



# 2023

REPORT TO MEMBERS



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# TO MY FELLOW PURE MEMBERS,

**IT IS MY HONOR** to be addressing you as the new Chief Executive Officer of PURE. I had the good fortune to join PURE as the Chief Underwriting Officer in May of 2022 and prior to that, worked closely with PURE as a reinsurance partner with Berkshire Hathaway. In one way or another—as a reinsurer, a member and then an employee—I have been admiring and supporting your insurance company and its performance for many years before taking on my most exciting PURE role yet.

Eighteen years ago, Ross Buchmueller, Jeff Paraschac and Martin Hartley had the idea to approach the high net worth insurance market differently. And this idea has grown, under Ross’s expert guidance and leadership, into your insurance company—designed, built and managed for the benefit of its members.

I am deeply grateful to Ross for his friendship and want to thank him for his leadership, time and dedication to building PURE. By bringing together the most responsible owners of the finest-built homes to create a reciprocal exchange, my colleagues built your insurance company, where our goal is to reward members with award-winning service, broad coverage and competitive premiums that reflect the cost of risk.

As I reflect on our history and begin to chart the course for the coming years, I have spent a good amount of time considering both where we have succeeded and

where we have not yet lived up to our full potential.

We finished 2023 with more than 113,000 members and written premium up 14%. Our renewal retention remained strong with 94.1% of members electing to stay with PURE. The small number of members who did not remain includes those we did not offer the option to renew. The decision to non-renew a policy is an incredibly hard one to make, and one we do not take lightly. We aim to ensure it is done with all due empathy and consideration and only when it is deemed to be in the best interest of the membership and ensuring the sustainability of the reciprocal.

We continued to help members prevent losses. While fire losses within the membership have been infrequent, they are almost always severe, and sometimes deadly. To help mitigate this risk, we launched a pilot in 2023 and sent Ting devices to 5,000 members, at no cost to them. Ting monitors a home’s electrical system for arcing and power quality issues which can indicate an electrical fire hazard. At the time of publication, at least 25 issues that could have resulted in fires have been caught and mitigated thanks to Ting. I sleep better knowing my family is safer because we have a Ting installed in our home. As we move into 2024, we have significantly expanded this program; you can learn more about it and whether it is available in your state on page 18.

In 2023, we handled over 37,000 claims—a record number for PURE—helping more families than ever resolve damage to their properties or defend their interests. We are thrilled to see that, in this year of record setting claims volume, our Customer Satisfaction Score was excellent at 90%. So, while we aim to prevent as many losses as possible for our members, in the event you have a claim, you can expect exceptional service.

Flood insurance is becoming increasingly important no matter where you live. [Learn more about PURE’s Flood product on pages 9 and 51.](#)



In fact, we want to provide an exceptional experience every time you engage with us. We want it to be a no-brainer for you to join the club and a delight for you to stay. In short, we want you to *Love Your Insurance*.

We have, without a doubt, provided exceptional value to members in the way of cost savings. Each year many of our members kindly disclose the savings generated by moving their insurance to PURE. On average, members have reported saving 17%\* on their homeowners insurance when they joined PURE, which translates to over \$1.3 billion saved since our inception in 2007. Notably, these savings are inclusive of paying surplus contributions during the first five years of membership. Even with premiums increasing in recent years, new members who joined PURE in 2023 still reported meaningful savings.

We are honored to be recognized by Family Wealth Report as the Best Insurance Underwriter, an award we have held since 2016, and by Private Asset Management as Best High Net Worth Insurance Company, an award we have held since 2018. These are important marks of pride for me and my colleagues, but most important is the opinion of our members. I received this comment from a member recently and it captures what we strive to deliver for all our members:

**“ I’M TRULY AMAZED BY THE LEVEL OF PROFESSIONALISM, AS WELL AS COMPASSION, EACH TIME I DEAL WITH A PURE REPRESENTATIVE. THEY ARE RESPONSIVE TO MY NEEDS, AS WELL AS MY CALLS.**

— Robert S., *PURE member since 2011*

PURE’s executive team: Dave Logan, President (back left); Katherine Richardson, Chief Human Resources Officer (back right); Jeff Paraschac, Chief Financial Officer (front left); and Martin Leitch, Chief Executive Officer (front right).

While it is a much easier job to write about the areas where I think we are outperforming, we, of course, have opportunity for improvement and there are clear areas where we are not performing at the level we desire.

Our underwriting results improved in 2023, but not to the level we need and want. PURE finished the year with a net combined ratio over 100%. Said another way, we paid out more in claims and expenses, including reinsurance costs, than we collected in premium dollars. For that reason, we will not be contributing to Subscriber Savings Accounts (SSAs). It’s important to keep in mind that PURE’s intention is to allocate excess underwriting profits back to our members through SSAs. SSAs are one of the many things that differentiate us from our public company peers who ultimately operate for the benefit of shareholders, not policyholders. We have allocated over \$100 million to SSAs to date and hope to resume allocations in the years ahead.

Recent results have necessitated multiple actions to improve our position, including rate increases, non-renewals and expense reduction. The good news is that we are seeing signs of improvement.

What conditions are impacting underwriting results?

Inflation, extreme weather, an uptick in severe but preventable claims and other headwinds are putting pressure on insurers, PURE included. We touch on inflation and preventable claims later in this report, so I will skip those here and focus on a few challenges impacting our business.



**“ WE HAVE BEEN TELLING EVERYONE WE KNOW ABOUT PURE INSURANCE AND WHAT A BLESSING EACH OF YOU, AND YOUR COMPANY, HAVE BEEN AT A TIME WHEN SO MANY OTHER THINGS FEEL DIFFICULT.**

— Michele L., *PURE member since 2022*

\*Average annual savings on homeowners insurance for members nationwide who reported prior carrier premiums since inception.



■ Extreme weather

Each year we highlight issues with extreme weather and the destruction it brings. In what seems to be a consistently worsening trend, 2023 stood out with insured catastrophe losses costing insurance companies approximately \$80 billion, 40% above the 21st century average. \$60 billion of those losses were caused by severe convective storms (SCS)—think straight-line winds, tornadoes, lightning and hail. 2023 also brought the deadliest wildfire to Hawaii in more than a century, with over one hundred fatalities and roughly 2,285 structures destroyed in Lahaina. We are thankful that all PURE members were safe, but several lost their homes in this fire. While we can't undo the trauma they endured, we are proud to have done our part in providing support to those members in their time of need.

■ Automobile claim costs

It has been a challenging few years dealing with automobile industry trends, some of which will be temporary but many of which are likely permanent. Starting with rising repair costs, which have increased by 36% since 2019—and the average number of days to repair a vehicle is up by 35% over the same period. This can partially be explained by inflationary pressures, more expensive vehicle technology and supply chain disruption, but more frequent and severe accidents are also contributing factors as distracted driving becomes a greater societal issue.

■ Uninsured motorists and underinsured motorists

Industry-wide automobile premium increases combined with broad economic strain have resulted in an increase in the number of drivers lapsing on their auto insurance or renewing at state minimum limits. It is estimated that 1 in 7 drivers countrywide is uninsured. As a result, more and more carriers, even some high net worth carriers, are opting to exclude, or have filed to be able to exclude, Uninsured and Underinsured Motorists (UM/UIM) coverage from their Excess Liability policies. However, for most of

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our highly successful membership, this coverage is only growing in importance. Rest assured that PURE remains committed to offering this valuable coverage at fair rates. Today, 80% of our members elect to buy this coverage through their Excess Liability policy but this number should be closer to 100%. If you have not already done so, speak to your broker to ensure you're adequately protected.

What can you expect in 2024?

As I look ahead to 2024 and beyond, we will focus on continuing to improve the value we deliver to our members, while ensuring the sustainability of our reciprocals. To this end, we have embarked on an important effort to ensure that our executive team connects with members who have shared concerns or praise about their experiences with PURE. PURE aims for continuous improvement, and we can't do that without a greater understanding of your feelings and experiences. With that said, here are some important initiatives for 2024:

■ Reducing our inflation factor

When we assessed our pricing structure in 2023 to address the impact of inflation in light of increasing claim costs, we promised we would continue to monitor inflation and the factors that have kept construction costs high. We have done that over the last year and are pleased to announce that we are reducing the inflation factor on our Homeowners coverage beginning with policies renewing in April 2024.

■ Greater focus on loss prevention

When I review our historical claims data, it is abundantly clear that well-maintained homes with actively managed loss prevention and mitigation devices perform significantly better—so, we will continue our loss prevention and mitigation journey. As I mentioned earlier, we are expanding the rollout of our Ting pilot program. We'd love to see the day where a Ting is installed in every PURE home. Depending on where you live, you may also be asked to participate in one of our water-loss mitigation pilots. While in-home water losses don't create the same life safety issues as electrical fires, we know that we can help our membership avoid the premium cost and life disruptions caused by large water claims. Beyond these programs, we will share even more information on protection standards and will endeavor to make protecting your homes an easier and more rewarding experience. As more members experience a PURE360® Risk Management Consultation this year, and in years ahead, I urge you to embrace the opportunity to learn about ways to better protect your home and prevent future losses. Partnering to reduce the frequency and severity of loss events is how everyone wins.

■ More solutions to solve more problems for more members

We aim to deliver a robust suite of products and solutions that meet the evolving needs of our members, so we are excited to share some of our plans for 2024:

- **Complex risks.** PURE Specialty Exchange (PSE) is our non-admitted reciprocal insurer that is offered through our Managing General Underwriter, PURE Programs. Through PURE Programs, PSE will have more capacity for properties that do not fit PURE's appetite, aiming to offer solutions for challenging properties, including coastal and wildfire-exposed risks. Historically, the non-admitted market has been “feast or famine,” with prices driven by supply and demand imbalances instead of the “technical” cost of risk. PSE will follow PURE's membercentric approach with a commitment to fairness and transparency.

- **Flood.** While still in development, we intend to roll out new Flood products designed to provide the vast majority of our members with access to broad coverage and higher limits at competitive prices to insure against this often uncovered peril.
- **Teen drivers.** For parents, including me, there is little more frightening than the idea of your child getting behind the wheel of a car. Unfortunately, this fear is supported by data, as the probability of a young driver (under the age of 20) being involved in an accident is significantly higher than other age groups. It is also more likely that accidents will be more severe. The good news is that safety can be improved with proactive effort and education. Later this year, we will begin rolling out a safety program for teen drivers (and their parents) that will provide ongoing opportunities to learn and improve upon existing driving skills.
- **Expansion into Canada.** Before the year ends, we will open for business in Canada, beginning with Ontario. With this expansion, we will be able to offer coverage solutions to existing Canadian PURE members who have trusted PURE to protect their U.S. interests and reach new members who have not yet experienced what it means to be a PURE member.

PURE was built to be a better option—with unparalleled service, innovative solutions, broad coverage and competitive prices. This continues to be our vision and our North Star. Thank you to all of you who have taken the time to share your feedback—both positive and negative—with me, members of the PURE team or the Subscribers' Advisory Committee (SAC). Your feedback helps us keep getting better. We are committed to increasing our communication and transparency going forward and continuing to add to those things that set PURE apart from our peers. I want to reiterate how grateful I am to have taken on the role of PURE's Chief Executive Officer. I am honored to hold this title and to have the opportunity to lead your insurance company with the partnership of so many fantastic colleagues. Thank you again for your membership, partnership and support. Wishing you all the best for 2024 and beyond.

Cheers,

Martin Leitch  
Chief Executive Officer

AT A GLANCE

PURE by  
the numbers

113,000+  
responsible individuals and  
families make up the PURE  
membership

94.1%  
of members elected  
to renew coverage  
with PURE in 2023

\$1.3B  
in premiums saved by  
members who switched to  
PURE since 2007





## DEAR FELLOW PURE MEMBERS,

I imagine for at least some of you, home insurance has recently come up as a topic of conversation, particularly focused on price and/or lack of availability, depending on where you live.

**IN MY ROLE** as Chair of this committee, I've had many conversations with PURE's management about our premiums and access to coverage, and I'd like to share what I have learned.

Insurance companies, our reciprocal included, are experiencing financial pressure from several angles. Catastrophic damage from extreme weather is not only devastating for those impacted, it is also very costly to insurers. The past few years have been the costliest on record, as storms are becoming more frequent and severe, and as more and more people move into higher-risk areas. This has led to uncertainty around the validity of catastrophe models, causing the cost for PURE's reinsurance (insurance for insurers that helps protect the company against severe catastrophic events) to skyrocket. Inflation has only compounded the problem. And as losses have mounted, the costs of repairing cars, restoring homes and treating bodily injuries have also risen.

These factors, combined with a steady uptick in everyday claims, have led to three consecutive years where PURE's claim costs and expenses have outweighed the premiums we, the membership, are paying. Members can be assured that the strong backing of Tokio Marine, one of the largest global insurers with over \$63 billion in market capitalization, provides the insurance company with a level of financial stability to weather challenging insurance cycles. But relying on this alone is not sustainable.

As such, PURE's management has implemented an appropriate and responsible action plan, including increased premiums, reduced expenses relative to premiums, stricter underwriting standards and the non-renewal of certain policies when necessary. All of this will help, but more needs to be done, and a key opportunity is reducing preventable claims.

PURE's Risk Management team has always been committed to understanding how claims originate, so they are better equipped to find and offer solutions that can help us prevent them. They are redoubling their efforts on prevention now, but it can only work if we do our part.

Insurance inherently involves shared risk, and therefore the behavior of the group matters, but this concept is especially true with PURE's membership model. The more

**“WE ALL SHARE THE  
INCENTIVE TO TAKE  
THE RECOMMENDED  
PREEMPTIVE MEASURES  
SERIOUSLY.**



Ting is a smart sensor that monitors your home's electrical system and dramatically reduces the risk of electrical fire. [Learn about the Ting pilot program on page 18.](#)

responsible the membership, where everyone takes good care of their home and other insured assets, the better our results, which can mean a lower cost of insurance. It behooves each of us to be a responsible member—to take good care of our properties and take steps to minimize the risk of claims. PURE's team of underwriters is being much more selective about allowing only those homeowners who share these values of prevention and responsibility into our club.

While having insurance to pay for restoration for a catastrophe is essential and comforting, enduring a major loss entails significant life disruption, as well as loss of time and energy, not to mention the emotional toll. And many items are not possible to replace. We all share the incentive to take the recommended preemptive measures seriously.

I'm appealing to all of you to please help. Visit [pureins.co/loss-prevention](https://pureins.co/loss-prevention) for a library of loss prevention advice and to learn about the latest programs available to you. You can

## Vote in PURE's Subscribers' Advisory Committee Election

This important committee exists to make the voice of the membership heard when it comes to important decisions and the governance of the company. We encourage all members to participate in the annual election. Materials for the next election will be sent in November 2024.

also find some of that advice and information in the pages that follow.

