

PROGRAM LEADER

THE FUTURE OF WORK

The future of work mindset:
Building more agility, flexibility
and resilience in your organization

Zurich's Response to COVID-19

Supporting customers,
distribution partners,
colleagues and
our communities

SUSTAINABILITY:

Why it goes
hand-in-hand with
risk management

ZURICH GOLF: A win for Collin Morikawa

PROGRAM SPOTLIGHT:

US Assure
Builders Risk

OUR PEOPLE Claims Capabilities



Editor's Letter

Dear Leader,

As insurers, we know that random, catastrophic events can happen anytime and affect anyone. This is certainly the case with the COVID-19 pandemic. In just a few short months, we've seen customers impacted, in both small and big ways. We've also seen our teams working together in even more profound ways to support our customers, our communities and one another.

As we work with you to find the best ways to help our customers, we are also thinking about the issues that affect you and your business. The articles in this issue of Program Leader provide insight and guidance about trends and changes in the world of work to help you navigate the future with even greater success.

In the article "The Future of Work," we address the evolution of work, from advances in technology to highly-valued skills, like cognitive flexibility, that will be in high demand as employers and employees navigate the changing world of work.

In this issue, we also take an in-depth look at sustainability, including economic, social and environmental considerations and ideas that may inspire and help you shape your sustainability strategy.

We also share Zurich's response to COVID-19 and the ways we are making a difference in the lives of our customers, distribution partners, colleagues and communities.

Let's continue working together and supporting one another. On behalf of our entire team, my very best to you.

Regards,



Greg Massey, CPCU, CIC, CRM
Head of Programs
Zurich North America

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OUR COMPANY



ZURICH NORTH AMERICA RESPONDS TO COVID-19

As one of the largest insurance providers to businesses and individuals, we're helping our customers, communities and colleagues through pandemic challenges from a position of strength and experience.



ZURICH'S RESOURCES

Customers can find guidance and insights on a wide variety of topics, from managing day-to-day operations, navigating the growing risk associated with COVID-19, and planning strategies for protecting their businesses, employees and communities. Some of these resources include:

COVID-19 RESOURCE HUB:
TRANSITIONING BACK TO THE WORKPLACE
zurichna.com/knowledge/topics/coronavirus

A wide variety of articles, podcasts and videos are available on topics including:

- Hazard analysis – the first step in returning to the workplace
- Navigating a safe transition back to the workplace
- Cleaning and sanitizing policies and practices
- Facemasks in the post-COVID workplace
- Cyber resilience amid COVID-19 and beyond
- Transitioning back to the workplace Podcast series
- Risk Engineering video series

RISK ENGINEERING CONTENT including employee health, employee safety, business operations can be found by visiting: zurichna.com/risk.

Employee health

- Managing employees part 1 - Focus on you
- Managing employees part 2 - Emotional intelligence
- Managing employees part 3 - Managing performance
- 10 steps to managing employee fear

Employee safety

- Employee screening and prevention policies
- Physical distancing in the workplace
- Personal protective equipment (PPE)
- Cleaning and disinfecting plans
- Hazard communication planning resources

Ergonomics

- ez-Ergo Self-Assessment Tool
- Computer and laptop tips
- From kitchen to couch
- Telework and home office safety

Business operations

- Long-term shutdown and restart of commercial properties
- Long-term shutdown and restart of industrial facilities
- Boiler restart after extended shutdown
- Business recovery considerations



CARING FOR OUR CUSTOMERS

CASE-BY-CASE SUPPORT

- Provided temporary ADJUSTMENTS TO PAYMENT TERMS when circumstances permitted
- Temporarily WAIVED CANCELLATION for non-payment of premium

ESSENTIAL PRODUCTS AND SERVICES

- Assisted a New Jersey hospital in ACTIVATING VACANT SITE to care for patients
- Helped a Wisconsin paper mill continue PRODUCING TOILET PAPER AT 100%

RETROFITTING OPERATIONS

- Supported Bauer Hockey's shift to MAKING FACE SHIELDS for front-line health workers
- Helped Sysco, a food service distributor, gain authorization to DELIVER ESSENTIALS TO GROCERY STORES

LAUNCHING A COVID-19 REIMBURSEMENT PRODUCT

- HELPED GET CASH in the hands of hospitalized patients
- Net profits go to FEEDING AMERICA



CARING FOR OUR COMMUNITIES

Z ZURICH FOUNDATION

- Pledged up to \$20 MILLION TO SUPPORT COVID-19 RELIEF GLOBALLY
- Pledged \$20,000 to the F&I Providers Relief Fund for F&I managers
- Supported our network of approximately 30 FOOD BANKS across the U.S. and Canada
- Provided PERSONAL PROTECTIVE EQUIPMENT (PPE) to hospitals in the U.S. and Canada
- Financed basic necessities such as SHELTER FOR VULNERABLE POPULATIONS
- Supported PREPARATION OF MEALS in our North American headquarters to assist the homeless
- Supplemented grant payouts for approximately 55 ORGANIZATIONS
- Matched our employees' charitable giving at 100%
- DELIVERED MORE THAN \$1.5 MILLION TO NEW ORLEANS CHARITIES despite cancellation of the Zurich Classic PGA TOUR event
- Matched Zurich Golf Ambassador Billy Horschel's \$10,000 DONATION TO BLESSINGS IN A BACKPACK



CARING FOR OUR COLLEAGUES

PROTECTING OUR CORE

- Zurich's priority is on TALENT RETENTION and DEVELOPMENT
- Expanded our earn-while-you-learn APPRENTICESHIP PROGRAM

PROVIDING FINANCIAL RESOURCES

- Helped COVER LOST EXPENSES for vendors at our headquarters during the building shutdown
- Launched a COVID-19 HOSPITALIZATION BENEFIT for employees
- Started the TOGETHER WE CARE grant program that supports colleagues experiencing hardship

SUPPORTING WORKING FROM HOME

- Rapidly expanded remote work from 60% TO NEARLY 100%
- RELIABLE VIDEOCONFERENCING TECHNOLOGY helped sustain our strong connections
- BACK-UP CHILD CARE RESOURCES available if desired

PROVIDING HEALTH RESOURCES

- Offering PAID CAREGIVER LEAVE for employees caring for a seriously ill loved one



Lori Shrum, Program Manager for Zurich says, "I work with restaurants, fitness centers and hotels. All were extremely hard hit by the pandemic. Everybody within Zurich stepped up. Agents and customers are very appreciative of Zurich's responsiveness and the steps that Zurich has taken to help our insureds navigate this crisis and find solutions."

