



Your business.
Our experience.



Who we are and how we can help you manage your insurance program

Your business. Your employees. Your peace of mind. At Sentry, we understand what matters most to you. Because we've been there ourselves. We got our start in 1904, when members of the Wisconsin Retail Hardware Association formed their own insurance company. Establishing the company gave members the strength of numbers, but it was the true strength of personalized care and Midwestern roots that became hallmarks of the Sentry name.

Today, we've grown to become part of one of the largest and most financially secure mutual insurance groups in the nation by never forgetting where we came from. We've built strong, longstanding relationships with our clients over the years, and we can be there for you as well.

OUR HISTORY

We have the experience and the financial strength to remain a long-term solution for you:

Years of providing workers' compensation insurance and claim services

100+

Years of working with large, loss-sensitive programs

50+

Assets*

\$23.9 billion

Policyholder surplus*

\$7.5 billion+



A+ (superior) rating from AM Best, the industry's leading rating authority, for 31 consecutive years**

Fortune

1000
company

*Assets and policyholder surplus as of December 31, 2021, and represent the aggregate total for all members of the Sentry Insurance Group and are not reflective of any individual underwriting company.

**A+ (superior) AM Best Financial Strength Rating (FSR) current as of June 2022. For details about AM Best's rating scale, see ambest.com/ratings/guide.pdf.

OUR COVERAGE

We offer underwriting programs for:

- Loss-sensitive workers' compensation
 - Large deductible
 - Self-insured retention
 - Retrospective
 - Pre-funded LDF
 - Monthly incurred
 - Monthly paid
- General liability and product liability
 - Deductible
 - Self-insured retention
 - Guaranteed cost
- Auto liability and physical damage
 - Guaranteed cost
 - Large deductible



CLASSES OF BUSINESS

	% of accounts
Manufacturing	42%
Health services	17%
Wholesale	10%
Finance/insurance	7%
Retail	6%
All other	18%

OUR RESULTS

We specialize in high-touch service and long-term relationships. The results?

Current loss-sensitive clients

500+

Premium equivalent

\$1 billion+

Exceptional retention, including more than:

91%

average annual client retention
rate over the last 15 years

70%

current clients have been
with Sentry five or more years

40%

current clients have been
with Sentry 10 or more years

What makes Sentry unique?

While we offer the services and programs commonly found in the industry, our key differentiators include:

OUR BUSINESS MODEL

Differentiator	Impact
Mutual company	We focus on what's best for our policyholders, not stockholders
Flat organization structure	Minimal levels of management allow us to make decisions and act quickly
Regional claim offices	Strategically located offices provide: <ul style="list-style-type: none">• Consistency in service• Operational efficiencies• Jurisdictional expertise
Proactive staffing	<ul style="list-style-type: none">• Our staffing model anticipates growth and training time to help ensure we don't outgrow our service capacity• Our average workload is 125 claims per claim representative, ensuring they have the time necessary to manage and mitigate claims
Stability	Offices strategically located outside of insurance hubs provide: <ul style="list-style-type: none">• Low employee turnover (less than 8% annually)• High tenure:<ul style="list-style-type: none">– Claim reps: average of 7+ years at Sentry, 9+ in industry– Managers: average of 17+ years at Sentry, 18+ in industry
Loss-sensitive expertise	90% of our entire workers' compensation claim volume is generated by our large, loss-sensitive accounts
Bundled claim service	<ul style="list-style-type: none">• Offers simpler renewals with only one party to work with• Focuses on mitigating claim costs since we have the financial exposure for losses above the deductible/loss limit• Streamlined communication since the carrier and claim administrator are the same company

1 party to work with, for ease of doing business with our bundled claims services



OUR RISK MANAGEMENT INFORMATION SYSTEMS (RMIS)*

Feature	Details
Fees	None for current clients or their brokers
Number of users	Unlimited for both clients and brokers
Functionality	All users have full functionality, but access restrictions are available
Claim data	Claim-specific details available include adjuster notes, financials, and documents
Reports	Customize and generate reports on-demand or schedule them to generate automatically
Charts	View dozens of standard charts, including export and drill-down capabilities
Alerts	Users can set alerts to notify them of the claim activity they want to monitor

*Pre-registration may be required.