Additionally, our Subscribers' Advisory Committee was very active this past year. We procured our annual audit and reviewed it with PwC. We spent a great deal of time with PURE's new CEO, Martin Leitch, and new President, Dave Logan, helping to ensure a smooth transition, and I am genuinely impressed with this new management team and their focus and dedication to the membership. Finally, we met with key members of Tokio Marine's leadership team. We are fortunate not only for Tokio Marine's financial strength but also for the wealth of knowledge and innovation that our partnership affords PURE.

We look forward to continuing to advocate for the best possible insurance solutions for all of you.

All the best,

**Jodi Lash**  
*Chair, Subscribers' Advisory Committee*



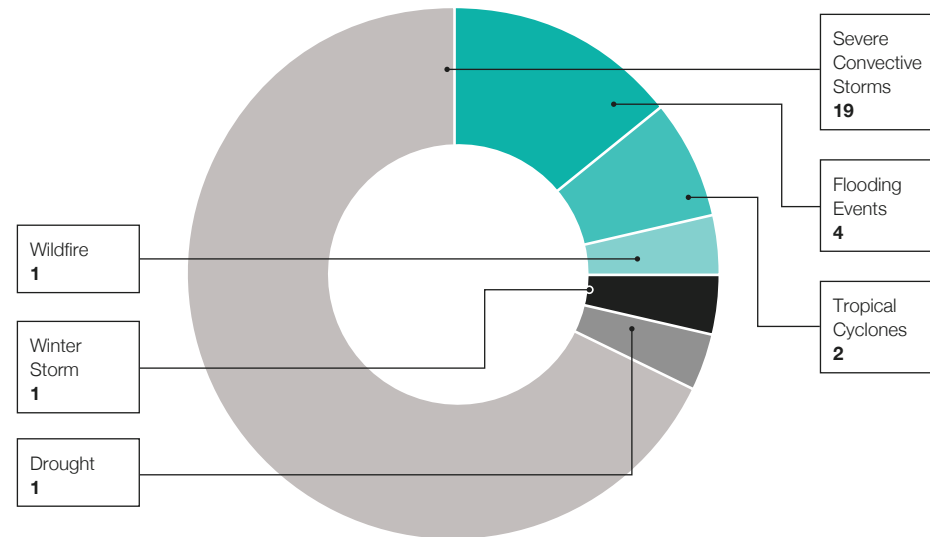
# THE CHANGING LANDSCAPE OF EXTREME WEATHER

The frequency and severity of extreme weather events—and the associated damage—continue to rise.

**2023 WAS A HISTORIC YEAR FOR EXTREME WEATHER.** According to the National Oceanic and Atmospheric Administration (NOAA), there were 28 confirmed climate disaster events in the U.S. that exceeded \$1 billion in damages, breaking the previous record of 22 set in 2020. It was also the warmest year on record.

The majority of the 28 events—19, in fact—were severe convective storms (SCS). The rest included four flooding events, two tropical cyclones, one drought, one wildfire and one winter storm.

2023 U.S. CLIMATE DISASTERS THAT EXCEEDED  
\$1 BILLION INDUSTRY INSURED LOSSES



## The impact of severe convective storms (SCS) on the membership

These SCS have become an increasing concern for PURE and the insurance industry as a whole. Despite the headlines that major hurricanes and wildfires receive, SCS have been the costliest natural disaster for the membership over the years, and the frequency and severity continue to intensify. In 2023, PURE responded to 59 SCS, including a few that made the billion-dollar-event list. The result was more than \$107 million in damage to the membership and more than 1,900 members' lives disrupted by claims.





## ■ Costliest catastrophes to impact the membership in 2023

### Winter Storm in the Northeast February

At the start of 2023, a winter storm brought heavy snow and freezing temperatures to Pennsylvania, New Jersey, New York and New England. The membership experienced 155 claims totaling more than \$26 million in losses. Nearly 90% of those claims were related to burst pipes, including 13 large losses that drove about half of the cost.

### Convective Storm in the Midwest April

This storm devastated several counties in Illinois and resulted in more than \$12 million in covered losses among 161 members. Much of the damage was caused by hail or wind. The storm also brought heavy rain and flooding.

### Wildfires in Hawaii August

2023's extreme weather also included the deadliest wildfire Hawaii has seen in over a century, with more than 100 fatalities and nearly 2,300 structures destroyed in Lahaina. All of our PURE members there are safe, thankfully, but 28 of them experienced losses and filed claims that totaled more than \$27 million in damage. To date, this number continues to grow as our claims professionals continue to help impacted members through the rebuild process.

“WE CANNOT ESCAPE FROM NATURAL CATASTROPHE RISK... TOKIO MARINE CAN NO LONGER STAY INDIFFERENT TO WHAT IS HAPPENING AROUND THE WORLD... WE NEED TO FACE THE RISK FROM THE FRONT.

— Satoru Komiya, Chief Executive Officer, Tokio Marine Holdings, Inc., in an interview with Financial Times



Flood zones are supposed to provide an indication of a home's flood risk. However, a number of these maps, officially known as Flood Insurance Rate Maps and maintained by FEMA, haven't been updated in decades. With climate change and rising sea levels, homes are more at risk of floods than people may realize. FEMA reports that 1 in 4 flood claims filed are by homeowners outside of what is considered a "high-risk flood zone" and that nearly every property has some risk of flooding, underscoring the importance of flood insurance no matter where you live.



**TIM NAEGELI,**  
*Head of  
Catastrophe  
Modeling*

Tim is responsible for identifying the natural catastrophe risks to PURE, quantifying their potential impacts and recommending strategies to appropriately manage the associated risks.

"It can be hard to understand the impact of an intense hurricane before it strikes, but mitigating risk in advance has proven to be impactful. Post claim, I have been proud to partner with our claims staff by using event footprints and modeling techniques to identify those areas most affected and ensure a swift response where needed most."

Visit [pureins.co/advice-and-insights](https://pureins.co/advice-and-insights) for advice to help mitigate extreme weather risks.



## ■ Assessing risk: catastrophe modeling

To help ensure that we have a healthy and diverse portfolio, today and decades into the future, we exhaustively assess risk when making decisions about selection, pricing, aggregation and capital. We evaluate the losses from our claims history and marry that with our deep understanding of high net worth homes and how they perform during catastrophic events. We then use catastrophe models to fill in blind spots as weather patterns continue to change over time.

Catastrophe models statistically simulate tens of thousands of years of natural perils to quantify the probability of events, identify where they are likely to occur and estimate what the loss will be. Each quarter, we model hurricanes, earthquakes, winter storms, convective storms and wildfires. As a result, PURE continues to grow with the proper reinsurance to protect the membership in worst-case scenarios.

It's important to note that while catastrophe models are powerful tools, they can fall short when it comes to

capturing the unique and resilient features of luxury homes. With this knowledge, PURE carefully evaluates these predictions while balancing factors like the exceptional quality and construction of our members' homes and our well-intentioned, responsible membership.

We also make assessments on climate change annually and, while we cannot precisely predict the extent of its impact, we can say with certainty that home resiliency is becoming increasingly important.

## ■ Facing climate change head-on: proactive risk management

With convective storms and other extreme weather events increasing in frequency and severity, we are working hard to ensure we are providing appropriate coverage, pricing and proactive risk management advice and solutions to our membership to best address these risks.



REVERSING THE TREND:

PARTNERING  
TO REDUCE  
PREVENTABLE  
CLAIMS

At PURE, insurance is about more than just a policy. It’s about making you smarter about risk and helping you reduce the chances of experiencing a claim.

P

REVENTING  
LOSSES BENEFITS  
THE ENTIRE  
MEMBERSHIP.

Thanks to our reciprocal model, when members report fewer losses, the entire membership benefits. This means that the actions of each individual member have an impact. While we cannot escape from natural catastrophes, there are steps you can take to mitigate or even prevent certain losses.

“The membership continues to experience a significant number of claims that could have been prevented—either with the help of loss prevention technology, regular home maintenance or taking greater care to protect their home and belongings,” says Derek Zahn, PURE’s Chief Claims Officer.

We are grateful for all of the responsible actions our members have taken to minimize risk. This is an ongoing process and there is still more progress to make towards our goal of reducing preventable losses. This creates a call to action for all of us.

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— Derek Zahn, PURE’s Chief  
Claims Officer

Many losses are entirely preventable but to make the greatest impact, we will focus on the simple yet effective ways we can reduce some of the most common types of claims experienced among the membership: plumbing leaks, electrical fires and jewelry losses.

■ Plumbing leaks

In 2023, more than 2,800 preventable plumbing leaks cost the membership over \$120 million. While frozen and burst pipes account for less than a quarter of these claims, they drive about half of the cost, emphasizing just how damaging these losses can be and signaling a need to prioritize prevention. Toilet leaks, leaks originating from HVAC systems and water heaters also top the list of most frequent claims.



To help reduce your risk:



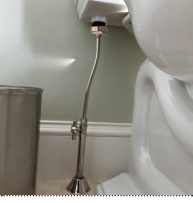
- While every home can benefit from the protection provided by a water shut-off device, for homes where you do not spend a lot of time, such as a seasonal home, or if you split your time among multiple homes, install an automatic water shut-off device. This is the best defense against water damage in all homes, especially those that are unoccupied for extended periods. It measures the flow of water and automatically shuts it off if abnormalities are detected, which can be a sign of a possible leak. These can only be installed in homes where the main water line is accessible. Use of a water shut-off device may qualify you for a credit on your Homeowners premium. Ensure that settings are at an appropriate threshold for your home and that alerts on the corresponding app are monitored closely.

The most  
expensive  
water  
damage claim  
among the  
membership  
in 2023, a  
burst pipe,  
cost more  
than \$5 million  
to resolve.

While repairs are still being made to this home at the time of publication, it is estimated that the members will have been out of their home for more than a year by the time repairs are complete.

**A few vetted options include:** Leak Defense®, FloLogic®, Phyn®, Flo Smart by Moen® or Water Hero®.

- For homes where you spend most of your time, leak detection sensors can provide some protection. These sensors can range from small devices that are placed under water-connected fixtures and appliances to a device that is clipped onto your home’s pipes to monitor water flow. If an irregularity is detected, you are alerted via a notification in the corresponding app. These tend to be battery operated, so batteries need to be checked regularly and replaced as necessary. Since they do not automatically shut off your water, they are not recommended for seasonal or secondary homes. **A few vetted options include:** FloLogic, Phyn or Water Hero

TYPE OF SUPPLY LINE & TYPE OF CONNECTOR	WHEN SHOULD YOU REPLACE THEM?
 <div>Plastic or Polymer hose  Any connector</div>	These supply lines are far less durable and are known to crack over time. We recommend upgrading them immediately.
 <div>Braided stainless steel hose  Plastic connector</div>	Every 10 years <i>(or sooner if there is any visible corrosion, cracks or leaks)</i>
 <div>Braided stainless steel hose  Metal connector</div>	Every 12 years <i>(or sooner if there is any visible corrosion, cracks or leaks)</i>
 <div>Rigid pipe  Metal connector</div>	Every 15 years <i>(or sooner if there is any visible corrosion, cracks or leaks)</i>

- Assess the water supply lines and connectors on toilets and washing machines throughout your home and replace them based on their recommended useful life. While certain materials are superior to others, all water supply lines and connectors have a lifespan, and it is critical that they are replaced prior to the end of it. Assess your supply lines and connectors to look for signs of visible corrosion, cracks or leaks. When it is time to replace them, the most durable options for supply lines are braided metal followed by rigid lines. For connectors, metal has a longer life expectancy but there are high-quality plastic options that can last 10 years if they are tightened.



**SPECIAL OFFER FROM PURE:** LeakBot® is an easy-to-install sensor that clips on to a pipe near your home’s main water supply and monitors both the air and water temperatures in your home. If a leak is detected through a change in pipe temperature, a LeakBot plumber will visit your home to diagnose the issue, at no cost. While this device is not available directly to consumers, we’ve just launched an exclusive pilot to members in a limited area (due to regulatory requirements) and we hope to roll it out more broadly. To learn more about this program and the states that are currently eligible, visit [pureins.co/leakbot](https://pureins.co/leakbot).



**Partnering with water security experts.** Our water security and plumbing partners can provide preventative services aimed at protecting your home from water damage. They can conduct plumbing inspections to look for and remedy issues, upgrade toilet supply lines, install water shut-off devices and provide monitoring to alert you to leaks. To learn more or schedule a consultation, email [lossprevention@pureinsurance.com](mailto:lossprevention@pureinsurance.com).



■ **Electrical fires**

While electrical fires are infrequent, they are almost always severe. In 2023, 30 electrical fire claims totaled more than \$40 million. Modern building materials, open floorplans, additional electrical devices and more combustible materials mean homes burn faster than ever before.



**To help members prevent electrical fires before they happen, we recommend Ting.**

This small device plugs into an outlet and continuously monitors your home's electrical system, detecting abnormalities that can cause an electrical fire. If a hazard is detected, Ting will send a notification to your phone, call you to walk you through next steps and include a

Of the top 20 claims in 2023, six were due to electrical fires.

This includes our most expensive loss to date—a fire that started in the walls of a member's home which caused extensive smoke, soot and water damage throughout.

\$1,000 repair credit if an electrician is required to fix the issue.

We would love to see the day when all members have a Ting installed in their home and are doing our part to get there. We currently offer this device and three years of monitoring complimentary to members in a growing number of states. We are working on getting approval from additional states to introduce this more broadly. Adoption among eligible members has been strong with more than 4,400 devices installed. At the time of publication, Ting has detected at least 25 issues in members' homes that could have led to fires.

“Ting uncovered a power delivery issue, which our power company initially denied, but as a result of Ting's persistence, they finally repaired it. I applaud PURE's loss control approach rather than trying to figure out how not to pay claims after a loss has occurred. After our experience, we bought Tings for both our daughters.”

— Bob W., *PURE member since 2020*

“My sensor detected an electrical problem in my garage that I never would have known about. Ting immediately contacted me and it was an easy fix, but had the issue gone undetected, it could have started a fire. Not only did it help me avoid a claim but it prevented a situation that could have been much worse.”

— Bill W., *PURE member since 2007*

“Had PURE not introduced me to Ting, my neighbors and I would probably still be living in a state of profound danger. I was very concerned since I knew that a failed neutral could result in a fire or significant electrical shock. My home is attached to two others and the adjacent building with four units shares the same electrical service wiring. All seven of our homes had the same problem and none of the occupants were aware until Ting brought it to my attention.”

— Marty G., *PURE member since 2019*

To learn more about this program and the states that are currently eligible, visit [pureins.co/ting](https://pureins.co/ting).

■ **Jewelry disappearances**

PURE's Collections policy covers jewelry, fine art, wine and other collectibles, but 91% of collections claims among the PURE membership are related to jewelry losses. And of those claims, 70% are the result of mysterious or accidental disappearances.

In 2023, we saw a spike in the overall cost of large loss jewelry claims over \$500,000, up more than 300%, compared to the year before. In addition, there are many smaller-scale jewelry claims that happen much more frequently due to mysterious or accidental disappearances; it is here that we have the greatest opportunity to reduce losses.