- COVERING VIRTUAL VISITS with medical providers at no cost for covered employees and family members

ZURICH PROGRAMS' SUPPORT

- Early on, Zurich worked with customers to offer revenue reductions and payment flexibility.
- Finance and accounting partners moved audits, offered flexibility with payment due dates.
- Risk Engineers who specialize in affected industries offered risk management strategies to help insureds open businesses back up safely and help insureds stay informed on key issues.
- Marketing worked with Risk Engineering to make information available to help insureds plan remote working policies and return-to-work practices, such as cleaning and sanitization protocols, personal protective equipment, air-filtration systems, physical distancing practices and more.
- Legal provided consultation and called attention to important considerations for insureds, explaining impacts and helping navigate through changes to their business. For example, when cities closed streets to accommodate outdoor dining, Zurich helped bar and restaurant customers review their policies for compliance with city requirements.

OUR PEOPLE



Lori Shrum

Senior Underwriter – Zurich Programs

Lori began her career as an underwriter with insurance company Aetna in 1987, moving to Travelers Insurance when it acquired Aetna. She has been in the insurance industry for more than 30 years.

Program Manager role at Zurich

In her current position as Program Manager for the Segmented Programs team, Lori manages multiple programs, including:

- SUITELIFE®boutique hotels, resorts and private resort communities
- FitLife fitness clubs
- Restaurants, bars and taverns

We asked Lori to share a bit about herself.

What do you like about your job?

Variety – no two days are the same – and building relationships with my Program Administrators. You are part of their team, which makes them a part of Zurich’s team!

Why is your job a good fit for you?

I am somewhat of an academic nerd. I like the technical piece of underwriting – making things fit together. I joke that I am an investigator who gambles. Who doesn’t like to discover things and gamble?!

What behavior or personality trait do you most attribute your success to, and why? Curiosity – always wanting to learn something new.

Who has influenced you most when it comes to how you approach your work? The branch manager at my first insurance company job back in 1987 was a big influence. She was one of the first women to have achieved that level in the business. She was unbelievably talented and knew how to relate to people.

What energizes you outside of work? My daughter, my grandson, and my dog, Segen.

What’s something, big or small, that you’re really good at? Observation. I have learned most of my people skills from watching those around me.

What’s the best advice you were ever given? Who was it from? “One day at a time.” A very good friend who just kept repeating that when I needed it the most.

What’s your favorite way to unwind after a busy day? A walk with Segen – it is all about him and not me!

What would we most likely find you doing on the weekend? Anything outdoors, regardless of the season.

What’s one hobby you’re into or would like to get into? I’d like to get into astronomy.

What’s the top destination on your must-visit list? A remote cabin in the Smoky Mountains.

What’s your guilty pleasure? Donuts – glazed or chocolate-frosted.



Todd Klosterman

Assistant Vice President, Segment Underwriter – Zurich Programs

Program Manager role at Zurich

In his current position as Program Manager within CAT E&S and Diversified Programs, Todd has responsibility for several programs, including:

- CAT E&S
- Hurricane Deductible Buy-Back
- Motor Truck Cargo
- Farmowners

We asked Todd to share a bit about himself.

What do you like about your job, or why is your job a good fit for you? I enjoy interacting and building relationships with our PA partners and working on a variety of programs with different lines of business that test my knowledge and skills. Being a Program Manager presents a new set of challenges every day.

What behavior or personality trait do you most attribute your success to, and why? I’m extremely competitive and absolutely hate to lose. Whether I’m on the court or arguing with my two-year-old, I have to win. It’s helped me to never give up regardless of the circumstances.

What would we most likely find you doing on the weekend? Most of my weekends are spent outdoors with my wife, Tasha, and three boys, Karver (7), Kamden (4), and Kyler (2). Activities include swimming, sports, riding bikes, going to the park, and helping on the farm.

What’s one hobby you’re into or would like to get into? I’ve played basketball my entire life but after a number of knee issues, I’ve just started to take up golf. It’s a love/hate relationship at this moment in time.

What’s your guilty pleasure? Chocolate! Lots of chocolate!

ZURICH GOLF



A WIN FOR ZURICH GOLF AMBASSADOR COLLIN MORIKAWA

Congratulations to Zurich Golf Ambassador Collin Morikawa, who won the 2020 PGA Championship by two strokes at TPC Harding Park on Aug. 9.

Already a three-time PGA TOUR event winner in just 29 starts, Morikawa has more wins than missed cuts in his short career. At age 23 years, six months and three days, he becomes the third-youngest PGA Championship winner since World War II, behind only Rory McIlroy and Jack Nicklaus. Tiger Woods also won a PGA at age 23.

"I love golf. I love every part of it," Morikawa told PGATOUR.com. "I love being in this position and I love just being able to come out here and play with a bunch of guys that love the sport, too."



The 2020 Zurich Classic of New Orleans was canceled due to the COVID-19 pandemic. However, that didn’t stop Zurich North America, the PGA TOUR and the Fore!Kids Foundation from teaming up to ensure that Louisiana nonprofits didn’t miss out on the charitable funding that the event typically generates to benefit local charities via ticket sales and food and beverage purchases.

Zurich will provide full financial support of more than \$1.5 million to the Fore!Kids Foundation. The total will match 2019’s direct tournament donations. Annual funds from the Zurich Classic of New Orleans to the Fore!Kids Foundation are remarkably far-reaching and go toward such efforts as tearing down and rebuilding homes, providing food to those in need, and funding children’s service organizations.

While we look forward to the 2021 Zurich Classic, we celebrate its enduring charitable impact in the most challenging of times.



ZURICH CLAIMS



Deep knowledge as diverse as the Programs customers we serve

UNDERSTANDING AND EMBRACING THE DIVERSITY OF PROGRAMS CUSTOMERS IS WHAT MAKES ZURICH'S CLAIMS ORGANIZATION SO EFFECTIVE.

We have a designated Claims team in Omaha, Nebraska, that handles the Program liability claims. This team includes Claims Manager Dan Gallagher and specialists Debbie Anderson, Jayson Alder, Bryan Buckholdt, Kelly Jackson, Val Jacobsen, Karla Starman, Amy Williams and Tara Wordekemper. Their deep knowledge in Program claims is invaluable. We also have Sr. Claims Service Executive Kelly Salvatore, who works with PAs to identify distinct Claims service requirements; develop and implement a claims handling strategy; set up, monitor and ensure special claim handling guidelines are followed; and provide the necessary loss runs.