OUR APPROACH TO PROGRAM AND CLAIMS FEES

We include many services other carriers and third-party administrators charge for separately. Examples include:

Program or service	Sentry	Competitors
Account administration	\$0	Varies
Subrogation	\$0	May retain part of the recovery dollars as fees for work conducted by internal claim staff
Medicare reporting	\$0	Varies
Claim reporting	\$0	Varies
Risk management information system	\$0	Varies but typically per-user fee, flat fee for limited number of users, or tiered functionality and fee per user

\$0 fee for many of our services other carriers and TPAs charge for

\$0 fee for our risk management information systems

OUR APPROACH TO ALLOCATED LOSS ADJUSTMENT EXPENSES AND EXPERT RESOURCES*

Medical bill repricing (Mitchell, Coventry, and Optum Clinical Coding Logic)

We don't mark up our vendor fees, keeping them among the lowest in the industry.

Metric	Results
Total savings	60% excluding duplicate savings (YE 2021)
PPO penetration	81% based on bill count (YE 2021)
Fees	<ul style="list-style-type: none">• \$1.30 per bill for repricing (fee schedule, usual and customary)• 18% of savings for PPO/non-network savings
ROI	41:1 (\$41 of savings for every \$1 in fees)

This example shows the impact of our low fee structure in comparison to two competing methods.

Medical bill repricing comparison	Fee	Bills	Billed amounts	Savings (ex: 50%)	Net paid	Total fees
Sentry	\$1.30 per bill	500	\$400,000	\$200,000	\$200,000	\$650
Competitor A	25% of savings	500	\$400,000	\$200,000	\$200,000	\$50,000
Competitor B	\$8 per bill	500	\$400,000	\$200,000	\$200,000	\$4,000

Medical savings fees

We can also quote cost containment fees to match competitors, with corresponding credits to program fixed costs based on expected additional revenue generated from those higher fees.

Most insurance companies and TPAs have robust medical bill repricing programs. A differentiator is how they charge for those programs. Our standard program fees are a direct pass-through from our vendors, without any mark-up*. At \$1.30/bill and 18% of PPO/Non-network savings, our fees compare very favorably against others who often charge fees as a large percentage of all savings, like 25%.

*Vendor charges subject to change.



The chart below shows the net-cost impact our fee structure can have compared to a program charging 25% of savings. The exhibit uses a scenario of \$1,000,000 in original bills, 34% savings due to fee schedule and software audits, and 16% savings based on PPO contracts, directly negotiated savings with non-network providers, and audits conducted by bill coding specialists.

Your cost containment results	Sentry	Competitor
Original number of bills	1,032	1,032
Original billed amounts	\$1,000,000	\$1,000,000
Average percent of savings from bill review (fee schedule)	34%	34%
Estimated dollar savings from bill review (fee schedule)	\$340,000	\$340,000
Fee for bill review (fee schedule)	\$1.30 per bill	25% of savings
Average percent of savings from all other savings <small>*PPO, Out of Network Negotiations, Implant Review, and Nurse/Complex Review</small>	16%	16%
Estimated dollar savings from all other savings	\$160,000	\$160,000
Fee for all other savings	18% of savings	25% of savings
Amount due after all savings	\$500,000	\$500,000
Total fees charged by carrier	\$30,142	\$125,000
Additional net savings with Sentry	\$94,858	

Pharmacy program (Optum)

We use robust formularies to monitor appropriate prescription usage combined with direct interaction between physicians and claim reps or vendor pharmacists when questions or issues arise*. As a result, we can provide:

- Fees of **\$1 per script**, not a percentage of savings
- Savings of more than **36 percent below retail**

Pharmacy program example	Fee	Scripts	Billed amounts	Savings (ex: 36%)	Net paid	Total fees
Sentry	\$1 per script	200	\$50,000	\$18,000	\$32,000	\$200
Other	25% of savings	200	\$50,000	\$18,000	\$32,000	\$4,500

Case-management nurses and attorneys

We use these resources strategically, using contracted vendors rather than staffing internally. This approach allows us to:

- Avoid staff overhead expense and the need to assign work to support staffing levels
- Use resources for medical or legal tasks but hold the claim representative responsible for overall claim management

*Vendor charges subject to change.



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