**DEREK ZAHN**, *Chief Claims Officer*

Derek leads our Claims team and is responsible for delivering on our commitment of offering exceptional, compassionate service to our members when they need us most.

“Our team of adjusters works directly with members to help them recover from claims with empathy and professionalism. We aim to help them return to normal life as soon as possible following a loss, and work alongside them, not against them.”

Unsurprisingly, many of these disappearances happen when members travel.

We have seen countless instances of missing jewelry from hotels and airports as well as when members are doing more leisurely activities: a ring worth hundreds of thousands of dollars left on a plane, a pair of five carat diamond earrings lost on the beach, a \$100,000 watch gone missing during a scuba diving excursion.

**To help reduce your risk:**

- When packing for a trip, be thoughtful about the jewelry you select to take along. Are you traveling to an unfamiliar city? Do you have outdoor activities, like hiking, swimming or snorkeling planned? If so, consider bringing less expensive pieces or replicas (if you have them) so that you can enjoy your trip with greater peace of mind.
- If you do decide to travel with higher value jewelry, avoid wearing those pieces when at the beach or pool and when out in public or in unfamiliar areas. Keep these pieces locked in the hotel safe when you are not wearing them.
- When traveling by air, always keep jewelry on you or in your line of sight. If you are not wearing it, store it in a purse or carry-on bag that can fit under the seat in front of you—where it is less accessible to others and less likely to be accidentally taken by someone else.
- Regardless of travel, another common loss we see is missing stones from rings or earrings. Have the setting of your jewelry checked annually to identify and correct any issues that could cause your diamonds and other stones to become loose and fall out.



# WHAT MEMBERS CAN DO TO HELP REDUCE LOSSES

You are part of a membership, which means that your actions can impact the overall performance of the company.



**WE DO OUR PART** by analyzing claims data to understand how we can help you reduce risk, and you can do your part by taking steps to avoid these preventable losses.

## PRO TIPS

Here is a sampling of advice and reminders that can have a big impact on reducing or preventing loss.

Once you have loss prevention solutions in place, be sure to use them correctly and follow through with the necessary maintenance to keep them in good working order. Automatic water shut-off devices, home security systems and other loss prevention solutions are only effective when used properly. For example, if you have a water shut-off device but don't turn it on or don't use the corresponding app, the device won't be effective. Check the app to make sure you are logged in and it's working properly.



**WE'RE HERE TO HELP.** Contact us at [lossprevention@pureinsurance.com](mailto:lossprevention@pureinsurance.com) if you need assistance or have any questions.

Conduct annual maintenance, take preventative measures and proactively replace your water heater when it is approaching the end of its usable life. Having your water heater serviced every year will help improve its lifespan and ensure it is working efficiently. Placing a pan with a drain below the unit—especially if it is installed above a finished space—and adding a water sensor can help avoid damage to nearby finished areas if the water heater fails. When it comes time to replace your water heater, discuss with your plumber whether a tankless system and/or any relocation would limit the impact of failure on other areas of your home.

Maintain your roof and replace it before the end of its useful life. Should damage occur, make sure repairs are done quickly. Your roof should be inspected at least once annually and following any extreme weather events. Follow the proper maintenance plan for your specific roof type. In the event of damage, if you receive a claim payment to make repairs, it is important to do so promptly. In some instances, we have paid members to repair damage to their roofs only to have the repairs never take place, which can lead to additional damage.

Have a PURE360 Risk Management Consultation performed at your home AND follow through with the advice you receive. This high-level assessment of your home looks for vulnerabilities to risk and provides actionable steps to improve resiliency. For homes that have had a PURE360, the risk of a claim, and the associated disruption for the member, is far reduced.

## Member Feedback in Action

As a member of PURE, your voice matters. Since inception, the Subscribers' Advisory Committee has acted as your representative team of PURE members, making recommendations to management on ways to better serve the membership. To give even more members a voice, in early 2021, we created the Member Feedback Group. Since then, it has grown to more than 4,000 members who weigh in on topics impacting your insurance experience. Through this collaborative environment of meaningful engagement

and feedback, we aim to create a better and more valuable member experience. Over the years, feedback from our members has helped us improve: we've enhanced our first notice of loss on claims, enabled members to generate temporary Auto ID cards on their phones for newly purchased vehicles, streamlined the login process for your online account and added more digital self-serve features. Looking ahead, we are developing new Flood insurance options, a program aimed at improving the safety of young drivers on the road and a better billing experience.



“MY WIFE AND I LOVE PURE AND WANT IT TO BE ALL IT CAN, SO I APPRECIATE THE OPPORTUNITY TO WORK WITH YOU AND THE GROUP IN REVIEWING IDEAS FOR IMPROVEMENT AND OTHER TOPICS.

—Tom C., PURE member since 2019



**HELP US IMPROVE BY JOINING THE MEMBER FEEDBACK GROUP**  
Email [getinvolved@pureinsurance.com](mailto:getinvolved@pureinsurance.com)





# BUILT <sup>TO</sup> LAST

## T HIS IS THE STORY OF THE CLAIM THAT NEVER HAPPENED.

Laura and Alden Sherman built their dream home in Belleair Bluffs, Florida, on a little knoll overlooking the water. Laura is an insurance broker with a long career in the P&C industry. Having seen her fair share of claims, she wanted to build a home expressly designed to prevent them.

With wind impact rated windows; a permanent, whole-house generator; a closet that doubles as a safe room;

gable end bracing and engineered roof-to-wall connections to improve hurricane and high wind resistance; and much more, the Shermans are working towards the Insurance Institute for Business & Home Safety (IBHS) Fortified Home™ designation. The home is also stunning. Work was completed in November 2023, but it's been a long and interesting road getting there—a road that involves *Antiques Roadshow*, college football and a Steinway grand piano.

Laura was born and raised in central Ohio, not far from Columbus. She attended DePauw University, where she studied economics. She was recruited right out of college into the insurance industry.

During the first few years of her insurance career, Laura held roles in various departments, including marketing, where she worked on the PBS series *Antiques Roadshow* that her then employer sponsored. She traveled with the show, promoted it, coordinated the volunteers

Left to right: Gavin Alden, Laura, Alden and Mercer Sherman, members since 2014, at their home in Florida.







Not only is the Shermans' home an exemplary model of risk management and loss prevention, it's also the ideal space to host their family, friends and community.

and developed relationships with the appraisers.

"I worked as an underwriter for a year right after college. Then, with my work on *Antiques Roadshow*, I traveled the country in my off hours, learned about antiques and gained a greater appreciation for American history," Laura says. "It was really amazing and actually turned out to be an interesting parallel to what I do now, helping some of my clients protect their high value artwork and antiques."

Alden is a bit of a modern-day Renaissance man. Hailing from Albany, Georgia, he's a classically

trained concert pianist, neuroscience expert, clinical researcher and carpenter. In third grade, Alden asked his parents for piano lessons, and they gladly obliged. Though the initial years were frustrating, his parents encouraged him to keep at it, and his frustration soon turned to passion. He learned jazz piano on the side and ended up majoring in music with an emphasis on performance and composition at Emory University.

He had also always wanted to be a physician. After graduating from Emory, he entered med school at the Medical College of Georgia and gravitated towards neurosurgery. But as he looked at what that career path would entail and how little time it would leave for music, he began having second thoughts. "I'm a musician and I like composing and writing music," he says. "And I came to realize that I wouldn't have the time I wanted to

spend on this passion if I had gone down that route."

After what he refers to as his quarter-life crisis, Alden opted to leave medical school and go into pharma—a path that would leave more room to pursue his passion for music. After a stint in pharmaceutical research, he moved into the medical device sector and now leads clinical evidence strategy planning for Boston Scientific Neuromodulation.

So how did an insurance buff and a musically-inclined medical scientist cross paths? In 2002, Laura attended her sorority sister's wedding. It was at the rehearsal dinner where she met Alden. "Our friends had been trying to introduce us," Laura recalls. "They kept saying, 'We think you guys would be a perfect match.' But we had both been in long-term relationships, so it just never worked out."

Alden said he instantly felt sparks. When she started talking about college football (and she talked a lot about

**“ JUST THINKING BACK ON ALL THE LATE NIGHTS... WE HAD NO RESOURCES, NO PROCEDURES, NO EMPLOYEES. WE JUST KNEW WE WANTED TO TAKE A DIFFERENT APPROACH WITHIN THE INSURANCE MARKETPLACE.**

college football), he knew right then and there he wanted to marry her. "In fact, I almost asked her midway through her analysis of the University of Georgia's program in the nineties compared to Ohio State's," Alden says.

Well, Alden didn't ask Laura to marry him on the spot, but he did ask her out and they had their first date the following weekend. Eventually, Alden did propose, and they tied the knot in 2004 before combining homes in Atlanta.

Shortly after, Laura got a call from two colleagues in the insurance business who were interested in opening an insurance brokerage together. They decided to set up shop in Tampa, Florida, and Baldwin Krystyn Sherman Partners was born.

What was it like being newly married and starting a new business in a new city? "It was a bit surreal," Laura describes. "Just thinking back on all the late nights. And, at the start, we had no resources, no procedures, no employees. We just knew we wanted to take a different approach within the insurance marketplace."

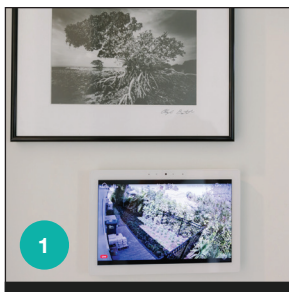
The founding premise for the business was something the three of them had been kicking around for a while: they wanted to offer successful entrepreneurs, companies and employers an insurance and risk management solution that would serve their needs in a more integrated way. They'd observed that many people in this demographic don't separate their lives into the tidy categories of traditional insurance which leads to gaps and overlaps in their insurance programs.

"They might have an employee on the corporate payroll who is really working as domestic staff," Laura explains.

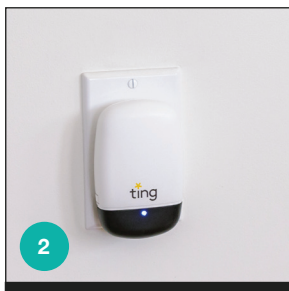




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1



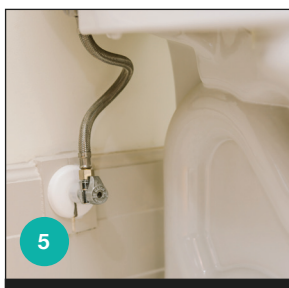
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3



4



5

#### Featured Risk Management Solutions

1. Security cameras and centrally monitored alarms for added safety
2. Ting to help prevent electrical fires
3. Permanently installed generator to keep important home systems running in the event of a power outage
4. FloLogic to help prevent water damage
5. Steel-braided toilet supply lines to reduce the risk of plumbing leaks



“Is their home listed on the work comp policy? What about the vicarious liability if the employee causes a car accident on the way to pick up the children? Is the client covered? What if the client is sitting on a board in the community? Where is the D&O and is it sufficient to protect the non-profit and all of its directors?”

Laura and her partners made sure that the commercial lines team talked to the personal insurance team, and that they talked to the employee benefits team, taking a holistic approach that better matched the way their clients live their lives.

Alden played a role in the start of the business too, serving as the unofficial copy editor for marketing collateral and writing music for some of the firm’s videos. “They based their business on the value of integrity, a service-oriented mindset and passion for people. And they really took that seriously,” Alden recalls. “And she invested our life savings and a lot of sweat equity,” he continues. “And not just sweat. Tears too. But it’s been a massive success—a perfect American success story.”

When it came time to build their dream home, Laura and Alden applied the same level of vision, care and diligence as they did to build the business. They found an architect who had designed another PURE member’s home and told him they wanted to place a heavy emphasis on risk management and loss prevention to make their new home as resilient as possible.

They found a lot they loved overlooking the water, but before buying, made sure that even in a Category 5 hurricane, the storm surge would not reach the house. The neighborhood is zoned for 150 mph winds; they built to 195 mph. The cost for this added protection? Perhaps less than you’d expect at \$11,000. They installed a whole-house water shut-off device. They interviewed three different lightning protection suppliers before installing whole-house lightning protection with surge prevention as well. They built drains into the laundry room floor. And they installed cameras and centrally monitored alarms.

Equally important as the safety of the home are the thoughtful spaces designed with their

The Shermans found the perfect lot for their dream home; it overlooks the water and is protected from storm surge.

## “ I KNOW THAT WE’VE DONE EVERYTHING WE POSSIBLY CAN TO BUILD A HOME THAT WILL LAST FOR GENERATIONS.

sons, Mercer, 15, and Gavin Alden, 14, in mind. “We wanted our home to be a reflection of the passions we share with our family and friends, along with our desire to serve our community,” said Laura. “We wanted this home to be a place for people to gather.” This includes a space of honor for their beloved Steinway.

One day, Laura and Alden were driving around and happened upon an estate sale. Alden wasn’t too enthusiastic about it, but once inside found a Steinway Model B Grand piano. He sat down. He played it. It was love at first key stroke.

Unfortunately, the seller had already promised her niece the piano, but she assured them that she would tell them within a week if anything changed. The week came and went, and a disappointed Alden flew to Atlanta to lead a training event. “Laura called me on a lunch break,” he recalls. “She said, ‘I just wanted to tell you, I’m so sorry. The niece decided to take the piano.’”

Little did he know Laura had actually purchased the piano and had it delivered while he was away. “She wanted to surprise me when I got home. But then when I walked in the door, I heard this plink, plink, plink, plink. Our cat had jumped onto it and was stepping on the keys,” he laughs.

Now, with their home finished and insured by PURE, they say all the extra effort was worth it. Not only do they anticipate receiving the IBHS Fortified Home designation—which increases the property value—but they know their home and family are safe. “It’s total peace of mind,” says Laura. “I know that we’ve done everything we possibly can to build a home that will last for generations.” ●



# BEAUTY FROM THE ASHES



LeAnn and Steven Cyr, members since 2018, at the front door of their beautifully rebuilt Texas home.

**AFTER THREE YEARS,** LeAnn and Steven Cyr are finally back in their newly restored home with a life-altering experience behind them and a renewed outlook on life. They say a lot of good came from it: lasting friendships with some remarkable people, a more resilient family and a stronger marriage. They could have never predicted in those early days following the fire that they would reflect on what had happened with any positivity.

On the night of May 19, 2021, the Cyrs' Woodland, Texas, home was struck by lightning and caught fire. Three fire crews arrived within minutes and battled the blaze for hours. The Cyrs watched from across the street as the flames grew bigger and bigger, and their beautiful home went up in smoke. But this isn't where their story ends, nor where it begins.

LeAnn and Steven's story starts at the Clark Air Base in the Philippines, where both of their fathers were stationed on military assignments. They attended the same middle school and shared many of the same friends during their time in the Philippines, but eventually lost touch after eighth grade when their families returned to the States.

LeAnn attended George Mason University, earning both an undergraduate degree and a master's degree in education. She began her professional life as a career counselor at Georgetown University, where she developed a passion for helping students turn their academic successes into fulfilling careers. Following Georgetown, LeAnn worked for several years as a corporate recruiter for a Fortune 500 company.