The team also gets involved early in the process and provides valuable input on defining the coverage language and consistency of coverage issues. "Getting involved in policy discussions as early as possible enables our Claims specialists to set expectations and establish relationships with a customer's stakeholders prior to the filing of a claim," Gallagher explains. "This allows the team to build a relationship and to build unique workflows that help ensure exceptional service throughout a customer's relationship with Zurich."

Zurich's Claims team partners with sales and underwriting to onboard new accounts and establish a seamless claims process. "We are very lucky to work with excellent underwriters, and we're lucky to have them close. They are a very important part of our larger Zurich team, and our collaboration with them makes the experience better for our PAs and for our customers," Gallagher says.

Zurich continuously looks for ways to capitalize on the depth and breadth of knowledge among its Claims specialists. Because of the diverse nature of Programs accounts, coverages are tailored and unique. Programs Claims specialists need to be adept at a wide range of coverage options.

"In addition to the depth of experience our Claims specialists already possess, we're fortunate to be able to share our knowledge across our entire team," Buckholdt explains. "When one of our team members encounters an obscure coverage feature or policy language, or when we sit in on Claims calls, we quickly share that knowledge and discuss the impact it might have or the approach we should be taking. This knowledge-sharing ensures we are well prepared when servicing other accounts."

Another important point of collaboration is new accounts. "When we have a new account or are working with a new broker, we strongly encourage our underwriters to introduce Claims to the account early," says Gallagher. "This allows us to establish the relationship and make things clear and easy for them. We let them know very early on who to contact or where to go. Often, new brokers are very appreciative of having early communication with Claims, then the onboarding and Claims reporting processes go much more smoothly for them."

"Zurich's Claims team is a valuable partner to SUITELIFE® Underwriting Managers," says Janet Wright, Director of Risk Management for SUITELIFE Underwriting Managers. "We have formed a close relationship with the team. Kelly Salvatore, our account manager, provides oversight on our account servicing side. We speak multiple times a week, if not daily. Kelly is quick to respond and assists us with

implementing service instructions on our accounts, formatting our program and individual insured loss runs, setting up claims reviews, and directing us to adjusters when we have questions on claims, just to name a few.

"Kelly goes above and beyond to meet our needs and has assisted with many projects to make our program more efficient," Wright explains. "Dan Gallagher and his team work to adjust claims fairly and swiftly for our insureds. Our questions are answered promptly and adjusters are always willing to jump on a call to review specific claims. This is critical, as it allows us to maintain our exemplary customer service for our insureds."

Communication is always a priority. In any relationship, when things are challenging, it's important to communicate, set expectations and eliminate surprises. Zurich's Claims

specialists meet with PAs and underwriters on a regular basis to identify issues and share ideas that can help risk managers. For example, our Claims specialists emphasize the importance of early claim reporting.

"Even if the customer is not certain whether an incident will result in a claim, we strongly encourage them to report it," says Gallagher. "We then begin the work of securing information – such as video, for example – or we determine whether to obtain an inspection. These tools help ensure events are documented and can provide clarity, should an incident result in a claim."

A delay in reporting claims can lead to greater exposure for the customer because records can disappear and people might recall things differently – or not at all.

"The Zurich Claims team is reliable, professional and treats all of our requests with a sense of urgency," Wright says. "Our adjusters have long-term knowledge of our program and our insureds, and this knowledge is apparent. We greatly value our relationship with the Zurich Claims team, and they are part of what makes our program so successful. We couldn't ask for a better group of people to represent SUITELIFE and our insureds."

THE FUTURE OF WORK

The future of work mindset:
Building more agility, flexibility
and resilience in your organization

The economic, social and healthcare shockwaves caused by COVID-19 have disrupted businesses and lives around the world. The lasting impacts are still to be determined, but one thing we do know is that the crisis has accelerated workforce trends that were already underway, such as remote working, technology-enabled training and global or country teams collaborating based on functional expertise rather than geographical location.

Out of the abrupt changes forced on them by the pandemic, leaders have the opportunity to design the future of work for their employees that can result in a more sustainable and resilient business model. This journey will require a new mindset, one that includes more open ways of interacting and collaborating to overcome the challenges and uncertainties employees may face for some time.

“It starts with listening and collaborating, with respect for different perspectives,” says Laura Rock, Chief Human Resources Officer for Zurich North America.

“Listening with an open mind builds trust and gives everyone the confidence to air unique points of view. And that opens up a world of possibilities in problem-solving, innovation, decision-making and service.”

In the near-term, the transition to remote working and the need to incorporate social distancing measures are causing some challenges, especially for businesses with employees who have not worked from home in the past. Recent research from the Society for Human Resource Management found that 71% of employers are struggling to adjust to remote work, and 65% say maintaining employee morale has been a challenge. The same article reported that more than one-third are facing difficulties with company culture.¹

At the heart of reshaping and reinventing the workplace is taking care of an organization’s most valuable asset first — *its people*.

Future of Work Continued

RESILIENCE STARTS WITH EMPLOYEE WELL-BEING

A focus on the physical and mental well-being of employees was a pre-COVID-19 trend, and one that is now front and center as the reality of long-term remote working is becoming more certain. As businesses begin to bring employees back to work into a facility, or for essential workers who never stopped working in a facility, the assurance of physical security is now critical in creating a trusting bond between employer and employee.

One of the silver linings of this reentry and recovery period is that leaders have a historic opportunity to strengthen and deepen overall connections with their workforce by addressing feelings that were previously not part of the cultural conversation.

Acknowledging the natural human emotions around additional responsibilities, remote working, and juggling personal and work commitments will result in a healthier organization, greater productivity and talent retention in both the near-term and the long run.

Today's leaders and managers now have more mental, emotional and physical issues to handle with employees. To do so, organizations may want to make healthcare providers and mental health professionals available to the workforce.

FOSTER ORGANIZATIONAL AGILITY TO WEATHER FUTURE CHANGE

2020 will go down as a time of unprecedented and forced change in how we work, live and communicate. Virtually no one saw how fast the entire world would be required to adapt, but organizations and people have demonstrated they can adopt more agile ways when lives and livelihood depend on it.

