



Message from CEO Lori Fouché



Fireman's Fund[®]
Insurance Company

A company of **Allianz** 

Dec. 15, 2011 – With the holidays here and the year winding down, I want to thank you, our independent agents and brokers, for your valued partnership in 2011. It has been a year of important and positive change at Fireman's Fund.

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As of this writing, it is my 160th day as CEO, and I am more excited today than I was on day one to lead this company. Fireman's Fund has an illustrious history, superior products, exceptional claims service, and tremendous potential.

Nevertheless, we do need to restore some of the original luster to the Firehat. What do I mean by that? We need to make some specific, meaningful changes that you have asked for to increase our value both to you and to your customers.

I started by adding some outstanding talent to my executive leadership team. Take Kathleen Zortman, my new Chief Field Executive. A 24-year insurance industry veteran with a thorough understanding of the broker's world, Kathleen has held leadership roles in both a high net worth and a specialty commercial brokerage.

She is in the final stages of reshaping our field underwriting, sales, and customer service teams into one organization to better match the way your agency or brokerage does business. We'll be pushing as much decision-making authority to the field as we can, we'll be increasing specialization within our sales staff, and we'll be improving our customer service to make it a competitive advantage. These changes, which go into effect with the new year, are meant to respond directly to your input and your needs.

Another area where we need to make meaningful change is technology. Our systems must be easier for you to use. After I made Alexander Bockelmann our new Chief Information Officer this fall, I immediately turned around and asked him for a full review of our technology portfolio — keeping agent needs top of mind.

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The first major technology decision I have made, with Alexander's advice, is to discontinue further development of our new personal lines policy administration system EPAS. Agents using it told us it was not meeting their business needs, and I agree.

We've also heard from you that improvements to our new personal lines billing system are needed. Again, I agree. We are now quickly moving to make system improvements you've pointed out, and to systematically collect from users any other billing issues requiring attention.

I hope you're beginning to see a pattern.

We are now not only listening to your feedback but also responding to it: with action and with communication. Those agents I've had the pleasure of speaking with in recent weeks, including the membership of our Agency Advisory Council, are responding enthusiastically. I hope you are too. I can promise you'll be seeing more agent-focused improvements based on agent feedback in 2012.

There's one more change coming in 2012 that I'm very excited about. Effective January 1, Gary Bhojwani will join the Allianz Board of Management as the board member responsible for U.S. insurance operations, including Fireman's Fund. Those of you who know Gary from his years as president of commercial business at Fireman's Fund should be pleased to hear this. Gary knows our company well, and I look forward to working with him in his new role.

What will remain the same in 2012, however, are the things we are doing well. We'll continue to focus on our core strengths. In personal lines, we're going to continue to focus on serving the needs of high net worth and affluent customers. In commercial lines, we're going to continue our focus on growing profitable segments of our portfolio like HPR, professional liability, admitted excess and programs, while selectively pursuing middle market risks that fit our appetite and pricing parameters. And, of course, we're going to continue to deliver exceptional claims service.

Thank you again for your business and your support in 2011. All of us at Fireman's Fund look forward to further strengthening and deepening our relationship with you in the new year, and we wish you and yours a joyous holiday season.