barre, PA  
Administrative Office in New York, NY  
Satellite locations (CA, GA, MD, NH, NJ, PA, VA)



## Distinguishing Characteristics

- Strong, sustainable performance; consistently outperforms industry peers
- Efficient, scalable technology and well-engineered operations
- Superior product and services; **Renewal Ratio of almost 90%**

*A 25+-year history*

## About GUARD (cont.)

- **Direct Written Premium (2010):**  
\$242 million – \$228 of which was from Workers' Compensation policies  
*(This 24% increase over year-end 2009 helped produce a 32% growth of Net Income!)*
- **Number of Policyholders (2010):**  
Approximately 47,000
- **Calendar-Year Combined Ratio:**  
89.9% in 2010; 92.0% in 2009; 84.8% in 2008
- **Distribution Channels:**  
600 contracted independent agencies representing 1,300 locations plus relationships with payroll processors cross selling insurance to their clients
- **Specialty:**  
Workers' Comp insurance (accounting for over 90% of GUARD's premium) with a newer, growing focus on complementary lines for the same market segment
- **Industry Position:**  
Among the top 50 providers of Workers' Comp in the US, the top 20 in ten states, and the top 10 in four states
- **Geographical Reach:**  
Licensed to write select lines in 45 states plus D.C.; currently active in 28



**Targeted Audience:**  
Small- to mid-sized businesses, particularly "Main Street"-type accounts

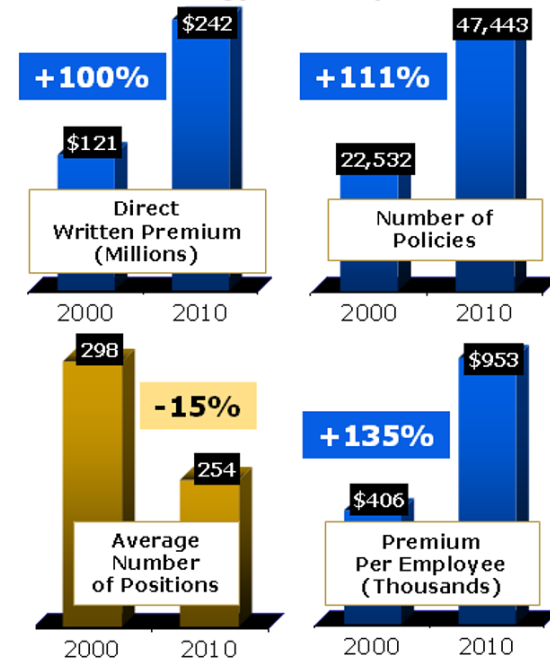
Approximately three quarters of our premium and over 90% of our policies are from accounts \$25,000 or less.

**Servicing Carrier:**  
Selected in open competition as a Comp residual insurance servicing carrier in DE, GA, NJ, VA, WV, D.C.

# Background

- All core systems are **proprietary**.
- Many aspects of our technology are patented.
- Our paperless platform was adopted early – back in the late 1990's.
- The entire system was replatformed and business processes reengineered during the early- through mid-2000's.
- We have leveraged our nationally recognized **Agency Service Center** to get Agents to go paperless over a decade ago.
- We are now using the many features of our **Policyholder Service Center** to get Insureds to "Jr# Juhq," too!

## Technology Efficiency Metrics



## Current Challenges/Opportunities Facing GUARD

- ❑ Proprietary System / No Legacy System
- ❑ Workforce Characteristics
  - ✓ Average Age = 40
  - ✓ Average Tenure = 12 Years
  - ✓ 3-Year Retention Rate = 95%
- ❑ Local College / University Culture
- ❑ New Lines of Business
- ❑ Economic Conditions (Local vs. National)
- ❑ Location

*We have no challenges – only opportunities!*

# Human Capital Management (HCM) Strategy

- ❑ Compensation Philosophy – Mirrors Company Culture – Total Rewards
- ❑ Talent vs. Experience vs. Attitude
- ❑ Size Matters!
- ❑ Mentoring
  - ✓ Internal
  - ✓ External
- ❑ Culture within a Culture
- ❑ Communication
- ❑ Ownership
- ❑ Recognition
- ❑ Competition
- ❑ Education

*We can herd cats, too!!*

## Other Considerations / Factors

- ❑ *How do we measure the effectiveness of HCM Strategies?*
  - ❑ Corporate Success / Portfolio Management
  - ❑ Productivity
    - ✓ IT
    - ✓ Business Units
  - ❑ Efficiencies
    - ✓ Benchmarking
  - ❑ Retention / Employee Satisfaction
  - ❑ No Outsourcing Utilized

*Metrics drive behavior!*

Conclusion

Questions  
& Answers

*Thank you*