A 2019 Gartner organization design survey found that 55% of organizational redesigns were focused on increasing efficiencies.² This approach, however, also created vulnerabilities, as systems engineered solely for efficiency resulted in little flexibility to respond to disruptions. To help build resilience for future disruptions, organizations need to formalize how systems and processes can flex when necessary.



For business leaders, the COVID-19 era sheds light on the speed at which their organizations can move away from traditional processes, and how to scale workplace innovation in a short period of time. New York Times columnist Thomas Friedman believes that humans who want to adapt in an age of acceleration must develop “dynamic stability.” Although none of us can stop an inevitable storm of change, Friedman encourages leaders to “build an eye that moves with the storm, draws energy from it, but creates a platform of dynamic stability within it.”³

EMPOWER EMPLOYEE FLEXIBILITY IN SKILLS AND SCHEDULES

Prior to the pandemic's outbreak, the World Economic Forum put forth the concept of cognitive flexibility as one of the top skills needed to excel in a workplace in 2020.⁴ What is cognitive flexibility, and what does that mean for an employee, much less for the managers and leaders of an organization? One way to think about cognitive flexibility is having the ability to shift mindsets, behaviors and perspectives to adapt to fast-moving situations and profound changes.

Nurturing employees to acquire more cognitive flexibility and adapt to new roles during rapid times of change requires providing cross-functional knowledge and training. “We believe in the power of curiosity

and continuous learning,” Zurich's Rock says. “Versatility and the ability to learn, quickly and constantly, are likely to become the most sought-after professional traits.”

Organizations that create an environment of continuous learning will be better positioned for a future of work where employees are always upskilling and reskilling to meet new challenges as they emerge.

Forward-thinking organizations will also develop a more resilient workforce by making remote work a choice, not a mandate, to avoid additional stress and lower productivity. Many employees forced to go home during COVID-19 have realized they can be productive in this setting; however, others may long for face-to-face interactions with team members and colleagues.

Almost half of employees will likely work remotely at least part of the time after COVID-19 eases, according to a recent Gartner poll.⁵ To help the workforce adapt to this new normal, organizations will need to include training on how to collaborate digitally and adjust performance goals and evaluations for a part-time remote working environment.

As remote working becomes the norm, an organization's processes and culture will need to enable productive teamwork and clear communications without consistent day-to-day interactions. “Communication between managers and their team members is key to arriving at work arrangements that are fit for purpose,” says Al Crook, Head of

HR Business Partners at Zurich North America. “It's having a level of discussion that's different from the past. It doesn't cross lines or break boundaries — I don't have to tell you everything about my personal life — but there's a need for another level of sharing and transparency about what the company's and employee's needs are. Then it's about giving people a series of options that are fit for purpose. And fit for purpose isn't static; it might be your fit for purpose this week or this summer, and then it changes because you have a parent who gets sick or your child is home because school is closed.”

For example, between 90% and 95% of Zurich's global workforce has worked from home during the crisis. Research points to the majority of workers being as productive or more productive working from home. Others, however, find themselves less so due to childcare or other family needs, loneliness or other factors. This indicates that employers will have to be more flexible in accommodating both those who work well at home and workers who prefer being in a company office.

“If you want to get the best out of your employees, you have to make the system even more flexible than it used to be,” said Patrick Sloukgi, Group Head of Business Resilience at Zurich. “Management style will have to change.”

THE FUTURE OF WORK MINDSET: PEOPLE + PLACE

To future-proof your workforce and build a more resilient organization, meaningful change is required in both the teams of people you develop and the workplaces that you cultivate.



A resilient workforce is one that has the right skills and experience to achieve its purpose. To attract and engage a flexible workforce, many types of workers are needed and will likely come from disparate geographic locations. Organizations should create a culture of continuous learning to support the skill development necessary in leadership and technology to enable productive teamwork.



Employees are likely to be most productive and satisfied when offered a blend of physical and remote work environments. It's critical that organizations invest in tools and platforms to support multiple work locations and seamless collaboration. Open and respectful communications between employer and employees are key to addressing needs.

Future of Work *Continued*

EMBEDDING RESILIENCE TO HANDLE FUTURE UNCERTAINTY

Organizations have been thrust into an accelerated timeline for determining what the future of work will look like. So far, integrating technology and encouraging different employees to collaborate in new ways is resulting in better, faster and even cost-effective ways of operating for many organizations. We know from history that moments of crisis can only be survived through quick, decisive actions by an organization's leaders. Ensuring the ability to weather tomorrow's unknown changes, however, requires organizations to create mindfully a sustainable future of work — one that embeds resilience by building agility and flexibility into every process and with each employee.

People matter. Put them first.

Employees who feel heard, safe and productive are integral to the success of an organization, regardless of the external events are impacting the work and the workforce. Here are a few tips leaders can use to show up and be there for people every day:

- **Set the tone at the top.**
How leaders behave defines the culture. Neither overreacting to nor underplaying an event is helpful. Proactive, consistent communications give your people confidence and direction for today and the future.
- **Think of your whole workforce.**
Your workforce is not just employees, but also partners and vendors. Be sure they are included in conversations and decisions, and set expectations for flexibility and agility from them as well.
- **Commit to a communication strategy.**
Your workforce needs accurate and authoritative information, as well as transparency. Front-line managers are critical to sharing information, so be sure they know their roles and expectations.
- **Establish employee support methods.**
Times of challenge and uncertainty create questions, anxiety and stress. Be sure your employees have an outlet to express their voice, and that they have access to professional medical and mental health resources as well.



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3. St. Louis, Zach. "Thomas Friedman on Human Interaction in the Digital Age." The Aspen Institute. 10 January 2017. <https://www.aspeninstitute.org/>
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WE ARE PASSIONATE ABOUT WORKING TOWARD A BRIGHTER FUTURE.

Zurich is committed to supporting the communities where we live and work.

[zurichna.com/
community](https://zurichna.com/community)



**ZURICH INSURANCE.
FOR THOSE WHO TRULY LOVE THEIR BUSINESS.**


ZURICH[®]

SUSTAINABILITY

Why Sustainability and Risk Management Go Hand in Hand

Sustainability is a business term that seems to have as many definitions as there are organizations adopting it as a strategy. Starting in the 1980s, sustainability was used to describe how businesses thought about using natural resources more responsibly and to reduce negative impacts on the air, water, and land. “Meeting the needs of today without comprising the future,” is how sustainability was defined for many organizations, explains Ben Harper, Head of Corporate Sustainability for Zurich North America. Materials recycling and high-efficiency water fixtures, for example, were early organizational sustainability efforts.