Steven went on to play running back at Southwest Texas State University and was accepted to medical school on



an Air Force scholarship, a first step in fulfilling his childhood dream of becoming a doctor. What he originally expected to be a four-year commitment to the Air Force turned into a successful career: 14 years of active duty, including two tours in Iraq and a promotion to Chief of Spine Surgery.

LeAnn and Steven reconnected in 1998; the two hadn't seen each other in 14 years. "I had no idea what LeAnn looked like other than when she was 12 and had peroxided blond hair," Steven laughs. They began chatting on the phone—a lot—and eventually decided they needed to see each other in person. Steven flew to Fort Lauderdale, where LeAnn was living at the time. "That was that," he says. "True love at first sight, the second time." The couple tied the knot on December 18, 1999.

Following the birth of their first child, LeAnn and Steven decided to open their own medical practice. "I understood business, I understood organizational structures, I understood how to start a company. So, I was in charge of the business end of the practice, and he focused on the medicine," LeAnn explains.

With LeAnn's entrepreneurial spirit, Steven's medical expertise and a shared desire to help others, the two have launched several successful ventures over the years. "You don't need everything you touch to turn to gold. All you need are one or two good ideas," says LeAnn. One of those good ideas is their thriving cosmetic surgery practice, CYRx Md Cosmetic Surgery, which they started after Steven completed a second fellowship, this time in cosmetic surgery.

Another is a venture close to LeAnn's heart that touches on her passion for helping others succeed in their education and careers. "Steven's passion is medicine, and mine is education," says LeAnn. She developed a five-year curriculum designed to guide students from all backgrounds through college and beyond to successful careers.

Through this program, she aims to democratize education and create a more inclusive and equitable landscape for students. "I've helped my kids and, of course, shared all the knowledge and wisdom I have with them. But if I could do that for someone else's child and make a difference in their lives, that's what it's all about. That's why it's important to me."

Fast forward to May 19, 2021; the Cyrs, along with their four children, had been living in their spacious dream home for almost three years. That night, around midnight, LeAnn and Steven were sound asleep when their home's security alarm went off, waking everyone in the house.

There had been severe thunderstorms and tornado warnings earlier in the evening. "It was unbelievable. The whole sky lit up with this horizontal lightning," recalls Steven. Figuring that a strong gust of wind could have jostled their garage door loose and triggered the alarm, he went outside to investigate.



## “YOU DON'T NEED EVERYTHING YOU TOUCH TO TURN TO GOLD. ALL YOU NEED ARE ONE OR TWO GOOD IDEAS.”

Inside, LeAnn settled their youngest two children who had been asleep in their parents' room on the lower level. Because of the tornado risk, LeAnn and Steven had the kids sleep downstairs. The only one who didn't adhere was their eldest son, Caden.

"Like a typical 16-year-old, he didn't listen to me and stayed in his room," says Steven. This small act of rebellion turned out to be lifesaving. Because Caden was upstairs and near where the lightning hit the house, he knew immediately what had happened and quickly alerted his family to get out of the house to safety. "Caden had the presence of mind to respond under pressure and knew what to do in that situation," LeAnn says. "He was the hero that night."

When the fire was finally extinguished, LeAnn and Steven went back inside to see the damage for



themselves. The main floor of their home was covered in about four inches of water, the ceiling had caved in and water was still gushing down from the second level.

Nearly everything was either burned or soaked, but miraculously one of the family's most meaningful

## Leading with Empathy

When someone loses everything in a traumatic event, it is often easier to sympathize with them than it is to stand in their shoes and comprehend the full extent of their emotions.

At PURE, we expect all of our colleagues to demonstrate empathy. We select new employees based, in part, on an assessment of their emotional intelligence, including their ability to be empathetic, and we hire specialists to train our people to further develop this skill.

Empathy is key in building trust and a strong bond between members and their claims adjusters during the claims process—whether it's a small jewelry loss that takes a couple days to resolve or the total loss of a house that takes years to rebuild.

The Cyrs' collection of family portraits dates back to the early 1900s and is one of their most treasured possessions.





The Cyrs worked with a professional decorator to tackle the massive feat of selecting and replacing all the furnishings in their home.

possessions, an extensive collection of family photographs, was saved. What used to be a beautiful gallery wall of hundreds of portraits dating back to the early 1900s was stacked safely in a corner and covered in tarps by the firefighters. This pictorial history of their family and where they came from is priceless and, of the entire collection, only two were lost.

By the next morning, the recovery had already begun. A restoration service was in action at their home, extracting water and setting up dryers—a proactive measure that is crucial in preventing mold growth. And the following day, another ally arrived: PURE Executive General Adjuster Julie Ivy.

Julie provided the Cyrs with what LeAnn describes as “concierge-like service.” Julie was a central figure in the complex coordination of the rebuild, as well as the difficulty of getting back to life after the devastation. “You don’t realize what you need when you’re displaced,” says Steven. “She did an amazing job of thinking of every little detail in our lives that we wouldn’t even have thought of. She was literally a godsend.”

“She is an amazing communicator,” LeAnn says. “There were never any gray areas.” When challenges arose, such as frustration with a contractor’s

“ SHE WAS THE VOICE OF REASON. A GREAT LISTENER AND A GREAT PROBLEM SOLVER.

performance, Julie stepped in and resolved the issue. “She was the voice of reason,” LeAnn recalls. “A great listener and a great problem solver.”

The Cyrs needed a temporary home that could accommodate their family during what turned out to be a two-year rebuild. A close friend introduced them to neighbors who were looking to rent out their six-bedroom house. As it turns out, the neighbors were also PURE members who had experienced a serious claim themselves. They were delighted to help. “Because they are members too, they were familiar with the process,” says LeAnn. “They just said, ‘I know exactly how this works, let me tell you all about it.’”

This sense of community and being there for each other in times of need is not at all new among the PURE membership. In fact, when it doesn’t happen organically as in the case of the Cyrs, PURE has connected members who have been through large losses so they can support each other through the process.

“One thing I think PURE members could take away from our story,” offers Steven, “make sure your policy covers what you need. When your home is 5, 10, 20 years old, there will be a difference between the price you paid originally and the cost to rebuild it and replace the items within it today. And you want to be sure your policy covers that difference.”

The Cyrs’ Homeowners policy covered the cost of rebuilding and replacing furnishings at current prices<sup>1</sup>. It also covered the rental of an interim home, clothing, kenneling and care for their dogs and access to a professional decorator who project-managed the gargantuan, time-consuming task of selecting and replacing all the furnishings and fittings in the house from top to bottom.

“It’s really difficult, having your home destroyed and your life upended,” says LeAnn. “The one thing that I think this experience really taught me is the truth of that saying, ‘Home is where the heart is.’ Your home is your sanctuary. You create that sanctuary with your family, and you can have that anywhere.”

Steven agrees. “What’s important is who’s in your life and not what’s in your life. Even in a horrible, devastating situation, you look back and realize it was part of a larger story,” he says. “Beauty can spring from the ashes in your life.” ●



JULIE IVY, Executive General Adjuster

Julie, who assisted the Cyrs with their claim, is a Large Loss Property Claims Adjuster, with a passion for helping our members in their times of need.

“Being there for our members, to offer them support and compassion when they’re going through such a dark time in their lives—that’s what makes this job feel so special. It reminds me I’m part of something bigger than myself.”



# IN THE HEART OF THE BEHOLDER



Featured Art  
Page 35, Left: "Some Wore the Skin of Invisible Men" by Ronald Jackson  
Page 35, Right: "1525 Pages" by Hadieh Shafie

A

## STRID AND TOM BURNS LOVE ART.

You might even say they live art. Astrid is a Senior Art Advisor at Powell Fine Art Advisory, and her family owns Fortress Storage, an art storage firm with locations in Boston and Miami, where Tom is the Chief Operating Officer. Both are avid collectors with some 50-plus pieces and counting. So, a couple of years ago when Astrid

Astrid and Tom Burns, members since 2016, are both avid art lovers who have been carefully building their collection over the years.

heard rumors that one of her favorite artists, Alex Katz, might be having a retrospective at the Guggenheim, she acquired a striking piece called, "Ada Four Times." The lithograph on paper is from a series of four separate portraits of Katz's wife, Ada. And Astrid loves it.

"Alex catches her at different moments of her life and in different emotions—you can feel and sense what she's going through," Astrid says. Excited to get the piece up in their home, she took it to be framed. A few days later the framer called. "We're so sorry," they said. "We have a problem."

Those are words that would strike dread in any art collector. But Astrid is no ordinary art collector. She was born and raised in a family of art lovers in Massachusetts.



She grew up going to the museums in the Boston area, visiting galleries and attended Art Basel for the first time when she was just 12 years old. Astrid is also a painter in her own right and studied Art Semiotics at Brown University. Tom was a student there as well and the two quickly became friends.

Tom hails from Delaware and though he's always been fascinated with art, ultimately majored in English. After graduation, he decided he wanted to do something related to the arts. He opted for an auction house rather than a gallery setting and moved to New York to take a job at Christie's. "I thought it would have more going on and be a really interesting blend of business and art—which it was," he says.

Astrid also moved to New York, to work in the film industry, and the pair soon began dating. They were married in 2012. Their daughter, Sigrid, was born in 2014, and their son, Ellis, soon followed in 2016.

After Christie's, Tom began working on projects at Fortress. It was meant to be temporary, but he took a real liking to the firm and the business and decided he wanted to stay there. "I had a liberal arts kind of understanding of the world," he says. "But I wanted to be able to lead Fortress with a solid business perspective, so I enrolled in an MBA program at NYU's Stern School of Business."

## “GREAT ART IS A REFLECTION OF WHERE WE ARE AND WHO WE ARE.

Between work, grad school and starting a family, it was a busy few years for the Burnses. Interestingly, Astrid says art itself helped them get through it. "We have such similar interests," she says. "We both love art. That's just who we are. I think that's one of the things that really has made a great, strong marriage for us."

They have a shared philosophy about collecting as well. "We collect what we love," says Astrid. "It's got to be that knee-jerk reaction of like, 'oh man, that piece is so incredible. I want to live with that piece. I want to learn more about that piece, and about that artist.' That happens to us first, rather than thinking about our collection as a whole."

Tom agrees, "We never buy anything with the thought of placement. That comes later. We buy a piece because it's a great piece and then we figure out where it will go, how to fit it in, later on."

When they first began collecting, Astrid had a very specific focus on portraiture by women, but they



The Burns's home is beautifully adorned with some of their favorite pieces from their fine art collection.



### Featured Art

1. "Untitled" by Kim Druker Stockwell 2. "Portrait Fourteen - after Ingres' 'La Grande Odalisque'" by Dinorá Justice 3. "Squirrel and Flamingo (After Roepel and Oudry)" by Shelley Reed 4. "Morgane" by Mona Kuhn





**RENEE  
MIKON  
AND NELIA  
MOORE,**  
*Co-Heads, PURE  
Art Services*

Renee and Nelia co-lead the PURE Art Services team and assisted the Burns family with their claim.

“Our purpose, simply put, is to help protect our members’ passions. When it comes to fine art, we want to amplify the joy in collecting and provide peace of mind for members to soak in the beauty of the art they love.”

Learn more about our art services capabilities on page 39.



**Featured Art**

**1.** “Ceremonial Lady” by Hung Liu **2. & 3.** Two framed prints by Giovanni Battista Piranesi and Francesco Piranesi

both eventually felt like branching out. “When you first come into a home and there are a lot of faces on the wall it can be pretty intense,” says Tom.

Their current collection consists largely of contemporary art mixed with pieces from earlier periods and a few antiques to help ground the collection in their traditional home and historic neighborhood. They also like to switch pieces out from time to time.

Tom says feelings about a piece can change as the collector’s life and collection change. “Some pieces you want to live with for a long time. Others you want to switch out. And that might change the whole mood of the room. And that’s all okay,” he says.

A few favorite artists in their current collection include Hung Liu, Ronald Jackson, Mona Kuhn, Dinora Justice and, of course, Alex Katz. Which brings us back to that phone call from the framers.

Trying not to panic, Astrid drove immediately to the frame shop to see what had happened. The framer had used an adhesive to attach corner hinges to the back of the piece, a normal framing practice, but this type of adhesive inadvertently acted as a solvent on the ink, leaving prominent bullseye-like marks visible on the face of the artwork.

Astrid took it to one of the top paper art conservators in the world. “She looked at it and said, ‘This paper is so thin and delicate, there’s really no way to fix it,’” Astrid recalls. “I was broken hearted, because I really love this piece and had fallen more and more in love with it.”

The Burnses called their insurance broker who put them in touch with PURE Art Services. “When something like that happens, it just feels so bad,” Astrid says. “But PURE made it easy and listened to us; they were just very kind.”

Tom, who has seen many clients deal with art losses over the years, says people usually expect that dealing with an insurance company on a claim is going to be difficult. “But I knew that was never going to be an issue with PURE. I know the PURE Art Services team. And I knew we were going to be in great hands. It was just so smooth and seamless.”

Tom was also impressed that PURE Art Services researched and sourced replacement options for the damaged Ada Four Times lithograph. In the end, Astrid opted to acquire a different Katz piece—a portfolio of 10 woodblock prints called “A Tremor in the Morning” consisting of portraits of the artist’s friends as couples. “It’s really so beautiful,” she says. “I still don’t have my Ada, but that’ll come.”

Given their experience as art experts and art lovers, what advice would they give to fellow PURE members who collect or want to begin collecting art?

Tom offers two thoughts. The first is to trust various art professionals, from appraisers to conservators to insurers. “Trust them and let them

**“ I KNOW THE PURE  
ART SERVICES TEAM.  
AND I KNEW WE  
WERE GOING TO BE  
IN GREAT HANDS.**

work together. It doesn’t benefit your collection to try to control everything or keep everyone siloed.”

The second is to realize that collecting is not just about installing a piece on your wall; it’s about the entire process. He recalls how he and Astrid discovered a now-favorite Brazilian artist while strolling around New Orleans after dinner one evening. “We happened by a gallery that was installing a show, asked for a sneak preview, and ended up getting connected to the artist and now actively collect his art,” Tom says.

Tom worked closely with the great postmodernist Christo when he was alive, and notes that Christo firmly believed the entire process—conception, execution, logistics, permitting and even court cases—are all part of an artwork. “I think this is true of collecting as well,” Tom says. “There’s joy in every part of the process.”

Astrid’s advice? “I always tell clients that art is a relationship. So, as you’re bringing pieces into your home, it is something that you should feel invested in; something that makes you feel good, or inspired, or makes you question or makes you engage. Great art is a reflection of where we are and who we are.” ●

**Comprehensive collections  
management services**

For members who collect, we offer PURE Art Services to help preserve and enhance their collection so they can enjoy it to the fullest. We can help with valuations to protect collections against volatility in the market; assist with regular maintenance to enhance value and ensure legacy; provide inventory services to help manage it; and give expert guidance and personalized assistance in the unfortunate event of a claim. Members can contact PURE Art Services at [artservices@pureinsurance.com](mailto:artservices@pureinsurance.com) or 312.376.8115.



