



# Dryden review

12 Ellis Drive • Dryden, NY 13053 • [www.drydenmutual.com](http://www.drydenmutual.com)

## JUNE 2011

This newsletter is intended to discuss issues of interest to agencies who represent Dryden Mutual. Please share this letter with those people in your agency who work with our company on a daily basis.

### SUMMARY OF KEY 2010 FINANCIAL STATISTICS FOR DRYDEN MUTUAL

The following data is identical to that which was submitted to the National Association of Insurance Commissioners (NAIC) and the New York State Insurance Department filed on our annual statements for the past 5 years. 2010 was another solid year for Dryden Mutual in which we were again able to outperform the industry by a wide margin (the industry recorded a 102.1 combined ratio in 2010). The challenge in 2011 will be to find ways to use this financial strength to help our independent agents write new business in a competitive marketplace.

	<b>12-31-06</b>	<b>12-31-07</b>	<b>12-31-08</b>	<b>12-31-09</b>	<b>12-31-10</b>
Direct Written Premium	\$39,653,596	\$40,143,518	\$41,042,794	\$41,691,427	\$42,458,141
YTD Growth Rate	+4.26%	+1.24%	+2.24%	+1.58%	+1.84%
Net Admitted Assets	\$87,888,347	\$96,688,244	\$104,231,004	\$115,041,569	\$126,427,071
Policyholder Surplus	\$43,144,191	\$50,326,602	\$54,685,827	\$62,805,088	\$71,259,120
<b>Combined (Trade) Ratio</b>	<b>74.63</b>	<b>78.34</b>	<b>81.25</b>	<b>84.16</b>	<b>79.68</b>

### A.M. BEST KEPT DRYDEN'S RATING AT "A" FOR 2010-11

On September 1, 2010, A.M. Best decided to maintain Dryden Mutual's financial strength rating at an "A" (Financial Size VII) for another rating renewal cycle. During 2010, Dryden was able to grow slightly during the slow ending of the recession and remain profitable at the same time. With the results posted above, it is almost certain that Dryden will maintain the "A" rating in 2011.

### CONTINGENCY COMMISSIONS - TOP PAYOUTS IN NYS

During the early months of 2011, Dryden Mutual's marketing staff has delivered \$1,728,601 in contingency commission checks to our agents based on the outstanding results reported above for calendar year 2010. A survey of NAIC data proves that our company still holds the record in New York State for returning the highest percentage of direct premiums to their agencies as profit sharing commissions averaging 4.07% of all direct written premiums. It is also interesting to note that nearly 90% of all participating agencies actually collected some level of profit sharing for 2010. Unfortunately, this also makes it imperative that all agencies comply with NYS Regulation 194 to divulge that you are likely to receive a profit sharing bonus based on the aggregate experience of all the clients that you place with Dryden Mutual in any given year.

### EMAIL TRANSACTIONS TO AGENCIES

Approximately 50% of Dryden Mutual agencies have signed up to receive the agent copy of selected document types via email. Document types include complete copies of new business, renewals, endorsements, notices of cancellation, reinstatements, audits and recommendation letters. While some insured/mortgagee copies will continue to be sent to you for distribution, many items are now being sent directly. This service has been in effect since last October and it has been increasingly popular for obvious reasons.

If you are interested in signing up, please contact Andrea Miceli at [amiceli@drydenmutual.com](mailto:amiceli@drydenmutual.com) for complete details and instructions.

## SECONDARY & SEASONAL HOMEOWNERS PROGRAM EXPANSION

Dryden has written season personal and commercial exposures for many years primarily using residential fire and commercial fire products. The release of the 2010 US Census data has now prompted us to open our homeowners package program to some types of secondary homes and seasonal houses. Why? Our Upstate New York marketing territories are generally losing population, so the demand for primary housing is gradually diminishing. However, many who leave the state also remember that summers are a lot more pleasant here than in the southern climates where job growth has been so much stronger.



Here are the high points of this expansion of our homeowners program:

- ❑ 1 family owner-occupied dwellings that function as secondary homes (used in all four seasons) or seasonal homes (closed up temporarily for a season or any other period of time).
- ❑ No seasonal home surcharge.
- ❑ Minimum Coverage A of \$125,000. Values over \$1,000,000 need prior approval.
- ❑ No rental exposures for the homeowners program (but rentals can be addressed in either our Landlords or Residential Fire Programs).
- ❑ Broad (ML-2) and All Risk (ML-3) forms are acceptable.
- ❑ CPL offered for Section II with no restrictions.
- ❑ Out-of-State residents acceptable.
- ❑ Unsupported product. (However, please be sure to offer our boat products).
- ❑ Island properties acceptable if rated as unprotected.
- ❑ Pitched roofs in good condition.
- ❑ 100% Insurance to Value - If market values are higher than replacement cost due to waterfront values, properties may have to be insured to market value to satisfy mortgagees, but losses will only be settled on actual structural replacement values subject to all of the terms and conditions of the issued policies.
- ❑ Secondary home supplemental questionnaire required (attached)
- ❑ Standard 20% new and renewal commissions.
- ❑ Dryden VIP endorsement is available to include earth movement, replacement cost on contents, water back-up, expanded liability coverages, etc.