As the world began to face new and more severe environmental challenges such as climate change, as well as increasing social, economic, and technological challenges, the definition of sustainability evolved and expanded. Sustainability is now being considered as an umbrella term for an organization’s efforts to do “well for the business” but also “do good for society.” In September 2019, the Business Roundtable, a nonprofit association made up of CEOs from major American companies, made a major policy shift by declaring that the primary focus of business is not just to drive shareholder value, but to work in the interests of all stakeholders, including employees and communities. Many saw this statement as the business world’s full endorsement of sustainability and corporate social responsibility.

WHAT DO BUSINESSES SEE AS THE BENEFITS OF INTEGRATING SUSTAINABILITY INTO THEIR BUSINESS STRATEGY? IN A RECENT MCKINSEY SURVEY¹ OF MORE THAN 2,000 GLOBAL BUSINESSES, THE TOP REASONS FOR ADOPTING SUSTAINABILITY PRACTICES INCLUDE:



Align with mission, values and goals



Improve operational efficiency



Develop new growth opportunities



Attract, motivate, and retain employees



Meet consumers’ expectations

THE SAME SURVEY INDICATED THAT THE TOP SUSTAINABILITY TOPICS FOR BUSINESSES HAVE INDEED BROADENED BEYOND PROTECTING NATURAL RESOURCES TO INCLUDE:



Information security



Economic development



Energy efficiency



Diversity and inclusion



Businesses across all industries see the range of benefits of adopting a sustainability strategy, such as improved brand image, attracting better talent, reducing costs, and increasing productivity,” says Zurich’s Harper. “But as unprecedented climate, geopolitical, and economic events occur that can catch businesses off-guard, sustainability also describes an organization’s resiliency to and recovery from these types of shocks.

SUSTAINABILITY AS A RISK MANAGEMENT STRATEGY

At first glance, sustainability and risk management seem to have different goals. Sustainability is often thought of as being more transformational by creating growth, innovation, and value for a company, while risk management operates more as a mitigator of issues around physical property, cyber security and worker safety, among others. More recently, businesses have begun to align sustainability and enterprise risk management strategies as a way to manage resources in the face of disruptive risks. The chief executive officer of the Sustainability Accounting Standards Board recently declared that “sustainability isn’t new; it is the new face of risk.”²

There’s no more prominent report on worldwide risks than the World Economic Forum (WEF) and their annual survey of 750 global business leaders and decision-makers. In its 2020 report, the WEF found that climate-related issues dominated the top five long-term risks.³ Climate change is seen as having severe financial, environmental and social risks. “Recovery from the impact of a climate-related event can take a while before a business is whole again,” explains Harper. “For a business to remain economically sustainable in the face of climate-related issues, it requires having the right risk management tools in place, including insurance coverage.”

Aligning sustainability and risk management strategies helps businesses prioritize where to focus their efforts by looking at where business drivers and stakeholder priorities overlap. When sustainability and risk management work together, they can identify most clearly the true business risks, and develop more robust and effective goals, implementation plans, and accountability.



5 STEPS TO CREATING A SUSTAINABILITY STRATEGY FOR YOUR BUSINESS

Just as no two companies are alike, no two sustainability strategies are the same, according to Harper. “First and foremost, your sustainability strategy should fit your organization’s mission and goals, including putting people at the center of your business success.” Here are five key steps that to guide you in creating a more sustainable business strategy:

1. Define your objectives

What big issues does your company and stakeholders—including employees, customers, and your community—think are most important to solve? To jumpstart the conversation, consider answering such questions as:

- How much waste does your organization create?
- Is our cyber security program up to date?
- Are we using our energy and water resources as efficiently as possible?
- Is the company culture as strong as it could be?
- Are you attracting enough diversity candidates?
- What impact and reputation does your business have in the community?
- Do we have a plan in place for worker productivity and safety during a severe weather, pandemic, or other unexpected event?

2. Develop a strong mission statement

Your mission statement should reflect what your company will do to become a sustainable business. It should capture your organization’s purpose and values, and serve as the “north star” in how you operate. Your mission statement should include the emotional “why” behind your sustainability commitment.

3. Craft your sustainability strategy

It goes without saying that profitability is your number one priority as a business. And the right sustainability efforts, especially around energy and water usage, can help you become more profitable. Same goes for employee hiring and training programs—getting the right people in place and keeping them happy is critical to long-term sales and revenue growth. Taking the time to build a realistic but attainable sustainability strategy can increase your operational efficiency while fostering social and environmental value.

4. Engage all employees, especially the millennials

The people at the top can’t be the only ones driving the sustainability efforts. When you get your entire team involved, you not only build morale, but you also will benefit from collaborative thinking that leads to more innovation. And since millennials will be living with the consequences of the sustainability decisions made today well into the future, it’s especially important to engage them.

5. Measure results, even gradual ones

Sustainability is a journey, and at first, small improvements will be the first to take root. Whether it’s something as simple as making sure all lights are off at night or you’ve developed a more equitable compensation plan, these are results that need to be measured, and most importantly, reported back to the organization.

THE BOTTOM LINE, TRIPLED.

Every successful business leader needs to deliver on the bottom line and create profits for the organization. Sustainable business leaders measure the bottom line along with two additional performance areas: people and planet.

People includes employees, any labor involved in performing your company’s work such as vendors and subcontractors, and the wider community where you do business. A Triple Bottom Line company pays fair wages to employees gives back to the community whether it’s through funding local education programs or donating to the construction of a new park.

Planet refers to a business reducing its environmental footprint as much as possible, whether it’s reducing waste, investing in renewable energy, or being more efficient with transportation logistics.

The Triple Bottom Line concept has been around for several decades, but is still remains one of the clearest ways for any organization to monitor and measure their sustainability efforts.

THE TRIPLE BOTTOM LINE: PEOPLE, PLANET, PROFIT



ARE YOU A HIGH ROAD COMPANY?