# SMARTER, SAFER AND MORE RESILIENT, TOGETHER

PURE was built from the belief that the high net worth market was being underserved when it came to homeowners insurance—and the idea that there was a better way.

**O**UR MODEL IS DESIGNED TO KEEP US FOCUSED ON YOU, our membership. It is this focus that guides us to seek new insights and create new solutions aimed at improving every aspect

of our business—especially as risks continue to evolve—so we can ultimately deliver greater value to you.

That entrepreneurial spirit on which PURE was founded has led to many innovations along the

way, such as more coverage for jewelry on our Homeowners policy; the support of a PURE Member Advocate® at the time of a significant claim; redesigned pricing for Personal Excess Liability limits; and PURE Starling™, should you become the victim of fraud, online and off.

We are committed to this journey of continuous improvement as we look for ways to solve more problems for you and improve your experience with us.

Our purpose to make you smarter, safer and more resilient isn't just a catchy slogan; it's the core of who we are. Here are some of the ways we deliver on this.

## ■ Making you smarter about risk

We provide you with tools and advice to help make you smarter about the risks you face and more informed when it comes to insurance and large purchases.

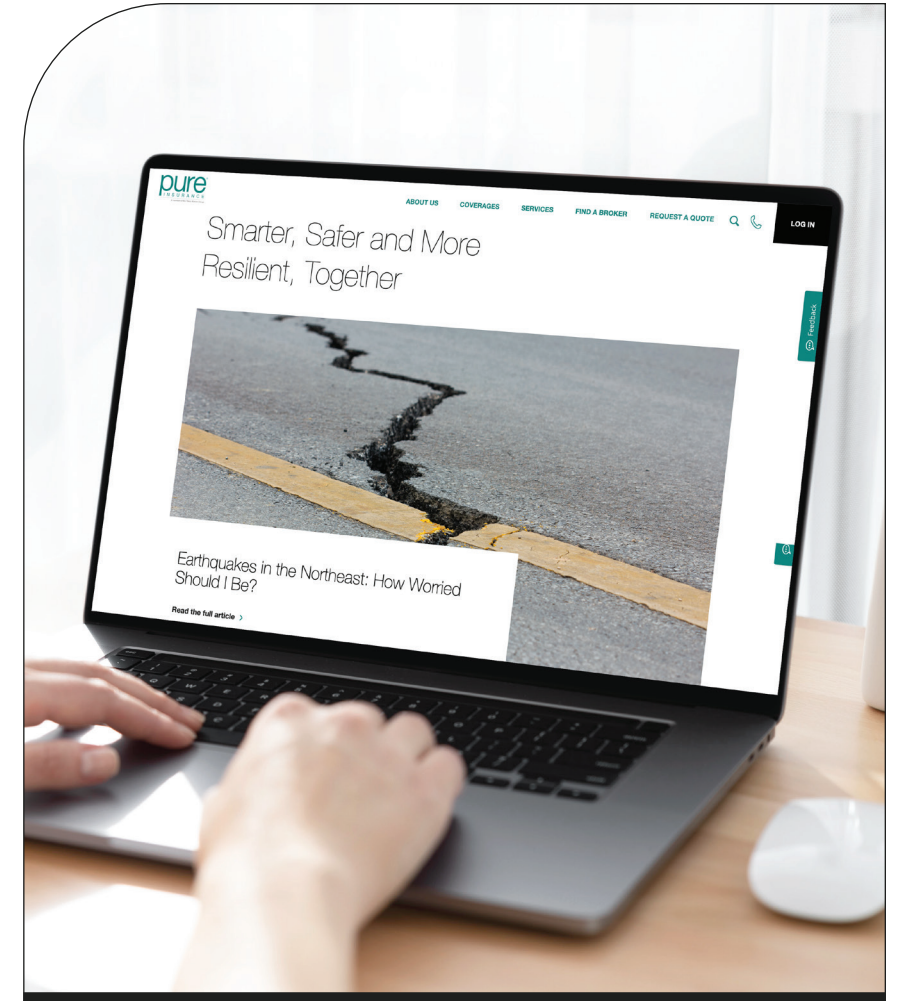
**PURE Home Spotlight®.** When it comes to buying a new home, there can be many unknowns. Hidden water damage. Unpermitted home improvements. High flood risk. Uncovering issues like these earlier in the process can help you make a more informed buying decision. PURE Home Spotlight is an easy-to-run report that provides data and insights on these risks, as well as the home's likely insurability.

**PURE Advice Dashboard.** This dashboard draws on the collective power of the membership, analyzing the coverage selections and buying behaviors of each member to identify insights on your coverage and limits and amplify the advice of your broker.



You can access these tools in your online account or the **PURE Insurance Mobile App.**

**Advice and Insights.** This library of content educates you on how to reduce risk and shares industry insights from our experts in insurance, fine art and more. Visit [pureins.co/advice-and-insights](https://pureins.co/advice-and-insights).



## ■ Making you safer at home and beyond

The programs and services we provide as a benefit of membership are designed to reduce your chances of experiencing a loss. This begins with our Risk Managers. These loss prevention experts study past claims so they can understand how to prevent the same from happening to other members in the future.

The services of the Risk Management team go far beyond your PURE360 Risk Management Consultation. They are available to provide you with recommendations and coordinate vendors to complete the work throughout your entire membership.

Our team is constantly looking for new technology, like leak detection sensors and electrical fire monitoring devices, to help you reduce the occurrence of preventable claims (see pages 16-19 to learn about the programs currently available). While most of these solutions are recommended for members across much of the country, members in more at-risk states, or with higher risk homes, may be required to implement them in order to maintain coverage.

In addition to the advice of your Risk Manager, the PURE Situation Room® is an always-on resource to keep you informed about risk. We alert you to severe weather events such as hurricanes, wildfires, automobile safety recalls and





You can access these tools in your online account or the **PURE Insurance Mobile App**.



cyber threats with an email, phone call or, newly introduced in 2023, a push notification from the PURE Insurance Mobile App. Last year, more than 280,000 Situation Room communications were sent to help keep members safe.

And while we work hard to help you prevent losses, we know that some are unavoidable. So, in the event of a covered homeowners loss greater than

\$10,000, we will contribute up to \$2,500 to help you implement a solution that reduces the likelihood of a loss from reoccurring. Members use this benefit to invest in whole-house generators, water shut-off devices, lightning suppression systems and other loss prevention solutions. In 2023, we invested more than \$1 million alongside members through the Loss Prevention Benefit.

HELPING  
YOUNG DRIVERS  
TO BE SAFER  
BEHIND THE  
WHEEL

Based on our claims data, the likelihood of a young driver (under 20 years old) being involved in an accident is significantly higher than other age groups. It is also more likely that accidents involving these drivers will be more severe. We want to do our part to help keep the young drivers in our membership safe. With input from our Member Feedback Group, we are in the early phases of creating a program that will initially focus on training to help improve driving skills and behaviors among young drivers. Over time, we hope to add additional program features.



**JASON  
METZGER,**  
*Head of Risk  
Management*

Jason leads our Risk Management team and is responsible for the implementation of strategies that help our members reduce their chances of experiencing a loss.

“Our Risk Managers continue to act as partners working alongside our members. With new programs like Ting and LeakBot, we are actively introducing new, creative and impactful ways to help members avoid devastating losses.”

To connect with our Risk Management team to discuss concerns specific to your home, contact [lossprevention@pureinsurance.com](mailto:lossprevention@pureinsurance.com).



■ **Making you more resilient so you can bounce back faster**

Helping you bounce back faster after a claim starts with ensuring that you have the right coverage. However, we understand that some members have homes with unique risks that do not meet PURE's underwriting guidelines or qualify for coverage with other admitted insurers. For these homes, PURE Programs and PURE Specialty Exchange, our specialty insurance solutions, may be a fit. (Learn more about these companies on page 44). They can offer solutions for:

- **Coastal homes.** Coverage for homes on the coast or barrier islands, homes that do not have proper wind protection or homes with inadequate flood elevation.
- **Homes under construction or renovation.** Coverage for high-end homes under construction, both new builds and major renovations. Unique to this policy, once the construction project is complete, qualifying homes may be eligible for coverage with PURE.
- **Homes in wildfire-prone areas.** Coverage for homes in areas that are more susceptible to the impacts of wildfire.

“ **WE ARE ACTIVELY INTRODUCING NEW, CREATIVE AND IMPACTFUL WAYS TO HELP MEMBERS AVOID DEVASTATING LOSSES.**

— Jason Metzger, *Head of Risk Management*

Helping you recover faster following a claim

We aim to respond to claims fast and make payments quickly so you can return to normal as soon as possible. We are always looking for ways to improve our process. Some of our recent enhancements include:

- The introduction of trust-based adjusting for some simple, low-value claims, like a single piece of missing jewelry, cutting claims settlement times nearly in half
- Improvements to the digital claims reporting process so that members are assigned their claim number and adjuster within 30 seconds of submitting their claim and are contacted by their adjuster that same day
- The development of a trusted network of service providers to help our members recover faster following a loss, most notably reducing the time it takes to resolve a water damage claim by an average of 22 days
- Use of an AI tool that enables us to provide members with auto repair estimates more efficiently, without the need to schedule an appointment at a repair shop or with an appraiser



**WE WANT TO HEAR FROM YOU.**

Creating a smarter, safer and more resilient membership wouldn't be possible if it weren't for the members who lean into the advice we provide and the solutions we create. You are a key part of this equation, and we want to hear from you. If you have any questions or would like to share a story of safety or resilience, email [getinvolved@pureinsurance.com](mailto:getinvolved@pureinsurance.com).



# PURE IS PART OF SOMETHING SPECIAL

PURE and its affiliates are part of a specialist group of companies.

**THESE COMPANIES HAVE** common management that serve the personal insurance needs of successful families across the U.S. —and soon, Canada. Collectively, these companies benefit the PURE membership in several ways.

## Privilege Underwriters Reciprocal Exchange (PUI)

PUI is a reciprocal insurer that is owned by the membership and designed for the most responsible owners of the finest-built homes. With members at the core of our model, we are incentivized to do what’s right for you by providing excellent service, investing in ways to make your home more resilient, paying exactly what is owed after a claim and charging a fair price.

There are many ways members benefit from the reciprocal structure, from unique tools designed to make you more informed about risk to money back for our most

loyal members in the form of Subscriber Savings Accounts. One of the most tangible benefits of membership, these accounts are held in members’ names and may receive yearly allocations dependent on the reciprocal’s performance and underwriting results.

## PURE Specialty Exchange (PSE)

PURE Specialty Exchange is a specialty insurance carrier dedicated to providing coverage for responsible high net worth families with homes

## OUR STRUCTURE ENSURES THAT THE MEMBERSHIP IS OUR TOP PRIORITY.

that do not meet PURE’s preferred appetite. PSE is a reciprocal exchange (like PURE), which means members agree to pool their risk. This affords them several benefits, including a Member Savings Account, as well as access to the same claims, risk management, Member Advocate and service resources as PURE. Coverage from PSE is made available through PURE Programs.

### Pooling agreement

In mid-2023, PURE and PSE began sharing (or “pooling”) underwriting results. This action benefits both entities: PURE benefits from PSE’s more favorable expected results and PSE benefits from PURE’s larger scale and lower volatility. Both entities benefit from shared reinsurance protection, lowering the relative cost for each reciprocal.

## PURE Risk Management, LLC (PRM) & PURE Specialty Risk Management, LLC (PSRM)

PRM and PSRM serve as the Attorney-In-Fact for PURE and PURE Specialty Exchange, respectively. Through an Attorney-in-Fact Agreement between these entities, PRM and PSRM agree to provide marketing, underwriting, claims administration and other services to ensure a seamless member experience.

## PURE Programs, LLC (PP)

PURE Programs provides specialty insurance solutions for members and other high net worth individuals and families with high risk, hard-to-place exposures. As a Managing General Underwriter (MGU), it provides insurance coverage on behalf of partner insurance companies and PURE Specialty Exchange. Programs’ solutions include coverage for homes in high-risk coastal or wildfire prone areas, homes rented to others and homes under construction or major renovation. Programs also provides excess liability coverage for high profile individuals and those who have claims history or unusual exposure.

## PURE Art Services, LLC (PAS)

PURE Art Services offers bespoke services for members who collect fine art, jewelry or antiques. PAS can help with valuations to protect your collection against volatility in the art market; assist with regular maintenance to enhance its value and ensure its legacy; provide logistical, installation and administrative services to help you manage it; and give expert guidance and personalized assistance in the event of a claim.

## Privilege Underwriters, Inc. (PUI)

PUI is the holding company for the affiliated businesses, other than the previously mentioned reciprocal exchanges. This entity employs the 1,000+ exceptional people who come to work each day dedicated to serving our members and policyholders. It is

the workplace culture within PUI that makes it possible for us to attract top talent and deliver an exceptional service offering.

## Tokio Marine Holdings, Inc. (Tokio Marine)

PUI, our holding company, is a member of the Tokio Marine Group, one of the largest and most respected insurers in the world with nearly \$40 billion in net assets. Being a member of the Tokio Marine Group supports our financial stability and claims paying ability by providing access to capital-efficient-surplus notes and through Tokio Marine’s commitment to stand behind PURE’s financial obligations through a Keep Well agreement.

Additionally, Tokio Marine’s mission, “to inspire people to confidently explore new possibilities and move forward fearlessly,” aligns with our culture and values, allowing us to pursue our purpose-driven mission with even greater confidence.

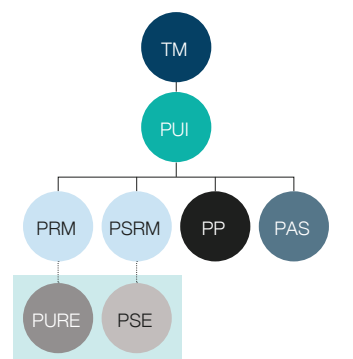
These companies, and the PURE membership, also benefit from the partnership and relationships formed with other companies within the Tokio Marine Group. For example, we partnered with Tokio Marine HCC to enhance our fraud and cyber product; with Tokio Marine Highland to offer additional coverage capacity for members who have significant fine art collections; and with First Insurance Company of Hawaii for local knowledge and trusted vendors to help impacted members recover after the Hawaii wildfires.

Inspiring confidence. Accelerating progress.

Tokio Marine stands as a pillar of support, offering stability in a world filled with uncertainties. For more than 140 years, they have been dedicated to building resilient economies, industries and societies. Their global network, backed by cutting-edge technology and a corporate culture committed to doing what’s right, enables them to harness the power of confidence for the betterment of their customers and society.



### ORGANIZATIONAL STRUCTURE



To learn more about PURE’s model visit [pureins.co/pures-model](https://pureins.co/pures-model)



# AWARDS AND RECOGNITION

“It’s impossible to create loyal customers without first inspiring a team of employees. When leaders and their teams consistently treat people right, when they can be relied upon to do the right thing, then an organization can truly be worthy of loyalty.”