## IIABNY HONORS INSURERS WITH OUTSTANDING COMPANY PARTNER AWARD

Dryden Mutual was among six New York insurers to receive IIABNY's 2011 Outstanding Company Partner Award. The awards were presented on January 31st at the association's annual Capital Event in Albany.



Each year the awards are given to those companies earning the best individual and industry scores in the IIABNY Industry Index. The index measures performance in areas such as underwriter empowerment, ease of use of technology, honest and fair treatment of agencies and customers, responsiveness of company personnel, and fairness of compensation arrangements. It is calculated from bi-annual surveys given to New York insurance producers.

The awards are categorized as Best National, Super Regional and Best Regional companies in personal and commercial insurance. Bob Baxter, the CEO and General Manager of Dryden Mutual was pleased to accept the award for Best Regional insurance company for Personal Lines.

## **BOATING SEASON**

Please remember that Dryden Mutual has been offering a very useful boat program for well over 14 years now. Since the boating season in Upstate New York is starting, here is a summary of the reasons you ought to consider placing your boating clients with Dryden Mutual:

- 1) No supporting lines needed - this is a stand-alone hull and liability package.
- 2) It is competitively priced and stacks up well against the major programs in the market.
- 3) Dryden offers a unique set of qualifications that include most boats and smaller hulls that often are forced into yacht programs even though the vessels are only used on inland lakes (up to 39 feet and \$150,000 in value).
- 4) Inboard and Outboard, Sailboats, and even Pontoon Boats are included in this program.
- 5) \$50,000 of Uninsured Boaters liability coverage is offered as a built-in feature.
- 6) \$500 of Emergency Response coverage can be purchased
- 7) Broad qualifications on hulls – wood hulls up to 15 years old, other hulls up to 25 years.
- 8) Discounts for boating courses and diesel powered craft.

Special product brochures are available. Contact Nicki Temple (ext 236) or your Dryden Mutual Marketing Representative for either a sample or a supply.

## **EMERGENCY CLAIMS SERVICE**

Since November 2008, the Dryden Mutual Claim Department has been successfully providing after-hours claim responses to contacts from agents and insureds on our claims lines. This service was quickly expanded to be literally “24/7” including weekends. An emergency operator will take the information and quickly relay it directly to the claims employee on call. This service has become widely appreciated. Our website ([www.drydenmutual.com](http://www.drydenmutual.com)) has the following instructions regarding emergency claim reporting:

It is extremely important to note that claims should be reported to your agent whenever possible. If your agent is unavailable and your claim is a true emergency, please use one of the following numbers:

During weekday office hours: (800) 782-0154  
Nights and Weekends only: (607) 428-0176 or (800) 556-5802

Please indicate the nature of the emergency, your name, phone number, address and policy number. A claim representative will contact you as quickly as possible.

This is yet another way that Dryden Mutual supports the Trusted Choice pledge of service made by our agents to their clients in New York State.

## **SESQUICENTENNIAL THANK YOU**

The company celebrated it's 150th anniversary one year ago this month. Somewhere around 800 people attended our all-day open house party on May 7, 2010. Many visitors came from independent agencies all across the state and this is a special thank you to all who participated in any way, either by attending or sending a card or gift.



## RESIDENTIAL FIRE PROGRAM

Dryden Mutual Insurance Company continues to be a strong market for your agency's Residential Fire accounts. We have noticed that many large insurers have retreated from this class of business, but Dryden Mutual is committed to offering this program for your customers.

Some highlights of our Residential Fire Program are:

- Policies are written on an unsupported basis
- Policies are Direct Billed with many different payment options
- Underwriting staff eager to help

Typical Residential Fire Exposures:

- Owner-occupied dwellings that do not meet our Homeowner's Program eligibility (insurance to value situations, physical conditions)
- Secondary /seasonal dwellings that do not meet our Seasonal Homeowner's Program eligibility (multiple ownership, insufficient dwelling values)
- Tenant-occupied dwellings that do not meet our Landlord Package Program eligibility (vacancy, insurance to value situations, physical conditions)

Our Residential Dwelling Fire Program rates are located in the Dryden Raters program on our website. Contact any Dryden Mutual Personal Lines Underwriter or your Marketing Representative should you need any help downloading this program.

## INLAND MARINE PROGRAM

The Dryden Mutual Inland Marine Program can plug many coverage gaps for your Personal and Commercial Lines customers. We have noticed that many carriers refuse to offer Inland Marine coverage on these typical exposures:

- Large utility tractors used for personal use on your customers premises
- Insulin pumps
- Disc Jockey equipment
- Smaller schedules of contractors equipment
- Musical instruments
- Hearing aids

Our Inland Marine program is written on an unsupported basis and attractive Direct Billed options are available.

The applications and rates for our Inland Marine program can be found on our website at [www.drydenmutual.com](http://www.drydenmutual.com). Should you have any questions, please contact any Dryden Mutual Underwriter or your Marketing Representative.

Robert B. Baxter, CPCU, CIC  
CEO & General Manager