The American Sustainable Business Council defines A High Road Company⁴ as one that views their employees, the communities they operate in, and the products and services they provide as equally important to their bottom-line success. These companies view the workplace as a means to create significant business and social impact. A High Road Employer believes growth comes by operating with sustainable business practices including:

1. Provide Family-friendly Benefits
2. Offer Flexibility
3. Pay a Livable and Fair Wage
4. Invest in Employee Growth and Development
5. Cultivate Inclusion
6. Govern Fairly and Transparently
7. Engage with Communities
8. Manage the Supply Chain Responsibly
9. Drive Environmental Sustainability
10. Promote Health and Safety

Sustainability Continued

SUSTAINABILITY PROVIDES AGILITY FOR THE FUTURE

No one can see into the future and what potential consequences can come from climate change, disruptive technologies, or supply chain disruptions, among other events—whether moderate or more severe (“black swan”) in nature. A dynamic sustainable strategy that is aligned with risk management practices can give a business more agility to seize growth opportunities while creating resiliency for unexpected changes. “It’s difficult to plan for something we don’t know will happen, but we do know that sustainability leads to resiliency, which will shield a business from economic challenges,” concludes Harper.

SUSTAINABLE BUSINESS RESOURCES:

American Society of Civil Engineers

Dedicated to ensuring a sustainable future in which human society has the capacity and opportunity to maintain and improve its quality of life indefinitely, without degrading the quantity, quality or the availability of natural, economic and social resources. Discover their extensive sustainability resources at [asce.org/sustainability](https://www.asce.org/sustainability).

The American Sustainable Business Council

Serving the public policy interests of responsible companies, their customers and other stakeholders. Read more about the High Road Economy at [asbcouncil.org](https://www.asbcouncil.org).

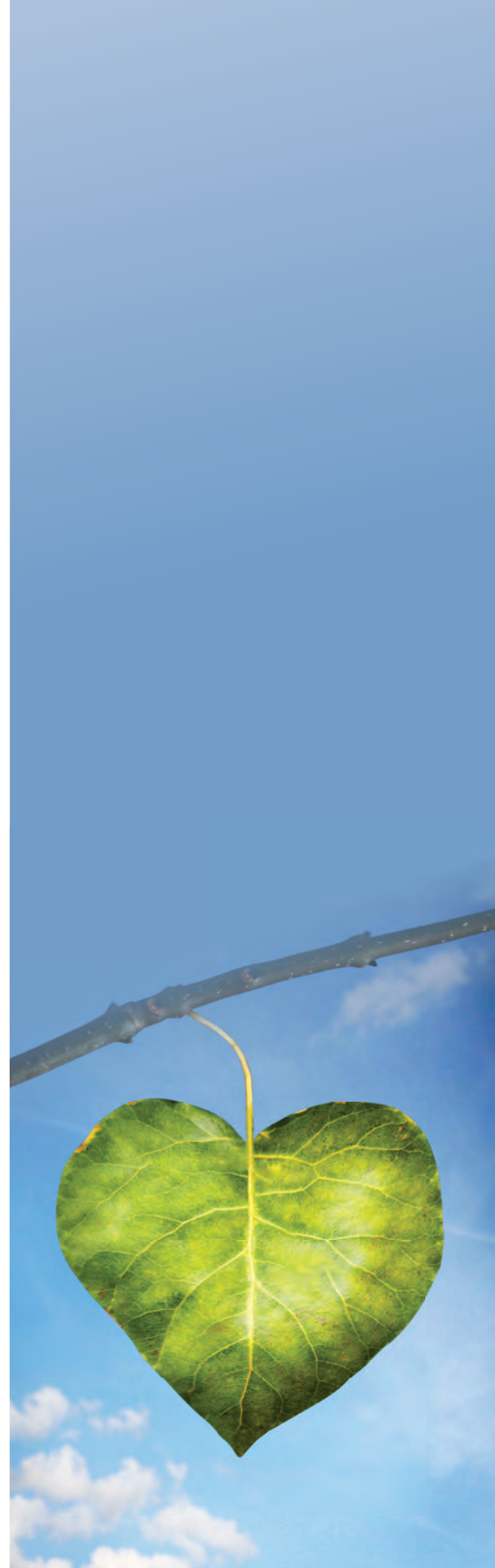
Ceres

Ceres is a sustainability nonprofit organization working with the most influential investors and companies to build leadership and drive solutions throughout the economy. View their Sustainability Roadmap at [ceres.org](https://www.ceres.org).

World Business Council for Sustainable Development

A global, CEO-led organization of over 200 leading businesses and partners working together to accelerate the transition to a sustainable world. Learn more about its work at [wbcsd.org](https://www.wbcsd.org).

1. “Sustainability’s deepening imprint.” McKinsey & Company. 11 December 2017. <https://www.mckinsey.com/>
2. Taylor, Alison. “Aligning Sustainability and Risk Management.” Risk Management. 1 November 2019. <http://www.rmmagazine.com/>
3. “Top 10 risks over the next 10 years.” World Economic Forum. Accessed 21 July 2020. <http://reports.weforum.org/>
4. “High Road Economy.” American Sustainable Business Council. Accessed 21 July 2020. <https://www.asbcouncil.org/>