— Fred Reichheld, creator of the Net Promoter System® and PURE member since 2018

**PROVIDING YOU WITH AN EXCEPTIONAL MEMBER EXPERIENCE** wouldn’t be possible if it weren’t for the more than 1,000 hard-working, purpose-led employees who come to work each day dedicated to solving problems for our membership. We are so proud of the work that they do and delighted to see their excellence recognized by our industry peers. Here are some of our standout employees who were recognized with awards in 2023.



**Sabrina Ali**  
Director, Diversity,  
Equity & Inclusion

Sabrina helped to establish PURE’s Diversity, Equity and Inclusion discipline after she joined the company in 2017 as a Talent Acquisition Associate. She also helped launch PURE’s Employee Resource Groups (ERGs) and continues to guide their programming and development.

**What her colleagues have to say:**  
“Sabrina works tirelessly to equip employees with the resources and shared language needed to cultivate and maintain inclusive teams, ultimately ensuring all our employees are engaged and empowered to become experts at their craft.”



**Nicolette Cerne**  
Assistant Vice President,  
Member Advocates

Nicolette joined PURE in 2016 as a Member Advocate before working her way up to manage the team. She serves as co-chair of the Women’s Leadership Council and is an active member of the Black Employee Resource Group (the BERG) and PURE United, which is focused on standing in solidarity with marginalized groups.

**What her colleagues have to say:**  
“Nicolette has a sharp focus and passion for developing early insurance career talent and women’s leadership. She is shaping the future of the industry with her initiative and dedication.”



**Meghan Bautista**  
Director, Learning &  
Development

Meghan utilizes her position as Director of Learning and Development to make each employee feel valued and strengthen the connection between employee wellbeing and overall company growth.

**What her colleagues have to say:**  
“Meghan understands that when people feel valued, understood and truly supported by their employers, they perform at their best. She is dedicated to giving back and helping others in their respective career paths.”



## Making a difference in our communities

In addition to their commitment to serving the PURE membership, our employees are dedicated to serving the communities in which they live and work. In 2023, PURE employees spent more than 2,500 hours of their time giving back through volunteering.

Some of the organizations supported:



**Kaylee Drulias**  
Vice President, Member  
Advocates & PURE Advisors

Kaylee has held several leadership positions within PURE, including her current role leading Member Advocates and PURE Advisors, two of our service-oriented teams. She is an active leader in the Women’s Leadership Council and dedicated to developing those around her.

**What her colleagues have to say:**  
“Kaylee’s drive, leadership skills, competitive spirit and compassion continue to make an impact on the organization. People really want to work with her and for her.”



Top: Martin Leitch, Chief Executive Officer, announces the 2024 PURE Insurance Scholar, Aditi Balakrishna, at the 2023 PURE Insurance Championship.  
Bottom: Employees from PURE’s White Plains office volunteer at Feeding Westchester.





Members of PURE's Employee Resource Groups, including the Women's Leadership Council, Puro Orgullo and PURE+, meet in White Plains, New York.



**Katie Krum**  
Chief Marketing Officer

Katie joined PURE in 2006 as one of our first employees when the company was in its infancy and helped develop and launch PURE's brand. She left in 2008 to gain more experience before returning to PURE in 2020 as CMO, where she oversees brand, marketing, communications and member experience.

**What her colleagues have to say:** "Katie combines creativity, kindness and endless energy to foster an inspiring and fun work environment for her team. She strives to make sure everyone around her feels valued, included and heard. Katie's intellect and grit have helped us approach challenges with a unique and refreshing perspective."



**Hildi Greenberg**  
Head of Member Experience

Hildi started with PURE as a Fine Art Specialist on the PURE Art Services team and now leads a team of individuals dedicated to creating an exceptional experience for our members. She also serves on PURE's sustainability committee.

**What her colleagues have to say:** "Hildi is committed to making everything she touches better for the user, from the PURE member experience to her team's work experience—and even the planet. She fosters a supportive and collaborative work environment and challenges those around her to be their best selves."



**Eric Beban**  
Vice President, Zonal Underwriting Manager

Eric has held several leadership roles across our service and underwriting departments since his PURE start in 2012 as a Member Advocate. Today, he oversees a team of Underwriting Managers in our Western Zone.

**What his colleagues have to say:** "Eric's exceptional work ethic, strong strategic view of the business, the empathy he shows our members and his steadfast commitment to PURE's success are just some of the traits that earned him recognition at the Tokio Marine Group Good Company Awards."

We're honored to have received several premier awards in the wealth management and financial services industry.

We are also delighted to be recognized for the creative and innovative products we design and our dedication to service. We believe this recognition is a testament to our team's focus on creating a better member experience for you.

**FAMILY WEALTH REPORT AWARDS**  
Best Insurance Underwriter  
2016-2023

**PRIVATE ASSET MANAGEMENT AWARDS**  
Best High Net Worth Insurance Company  
2018-2024

**BEST IN BIZ AWARDS**  
Bronze Company of the Year

**PC360 INSURANCE LUMINARY AWARDS**  
Claims Innovation

**AMERICAN BUSINESS AWARDS® SILVER STEVIE**  
Insurance Company of the Year

**BUSINESS INTELLIGENCE GROUP**  
BIG for Business

But the greatest honor is the loyalty and praise from our members.

“The car is back to perfect condition, and Hidemi [Morita, Claims Representative] was so responsive. **As a fellow insurance industry colleague, I know there is a broad range of claims handling service, and I'm very happy I'm with PURE!** — Amy S., PURE member since 2018

“**Jeffrey [Weber, Executive General Adjuster] made an otherwise excruciating process painless and hopeful.** He communicated frequently and thoroughly. He was first-rate throughout the ordeal. — Dan and Edna P., PURE members since 2013

“This entire process was handled with extreme care and transparency. **Thomas [White, Senior Member Advocate] was kind, informative and responsive. Honestly, this entire experience turned a terrible event into something less traumatic.** Being burglarized is a traumatic and violating experience. My claim was handled with such care and compassion. I am a PURE customer for life! — Desiree A., PURE member since 2015

“**Amaylia [Aiken, PURE360 Coordinator] couldn't have been more cheerful, friendly, and customer focused.** — Matt B., PURE member since 2022

“Kevin [Taniel, Member Advocate] was very kind and helpful, and he quickly got this done for me. **He's restored my faith in customer service, a rarity these days.** — Chris S., PURE member since 2017

“**Charles [Wallen, Member Services Associate] provided the absolute best customer service experience I have ever had** from any provider, on any topic, in my entire life, bottom line. — Carl P., PURE member since 2016

“Before meeting Jennifer [Gilliland, Senior Risk Manager], we were ready to self-insure our home...Jennifer changed all of that...**As a former leader and senior executive for a Fortune 75 company, Jennifer is exactly the face that I would want to have helping my customers.** — Harold and Brenda G., PURE members since 2019



# FINANCIALS

Despite market challenges, PURE strengthened its financial position in 2023. While more work remains, we are confident that PURE is on the path to sustained profitability.

**DIRECT WRITTEN PREMIUMS GREW STEADILY** and diversely, and improved underwriting results contributed to a more favorable direct combined ratio. With surplus and assets at all-time highs, the reciprocal has never been stronger. PURE remains open for business in all 50 states and is actively welcoming new responsible members—today and for the foreseeable future.



Dave Logan, President, at the PURE Leadership Forum.

## THE PURE MEMBERSHIP

### Growth

Our membership has grown to more than 113,000 responsible, successful individuals and families—nearly 8,000 of whom joined in 2023.

### Retention

In 2023, 94.1% of members elected to renew with PURE, reflecting strong retention. The small number of members who did not remain includes those we did not offer the option to renew.

### Product Diversification

Nearly every member has a Homeowners policy with PURE. The rest of our product mix is well balanced across our lines of business, which helps to spread risk and serves as an indicator of whether or not members are covered for the risks they face. From this analysis, we

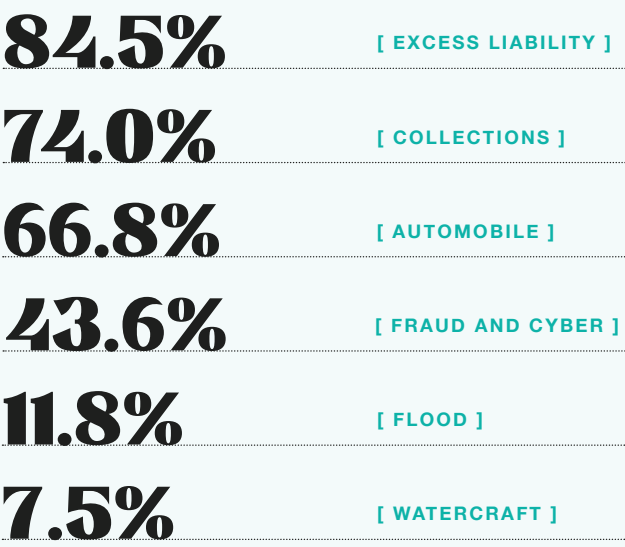
can see several important coverages where we would like to see a greater take-up rate among the membership.

**FLOOD** With climate change and rising sea levels, the risk of flooding is more widespread than what the Flood Insurance Rate Maps tell us. FEMA reports that 1 in 4 flood claims filed are by homeowners outside of what is considered a “high-risk flood zone” and that nearly every property has some risk of flooding. As a reminder, Flood is not covered by a traditional Homeowners policy—so with just 11.8% of the membership purchasing Flood coverage through PURE, many may be exposed to this risk.

**UNINSURED/UNDERINSURED MOTORIST (UM/UIM)** Auto premiums have increased across the industry, leading to a growing number of uninsured and underinsured drivers. A 2022 study estimated that 14% of drivers (1 in 7) were uninsured, and it’s believed that this number has risen, underscoring the importance of UM/UIM coverage. Today, 80% of our members elect to buy additional UM/UIM coverage (above what’s available from their primary Automobile policy) through their Personal Excess Liability policy—but we hope to see that number grow closer to 100%.

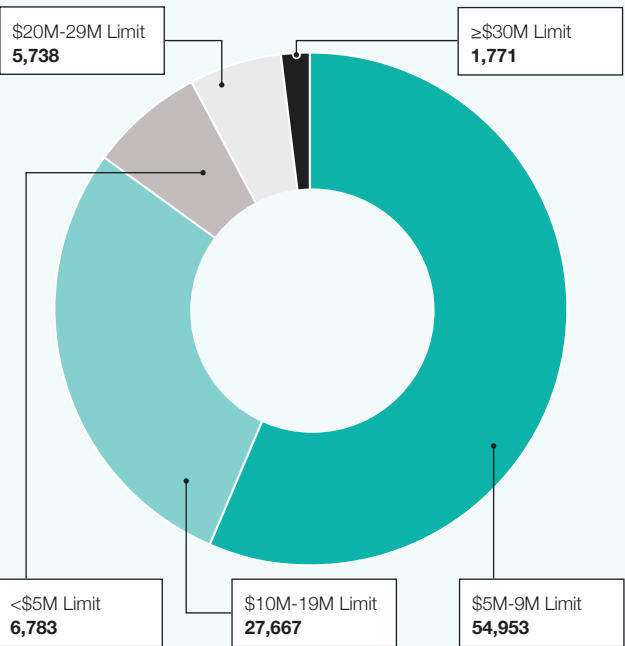
**FRAUD & CYBER** The risk of fraud continues to rise—according to the FTC, a record \$10 billion was lost to scams in the U.S. in 2023. Imposter scams rank as the most

### PERCENT OF MEMBERSHIP THAT PURCHASES EACH PRODUCT



One in seven PURE members has a watercraft listed on their PURE Excess Liability policy, but far fewer have their underlying Watercraft coverage with PURE, which could lead to gaps in coverage.

### LIMITS OF MEMBERS WITH PERSONAL EXCESS LIABILITY COVERAGE





commonly reported type of fraud and email as the primary method of communication for scammers. Approximately half of the fraud claims reported to PURE fall into the category of imposter fraud and nearly 1 in 5 of all fraud claims among the membership have or are expected to exceed \$100,000 in damages. While we are delighted to see so many new members opting to purchase PURE Starling (68.5% of new members add this coverage), many of our more tenured members are exposed to this growing risk.

PURE Starling, our Fraud and Cyber coverage, is increasingly important, especially for members who regularly engage in large online transactions. Selecting the right limits, which can depend on factors like the amount of money you expect to wire and how often you perform these types of transactions, reduces the chances of paying out of pocket if you experience a loss. PURE Starling offers limits of \$100,000, \$250,000, \$500,000, \$1 million and \$2 million.

**PERSONAL EXCESS LIABILITY** High net worth individuals face a greater risk of lawsuits arising from claims of personal injury, bodily injury and property damage. We are delighted that the vast majority of members (84.5%) have Personal Excess Liability coverage. Selecting the limit that is right for your family and lifestyle is increasingly

➔

If you don't already have the important coverages mentioned in this section, contact your broker to request a quote.

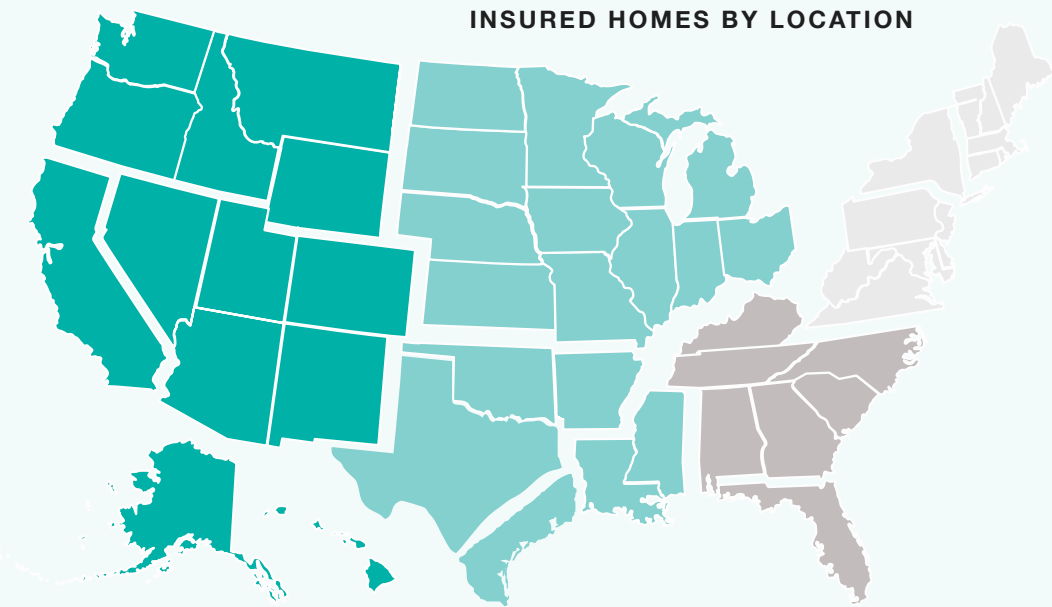
important to protect your financial future. More than half of those members who have elected to purchase this coverage opt for limits between \$5 and \$10 million.

**THE BENEFITS OF BUNDLING** While there are many reasons to bundle policies, an important one is to help reduce the likelihood of coverage gaps. Our Excess Liability coverage is intended to pick up at the dollar amount where our primary policy (Homeowners, Automobile or Watercraft) ends, reducing coverage gaps and out-of-pocket expenses.

**How it works:** In the event of serious injury resulting from an auto accident, medical bills quickly add up. Your PURE Automobile policy's UM/UIM coverage would likely provide reimbursement for the costs beyond what the at-fault driver's policy would cover (if they have coverage at all). For costs above that, PURE's Excess Liability coverage may apply.

### Geographic Diversification

Geographic diversification reduces the severity of any one catastrophic event in relation to the overall company. As the industry manages through the challenges, many carriers have reduced insurance offerings or stopped writing all together in certain markets, most notably Florida and California. Through disciplined underwriting and a commitment to diversifying the membership over the years, we remain open for business, even in those hard-to-insure geographies.



Numbers displayed may not add up to 100% due to rounding

California	7.6%
Southwest	7.5%
Northwest	5.3%
Midwest	10.1%
Gulf	7.9%
South Central	4.7%
New England	13.6%
New York	13.5%
Mid-Atlantic	9.0%
Southeast	13.8%
Florida	7.0%

### Deductibles

Your All Other Perils (AOP) deductible is the amount of money you will pay out-of-pocket (your share in the risk) following most covered homeowners claims, like fires, burst pipes or theft. Hurricanes, windstorms and hail often have separate deductibles, and if one of those deductibles apply, the AOP deductible does not.

Members are increasingly opting for higher AOP deductibles as an easy way to reduce their premiums.

## BENEFITS OF MEMBERSHIP

### Fifth Renewal Benefit

Members who have reached their fifth renewal no longer pay surplus contributions in addition to their premiums. In 2023, more than 11,000 members who joined PURE in 2018 passed this milestone, lowering their overall payments by nearly \$17 million.

### Subscriber Savings Accounts

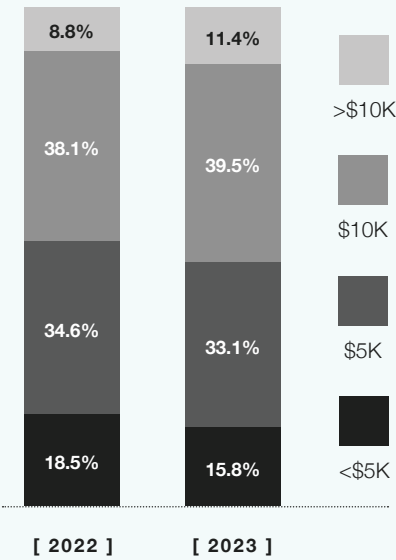
All insurance companies require capital (or policyholder surplus) to support the liabilities they assume from their policyholders, but capital management strategies vary depending on ownership model. As part of PURE's unique membership model, management may allocate a portion of its total capital to individual members through Subscriber Savings Accounts (SSAs). These accounts are beneficial to both PURE and its membership alike:

- The funds within SSAs remain on PURE's balance sheet, contributing to lower premiums, reducing the cost of capital and increasing financial strength.
- Should a member decide to leave PURE, the funds held in their SSA are theirs to take with them.

SSA allocations are considered in years when policyholder surplus grows organically. Surplus increases with premium payments, member surplus contributions and income PURE earns from its investments. Surplus decreases through claim payouts, the costs of reinsurance and other expenses. In 2023, the cost of claims and expenses exceeded what PURE collected in premiums, so PURE will not be making an SSA allocation or a distribution to PURE Gold status members (earned after 10 years of membership). This has no impact on members' current SSA balances, and these accounts remain intact.

To learn more about SSAs visit [pureins.co/SSA](https://pureins.co/SSA).

### DEDUCTIBLE SELECTION ACROSS THE MEMBERSHIP



[ IN TOTAL ] **62,909**  
members no longer pay surplus contributions

[ SINCE 2010 ] **\$118,000,000**  
has been allocated back to the membership through contributions to SSAs



# CLAIMS

As the membership grows, we are naturally going to see an increase in the number of claims. In 2023, we handled over 37,000 claims—a record number for PURE—helping more families than ever resolve damage to their property or defend their interests. We continue to see an increase in the overall severity of claims driven by inflation, extreme weather, supply chain disruption, increasingly expensive technology (Auto) and social inflation (Personal Excess Liability), to name a few of the contributing factors. Loss causes were largely similar to prior years with water damage and fire topping the list.

## Claims Insights

**WATER DAMAGE** Water damage continues to be the costliest and most frequent cause of loss for the membership with roughly 1 in 42 members suffering a water damage claim in 2023. While these claims do not typically pose the same safety threat as fire, they have the potential to be extremely disruptive to members’ lives. Those who experience a water damage claim can be displaced from their homes for months at a time while repairs take place. Learn how you can reduce the risk of water damage on pages 16-18.

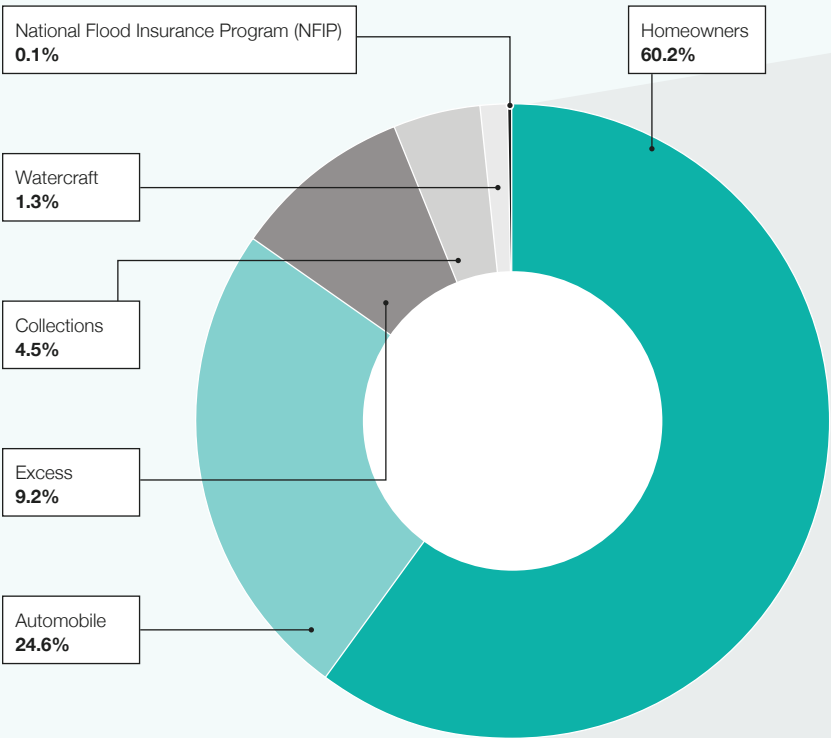
**FIRE** Of the 15 largest losses in 2023, 10 were home fires. While the frequency of home fires has not changed, severity has continued to increase for these dangerous and, in some heartbreaking cases, deadly claims. Home fires can also impact other lines of business including Collections and Automobile and, in a few instances, Personal Excess Liability. The top causes of home fire claims among the membership are electrical or appliance issues, lightning strikes and poorly installed or maintained fireplaces. Read about our pilot program to help prevent electrical fires on page 18.

**AUTOMOBILE** The rising cost of auto repairs continues to plague the industry. Since 2019, we have seen a 36% increase in repair costs. The average number of days to repair a vehicle has increased by 35% over the same period. While inflationary pressures, more expensive vehicle technology and supply chain disruption are all contributing to the issue, more frequent and severe accidents are also factors.

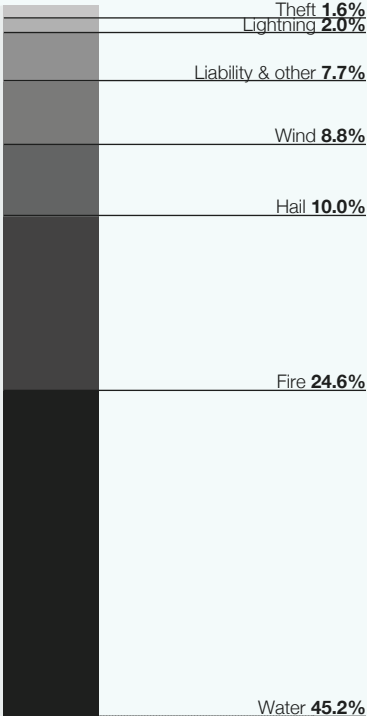
**EXCESS LIABILITY** Each year, members are involved in incidents that could expose their life savings, tangible assets and even future earnings. In 2023, there were 134 of these covered incidents, which represents an increase over prior years. While the events that spark a personal excess liability lawsuit happen infrequently, the jury verdicts associated with these incidents—which can range from tragic automobile accidents to seemingly ordinary mishaps—can, in extreme cases, be financially devastating. And those extreme cases are becoming slightly more common with social inflation, an increase in the occurrence of nuclear verdicts and litigation financing—where a third party, unrelated to a lawsuit, funds it in exchange for a share of the profit. Among PURE members, the top cause for personal excess claims is auto accidents, many involving young drivers. In the near future, PURE will offer a safe driving program to members with young drivers to help reduce these accidents.

**WATERCRAFT** Excluding catastrophe events, like hurricanes, collision with a fixed object is the most common watercraft claim among the membership. This could mean running aground or hitting an object like a coral reef, sunken tree, bridge, dock or floating debris. A boat involved in a “fender bender” can easily be rendered a total loss. More than 50% of boat collisions with fixed objects occur in the Northeast along its rocky coastline and 26% occur in the South, usually involving a sandbar or reef.

### REPORTED LOSSES



### HOMEOWNER REPORTED LOSSES BY LOSS CAUSE



Numbers displayed may not add up to 100% due to rounding

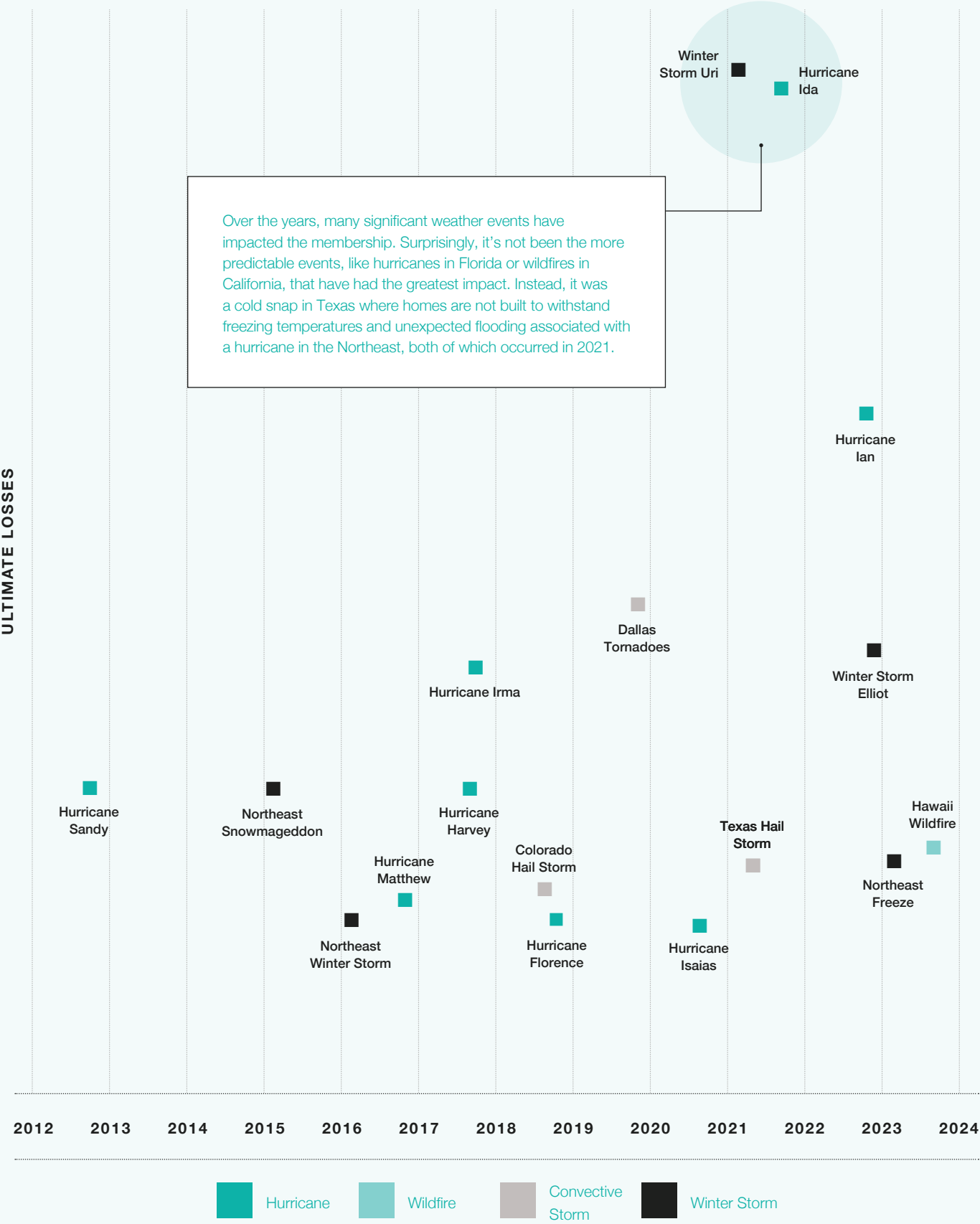


OF THE 15  
LARGEST  
LOSSES  
IN 2023,  
10 WERE  
HOME  
FIRES.

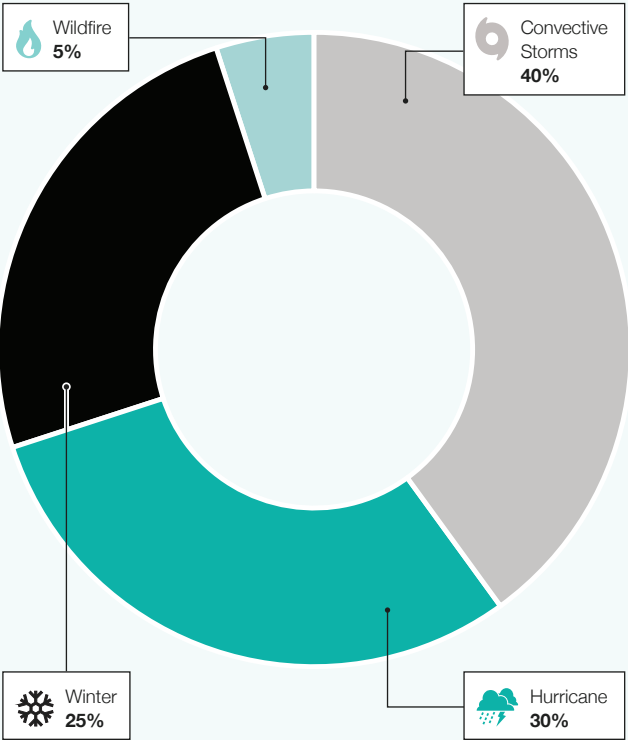
Read about our pilot program to help prevent electrical fires on page 18.