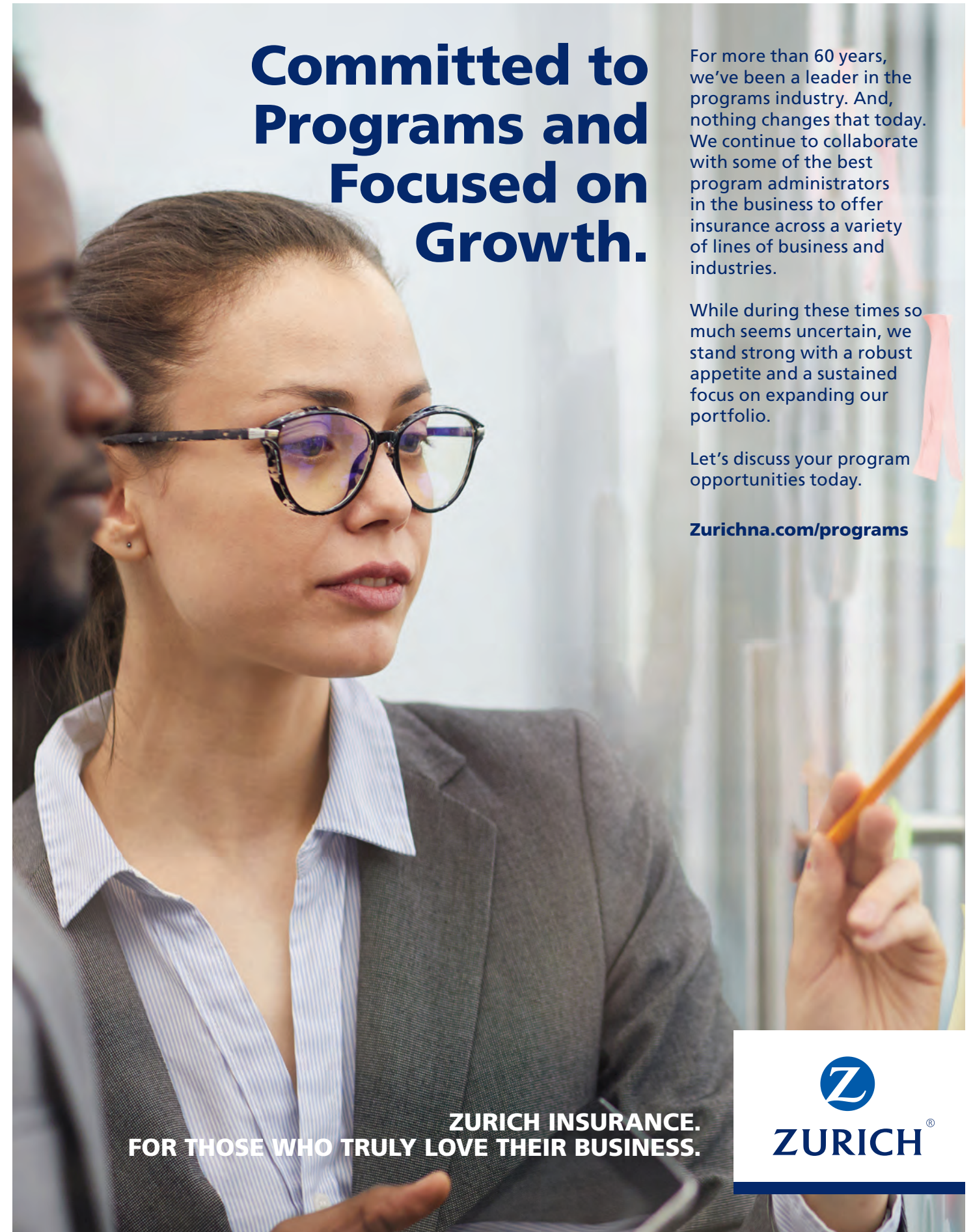
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For more than 60 years, we’ve been a leader in the programs industry. And, nothing changes that today. We continue to collaborate with some of the best program administrators in the business to offer insurance across a variety of lines of business and industries.

While during these times so much seems uncertain, we stand strong with a robust appetite and a sustained focus on expanding our portfolio.

Let’s discuss your program opportunities today.

[Zurichna.com/programs](https://www.zurichna.com/programs)



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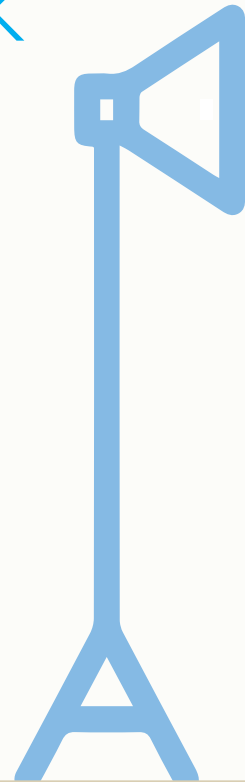


PROGRAM SPOTLIGHT: US ASSURE BUILDERS RISK

An interview with Alan Ferguson,
President, US Assure

US Assure is the exclusive Program Administrator for the Builders Risk plan insured by Zurich. They distribute, underwrite and service construction and property insurance products across the U.S. for “A” rated carriers. US Assure was designated a Best Practices program administrator by Target Markets Program Administration Association and was the recipient of Zurich’s Program Administrator Award of Distinction.

We recently had a chance to speak with Alan Ferguson, President of US Assure. Here is an excerpt from our interview.



Zurich: How has the program changed over its 40-year history?

Alan: Our mission is to be the most innovative, most consistently stable, easiest-to-access market for builders risk insurance. Over a 40-year period, we have evolved our program with Zurich time and time again to deliver customers the greatest experience. And because of the consistency US Assure has exhibited, specifically in our underwriting decisions and value we place on the customer, we’ve done some great work, like having the first online builders risk program; introducing an open distribution model with no minimum commitment—any licensed independent P&C agency accepted, as well as a select group of captives and networks; increasing in-house underwriting authority both for our organization and on an individual underwriter basis, which means more staff is empowered to make underwriting decisions for our customers. We’ve also continued program expansion for risk types and values—from residential only to

commercial projects less than \$1.5M to all construction projects valued up to \$75M in TIV, including remodeling and installation jobs. We’ve continued refining coverage options and limits—nearly every year we’re enhancing our form. And we’ve achieved faster issuance—continually refining online application for residential and commercial projects to reduce questions where possible. We just released XPressBIND—the quickest way to issue new residential builders risk valued up to \$500,000.

Zurich: What do you think has been the key to the program’s success?

Alan: Specialization—builders risk is what we do! We are consistently innovating. In addition to the proof points I just mentioned, we listen a lot to our producers, making many enhancements as a result of their input.

We keep access fast and easy: Agents rate us best-in-class for delivering superior customer placement and providing exclusive market access to Zurich through our proprietary

online policy issuance system—the fastest, easiest way to quote, issue and endorse builders risk policies. We’ve also made it extremely easy to onboard new distributors and producers online—no paperwork involved—allowing product access the same day they sign up.

Everything we do is centered on providing the best experience for our distributors. We have a superior combined NPS rating of 88 for our residential and commercial business, indicating our customers are loyal and would highly recommend us.

We have a high-performing team. We cultivated the most experienced and passionate group of builders risk experts in the industry, where, together we relentlessly work toward streamlining our tools and processes, making it easier for agents to quote and issue complex, market-leading coverages.

We are stable and driven. We are unwavering and transparent in our sound business practices which enable us to be a stable and secure business partner and employer—reliable to our agent network, carrier relationships and US Assure family.

Zurich: What do you value most about the US Assure-Zurich relationship?

Alan: Long-term commitment and stability from both organizations. We’ve remained a reliable source for builders risk insurance in every area of the country, regardless of factors like extreme swings in catastrophic activity, competitor activity and global capacity challenges. This long-term stance has created a stable market presence that is there for agents and brokers, and more importantly, insureds.