MAJOR CATASTROPHE EVENTS IN PURE’S RECENT HISTORY



TOTAL CATASTROPHE LOSSES BY EVENT TYPE (2015-2023)



LOSS PREVENTION BENEFIT

[ IN 2023 ] **\$1,000,000+**

PURE invested more than \$1 million alongside members.

SUBROGATION

**IN 2023, PURE RECOVERED MORE THAN \$45 MILLION FROM AT-FAULT PARTIES THROUGH SUBROGATION EFFORTS.**

Catastrophe Claims

Convective storms have proved to be the costliest natural disaster for the membership over the years. In 2023, PURE responded to 59 major convective storms. The resulting damage was more than \$107 million.

Several PURE members were also impacted by the devastating and deadly wildfire in Hawaii in August. Thankfully, these members were not injured and those on the island were evacuated safely. There was, however, significant damage to their homes—ranging from smoke and soot damage to total losses. While some claims remain open as repairs take place, PURE has paid more than \$27 million as of the publishing of this report.

Loss Prevention Benefit

If you experience a covered homeowners claim of \$10,000 or more, your policy includes a Loss Prevention Benefit under which PURE will contribute up to \$2,500 to help you invest in technology or services intended to reduce the likelihood of a similar loss happening again.

Subrogation

Whether it is a homeowners claim or an auto accident, when a third party is responsible for damages, PURE uses the legal process of subrogation to recover the money paid out and put some or all the financial responsibility on the at-fault party. Successful subrogation helps to improve the company’s overall operating results, reduce the cost of insurance premiums and reimburse members for their deductibles in some instances.

In 2023, PURE recovered more than \$45 million from at-fault parties through subrogation. In the event of a claim, here are some things you can do to help in our efforts:

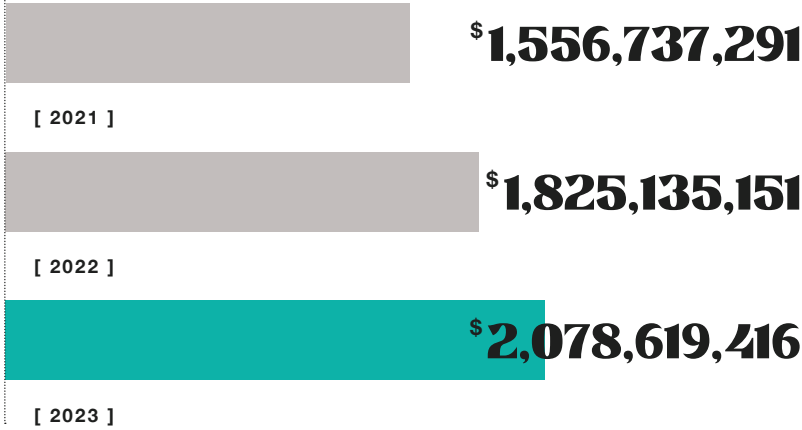
1. Promptly take photos or videos
2. Preserve damaged parts (for example, if you have a water damage claim from a leak, it is important to keep pipes or water supply lines)
3. Keep detailed records



# FINANCIAL STRENGTH

## Direct Written Premium

Direct written premiums increased by 14% in 2023.



## PURE’s Combined Ratio

An insurer’s combined ratio measures losses and expenses against premiums to help evaluate underwriting results. A combined ratio less than 100% typically means an insurer is collecting more in premiums than it is paying out from claims and expenses, which results in an underwriting profit prior to the cost of reinsurance.

PURE’s direct combined ratio for 2023 improved considerably compared to the prior two years, which were adversely impacted by inflationary trends and severe weather. This improvement is due in large part to our stricter underwriting guidelines, pricing enhancements to better match rate with risk and management’s efforts to reduce operating costs. While we are pleased to see improvement, more is needed to fully cover the cost of reinsurance protection.

### PURE’S DIRECT COMBINED RATIO



Excludes PURE NFIP premium and losses

### POLICYHOLDER SURPLUS



## Policyholder Surplus

Policyholder surplus represents funds that allow an insurer to meet all its obligations beyond premium, reserves and reinsurance.

Despite higher-than-expected underwriting losses, PURE’s overall surplus grew by 20.7% in 2023. This significant increase was largely due to the issuance of a \$95 million surplus note to Tokio Marine. This additional capital enhances PURE’s claims paying ability, reduces its reliance on reinsurance and supports continued growth.

# REINSURANCE

Since inception, PURE has been a consistent buyer of reinsurance, which plays an important role in reducing volatility and protecting the reciprocal against severe catastrophic events. Reinsurance contracts (known as treaties) also provide capital relief and have helped support PURE’s financial strength.

In recent years, there has been an increase in the frequency of catastrophic events and the cost of transferring catastrophe risk has increased dramatically. According to the National Oceanic and Atmospheric Administration, 2023 set a record for the highest number of \$1 billion events in the U.S. The nature of these events has also caused adverse reactions from reinsurers. Wildfires, floods and winter storms have proven to be poorly modeled, making them even more unpredictable. An inflationary environment paired with historical losses of reinsurance capital, higher interest rates and a higher cost of capital caused the reinsurance market to push for meaningful change in 2023.

KEY REINSURERS	AM BEST RATING	PRO-RATA	CATASTROPHE	ALL OTHER
American Ag	A	●	●	
Convex	A	●	●	●
General Reinsurance Corporation	A++	●	●	
Group Ark Insurance Ltd	A		●	
Hannover Re	A+	●	●	●
Helvetia	A+	●	●	●
Lloyd’s Syndicates	A+	●	●	●
Navigators Re	A+	●	●	
Renaissance Re	A+		●	
Tokio Marine	A++	●	●	●

PURE’s longstanding relationships with reinsurers and niche portfolio of members have allowed for slightly more favorable treatment with respect to available capacity and terms and conditions. However, PURE was not immune to the industry-wide rise in reinsurance costs, which increased by over 40% in 2023. PURE will continue to maintain a reasonably conservative reinsurance program to offset potential volatile underwriting results and is expecting more stable reinsurance market conditions in the upcoming program renewals.

Reinsurance treaties provide several types of protection, including:

### PRO-RATA

These are proportional treaties by which the reinsurer agrees to share in an equal percentage of premiums and losses over a defined period. PURE places these treaties for specific lines of business and has a structure combining Homeowners, Personal Excess Liability, Collections and Watercraft into one multiple-line program. This treaty structure is designed to provide a more stable long-term result for our valued reinsurance partners by reducing the volatility of individual lines and providing PURE with more sustainable capital support.

### PER-RISK EXCESS OF LOSS

PURE purchases reinsurance to limit the potential impact of any one large loss on our highest valued homes and collections. Under these treaties, reinsurers not only respond if there is a loss under a covered policy that is in excess of a predetermined amount but also



MIKE  
PAGANO,  
Head of  
Reinsurance

Mike is responsible for overseeing the strategic and operational aspects of reinsurance within PURE.

“Reinsurance plays a powerful role in the industry’s capacity to effectively manage and absorb risk. Our goal is to make sure PURE is well-protected and resilient in the face of unforeseen events, like major hurricanes or wildfires.”



provide important volatility protection against high-severity loss perils (typically, large fires).

CATASTROPHE EXCESS OF LOSS

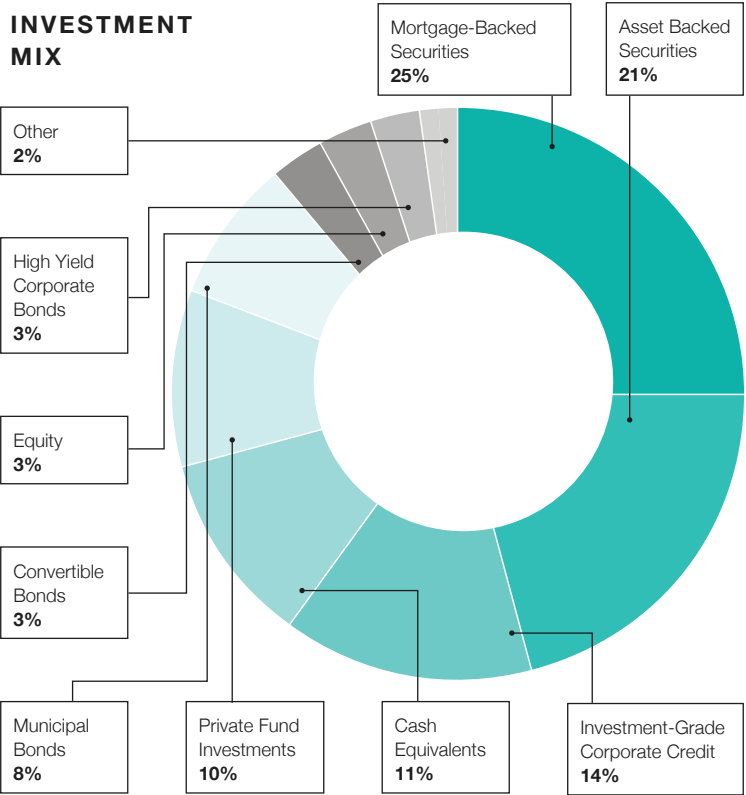
PURE purchases significant reinsurance to protect against losses to multiple policies in one event caused by a hurricane, wildfire, earthquake or other natural catastrophe that tend to cause widespread damage. We spend a lot of time and analytical effort to evaluate our potential exposure to a variety

of natural catastrophes across our geographic footprint. Based on that information, we purchase catastrophe reinsurance to protect PURE against massive catastrophic events (including those losses that have up to a 1-in-250-year modeled probability of occurring) with appropriate “reinstatement” provisions that will provide coverage even if such an unthinkable event were to happen multiple times in the same year.

INVESTMENTS

Despite concerns around the possibility of a recession, 2023 was a positive year for financial markets. Inflation in the U.S. halved while economic growth remained stable; the Fed signaled future rate cuts; and stocks and bonds soared at year end with the S&P 500 reaching near all-time highs—a stark reversal of performance experienced by investors the year prior.

PURE’s investment assets increased by nearly \$193.5 million last year through surplus note issuance, operating cash flows, net investment income and capital appreciation. PURE’s portfolio continues to consist primarily of short-duration, high-credit-quality, fixed income assets. The short duration positioning of PURE’s portfolio enabled management to reinvest cash in a rising rate environment and increase the portfolio’s book yield from 4.0% at the start of the year to 4.8% at year end, driving significant investment income for the reciprocal. As we enter a new year, we remain focused on protecting and growing PURE’s investment assets to support the ongoing insurance operations of the reciprocal.



TOTAL  
CASH AND  
INVESTED  
ASSETS

[ 2021 ]

\$760.0M

[ 2022 ]

\$1,184.0M

[ 2023 ]

\$1,377.4M



ERIN DRISCOLL, *Investment Manager*

Erin manages the company’s investment portfolio and is responsible for the analysis of new investment opportunities.

“We are working to build a robust and diverse portfolio, with the goal of ensuring PURE’s long-term financial stability.”

BALANCE SHEET

Dollars in thousands

PURE	2023	2022	CHANGE	VARIANCE
Total Cash & Invested Assets	\$1,377,370	\$1,183,931	\$193,439	16%
Net Accounts Receivable	\$678,633	\$572,318	\$106,315	19%
Other Assets	\$9,762	\$22,249	(\$12,487)	(56%)
TOTAL ASSETS	\$2,065,765	\$1,778,498	\$287,267	16%
Unpaid Losses & LAE	\$522,548	\$392,656	\$129,892	33%
Accounts Payable & Accrued Expenses	\$70,624	\$107,797	(\$37,173)	(34%)
Unearned Premiums	\$430,421	\$455,299	(\$24,878)	(5%)
Reinsurance Payables	\$203,078	\$234,554	(\$31,476)	(13%)
Other Liabilities	\$178,109	\$40,617	\$137,492	339%
TOTAL LIABILITIES	\$1,404,780	\$1,230,923	\$173,857	14%
Surplus Notes	\$682,000	\$587,000	\$95,000	16%
Member Surplus Contributions	\$460,314	\$386,499	\$73,815	19%
Subscriber Savings Accounts	\$89,885	\$94,268	(\$4,383)	(5%)
Unassigned Surplus & Other	(\$571,214)	(\$520,192)	(\$51,022)	10%
SURPLUS AS REGARDS TO POLICYHOLDERS	\$660,985	\$547,575	\$113,410	21%



# LEADERSHIP



MARTIN LEITCH  
Chief Executive Officer



DAVE LOGAN  
President



JEFF PARASCHAC  
Co-Founder & Chief  
Financial Officer



KATHERINE  
RICHARDSON  
Chief Human  
Resources Officer



MARK GALANTE  
Chief Growth Officer



LINDSAY HOLDEN  
Head of Distribution & Sales



KATIE KRUM  
Chief Marketing Officer



DEA MALOLLARI  
Chief Risk Officer &  
Chief Actuary



JASON METZGER  
Head of Risk Management



NATALI MOHANTY  
Head of Data & Analytics



DANA PROSCIA  
Head of Finance  
& Accounting



KIRK RASLOWSKY  
General Counsel



DREW SAAD  
Chief Underwriting Officer



MATT SCHREIBEIS  
Head of Business  
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KRISTEN VICINO  
Head of Service



DEREK ZAHN  
Chief Claims Officer

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CEO, J. Lash & Company

#### Richard A. Jacobs (Audit Committee Chair)

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CEO, James H. McLaughlin & Co., LLC

#### Anne Marie Stonich

Chief Wealth Strategist, Coldstream Wealth Management

#### Dave Logan

President, Privilege Underwriters, Inc.

### Attorney-In-Fact

PURE Risk Management, LLC (a wholly owned subsidiary of Privilege Underwriters, Inc.)

### Auditor

PwC | New York, NY

## Privilege Underwriters, Inc.

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Chairman of International Business, Tokio Marine, Holdings, Inc.

#### Kichihiro Yamamoto

Senior Managing Director, Co-Head of International Business, Tokio Marine, Holdings, Inc.

#### Masahiro Koike

Managing Executive Officer, Tokio Marine, Holdings, Inc.

#### Susan Rivera

Chief Executive Officer, Tokio Marine HCC

#### Michael J. Schell

President, Tokio Marine HCC

#### Martin Leitch

Chief Executive Officer, Privilege Underwriters, Inc.

#### Dave Logan

President, Privilege Underwriters, Inc.

#### Jeff Paraschac

Chief Financial Officer, Privilege Underwriters, Inc.





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