From left to right: Front row — Alan Ferguson, President; Ty Petway, CEO; Amber Anthony, SVP, Head of Marketing, Sales & Distribution; Back row — Steve Bristow, SVP, Head of Operations; Selena Breedlove, CFO; Jay Yuskis, SVP, Head of IT; Rachele Holden, SVP, Head of Underwriting

NEW PROGRAM HELPS U.S. TRUCKERS MEET COVERAGE NEEDS as restrictions loosen



As pandemic lockdowns have expired in some places and shipping activity picks up, demand is rising in the U.S. for insurance to cover goods carried by trucks from ports and rail yards to distribution centers.

ZURICH'S PROGRAMS TEAM HAS RESPONDED WITH ITS INTERMODAL TRANSPORTATION PROGRAM

Designed to meet the growing need from transportation carriers for auto liability, general liability and cargo/inland marine coverage.

The program is written for Zurich North America by Trinity Underwriting Managers Inc. (TUMI), a Savannah, Georgia-based Program Administrator that focuses on several areas of transportation exposures, including a division that specializes in underwriting intermodal risks.

The program, which offers coverage with a combined single limit of USD \$1M and cargo limits up to USD \$300,000, is available to shippers in 22 states, mostly coastal states with significant port activity and those in the Midwest with large rail hubs.¹

The pandemic was hard on the transportation industry, with steep drops in intermodal shipments, said Dan Gogolew, Zurich North America's New Program Business Lead. He noted that since the middle of March, the global economy has slowed significantly due to the COVID-19 pandemic, which has led to a big drop in container shipments to the U.S.

"This business is critical to the supply chain and in getting products to people so they can go about their daily lives," Gogolew said. "It's great to be able to contribute to keeping things moving. After all, without insurance coverage, freight shipments would be unprotected and at risk."

The collaboration with TUMI is a good fit for Zurich, Gogolew added, because the Program Administrator's team has extensive experience in understanding the exposures and controls of the intermodal industry as well as the specialized coverages that need to be in place.

The Intermodal Transportation Program is also supported with tools and resources provided by Zurich North America's Risk Engineering Alternative Markets Director, Mary Vienneau and her team.

"Our Risk Engineering Claims Analysis Tool helps TUMI analyze and interpret loss trends and implement proactive measures to reduce accident frequency," said Vienneau.

Dashboard camera technology and telematics are among the key strategies the Program Administrator is using to reduce the risks.

"TUMI's strategies mesh well with Zurich's customer-focused approach," noted Vienneau.

"It's this type of collaboration, customer focus and sense of urgency that's being noticed in the marketplace and will set us up well for future opportunities," said Zurich North America's Head of Programs, Greg Massey.



¹Your policy is the contract that specifically and fully describes your coverage, terms and conditions. The description of the policy provisions gives a broad overview of coverages and does not revise or amend the policy. Coverages and rates are subject to individual insured meeting our underwriting qualifications and product availability in applicable states. Insurance coverages underwritten by individual member companies of Zurich in North America, including Zurich American Insurance Company. Risk engineering services in the U.S. are provided by The Zurich Services Corporation.



THE SHOW GOES ON(LINE): PROGRAMS REINVENTS KEY INDUSTRY EVENT VIRTUALLY

Businesses in the U.S. and around the globe are navigating a “new normal,” including travel and social gathering restrictions that prohibit the face-to-face meetings previously seen as critical to growth and development. Despite these new obstacles, Zurich continues to find creative ways to connect one-on-one with customers and distribution partners in engaging ways to deepen relationships and showcase our strengths and capabilities.

One recent example was the action the Programs team took when they discovered that the premier trade association event, Target Markets Program Administrators Association (TMPAA) Mid-Year Meeting, was canceled.

Traditionally, the Target Markets mid-year meeting is a two-and-a-half-day, in-person event that serves as a key connection point for hundreds of program professionals.

"For Zurich, the collaboration with current and prospective Program Administrators (PAs) at Target Markets plays an important role in both maintaining and winning the profitable business needed to meet our strategic growth commitments," said Head of Programs Sales, Ryan Whitney. "Even though the meeting was appropriately canceled, our team felt it was important to create an opportunity similar in structure that fostered dialogue and demonstrated our commitment to deepen our relationships."

Leveraging our video and web conferencing tools, Sales Regional Vice Presidents Dave Beighley and Pete Rasmussen came up with the idea to hold Virtual Target Markets meetings to maintain this important touchpoint with current and prospective Program Administrators.

"Pete and Dave did a great job maintaining the structure of a typical Target Markets meeting," said Whitney. "Working with the Head of Marketing for Alternative Markets, Mike Maher, and his team, an online invitation was created and sent to targeted PAs announcing available meeting times for the same days the original Target Markets meeting was to take place. Additionally, for every meeting a Program Administrator accepted, Zurich would make a donation to TMPAA Charities in the PA's name."

Overall, the virtual meetings accomplished much of what the Programs team hoped for. Rasmussen shared, "We were able to hold 18 meetings with current and prospective PAs that would not have happened if we didn't take initiative and get creative."

Beighley added, "We were able to have greater participation from our entire team and connect with PAs on several levels regarding our business and today's market. We were also able to support our communities with a \$900 contribution to TMPAA Charities, which helps fund efforts that support our armed forces, helps alleviate poverty and provides scholarships to students in risk management or insurance-related degree programs."

Whitney concluded that this type of engagement helps to position Zurich as a leader in the Programs space. "Our time with our PAs is valuable, and by quickly adapting to the situation and recreating this important touchpoint, I think we made a good impression," he said.

PA feedback also supported this perspective, with most saying this was a valuable touchpoint. "It's so great that Zurich dedicated this time to bring our two teams together," shared one PA. "You are the only carrier that has done this for us since this all started."

Another PA shared, "I can't tell you how much I appreciate Zurich making this time for us. Even though we communicate frequently on our current programs, we thank you for making this time. It's good and refreshing and helps bring some semblance of normalcy during this time."

Zurich is committed to keeping open the crucial open lines of communication with our valuable Program Administrators and plans to continue to hold future PA meetings and events virtually. Beighley said, "Program Administrators like the format, they like having access to the broader team, and the intimacy is still there. Plus, PAs like the efficiency of it. There's no travel expense, we can schedule meetings quickly. It's a very efficient way to do business."



ZURICH CELEBRATES THE BEST OF THE BEST.

Zurich congratulates the following program administrators for achieving the 2019 Zurich Award of Distinction.



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Abacus

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Arrowhead OnPoint
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Gold Award
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