



WESTFIELD
INSURANCE®

**The Difference
Is Our People**

WESTFIELD INSURANCE

TABLE OF CONTENTS

MISSION



Why Westfield exists

To enable our customers' peace of mind and financial stability.

CORE VALUES



Guiding principles by which Westfield navigates

KNOWLEDGE

Dedicate ourselves to pursuing knowledge and sharing what we know

TRUST

Deliver on promises

INTEGRITY

Act with consistent character and stand accountable as honest, fair and ethical

RESPECT

Nurture relationships with mutual respect and shared values

STEWARDSHIP

Protect the assets entrusted to us and enhance them for future generations

VISION



Desired future state Westfield aspires to achieve in the next 5 to 10 years

Westfield will be admired as a leading personal and commercial lines property-casualty insurance company enabled by an exceptional team known for expertise and caring. We will be distinguished by excellence in commercial insurance, and customers will choose us for our insight about risk and the value we deliver.

GOALS



Long-term targets to fulfill the Mission and achieve the Vision

- Develop a diverse team of talented and engaged people.
- Achieve targeted underwriting results to ensure a strong capital position, enabling us to meet commitments to customers and support growth.
- Grow the number of customers we serve to sustain a thriving organization.
- Deliver market leading risk insight in commercial insurance.

Westfield's Legacy

I'm proud to say I've been a part of the Westfield family for 30 years. And while my role has certainly evolved, the same values and beliefs that built this company back in 1848 are still fundamental to our success: Knowledge. Trust. Integrity. Respect. Stewardship. We live by these words every day because they're who we are. And rest assured, they'll continue to be our strength as we handle the challenges of our ever-evolving industry and market.

Technology is good. Technology with great people is even better.

The impact of technology and data on all of our lives will continue to evolve and influence business. And while we're continuing to develop new programs and systems, we're also passionate about maintaining our key point of differentiation: Deep connections between people. Our people are the driving force of our business and that will never change. Ever. Of course we're committed to being on the cutting edge of the latest and most sophisticated ways of doing business. But we don't believe technology builds relationships. Our people do.

In an ever-evolving world, agents still rule the day.

A recent report confirms what we've known intuitively: After nearly twenty years of online and mobile insurance experiences, American consumers and businesses still trust and turn to agents more than any other channel for their insurance needs. This

is great news for Westfield because we feel we have the best independent agency relationships in the industry. Westfield agents are smart, they're committed, and they share our values. We partner with over 900 base agencies and we're appointing more. And when we make investments in our capabilities, we make sure our agents benefit as well. We know how important our agents are to our business, and we will continue to do everything possible to help them succeed.

Customer expectations are changing. So is our competition.

There's a clear shift in customer expectations. We realize customers want personal, one-on-one experiences with options to connect that are fast, efficient and transparent. We are committed to keeping up with those expectations.

We also know our competition is becoming more intense. There are and will continue to be more players who are more sophisticated, focusing on the most attractive parts of the business in a slow-growth economy.

We simply can't afford to overlook any of the issues. In fact, we have a vision, goals and objectives that will guide us successfully into the future:

"Westfield will be admired as a leading personal and commercial lines property-casualty company enabled by an exceptional team known for expertise and caring. We will be distinguished by excellence in commercial insurance, and customers will choose us for our insight about risk and the value we deliver."

We feel we have an aggressive plan to grow and differentiate ourselves in the marketplace. And, as I mentioned earlier, interactions between people are more important than ever. I'm passionate that the personal connection must remain at the core of how we stand above the rest. The simplicity of the phrase "expertise and caring" in our new vision statement helps us focus our efforts. If all our energies focus on sharing these two aspects, we will achieve this vision.

Moving forward as a team.

The Westfield team is in strong alignment about our mission, vision and values. And we know success is not a destination; it's a journey we are on together – with our employees, agents and customers. It won't always be easy, but together we are ready.

We look to the future with enthusiasm and eagerness to achieve our vision to be admired by our peers and customers for our expertise and caring. And for a company that devotes every day to its customers, agents and employees, there is no greater reward.



Ed Largent

Westfield Insurance President, CEO & Board Chair





Since 1848, a lot has changed. And a lot hasn't.

Before there were cars, electricity and television, Westfield was providing insurance protection and serving customers, achieving a level of trust and respect that remains the hallmark of how we conduct our business today.

Westfield has always been a relationship company, sharing what our employees and agents know to help customers protect the things they care about most. Our business relies on the strength of our relationships as much today as it did in 1848, when a small group of community leaders formed an insurance company to protect the property of local farmers. Our success is achieved because we believe in the ability of real people, who possess specialized knowledge, to create real value for our customers.



Westfield Insurance is headquartered in Westfield Center, Ohio, and has been in business for nearly 170 years. We provide commercial insurance in 21 states, personal insurance in 10 states and surety services to customers in 50 states. Westfield is one of the nation's 50 largest property and casualty insurance groups, represented by a network of more than 900 independent insurance agencies. Westfield Insurance was named as a Top

Workplace in northeast Ohio in 2014 and as a Top Workplace in central Ohio in 2015. Westfield Bank is a wholly owned subsidiary of Westfield Insurance, and provides banking solutions for businesses and individuals, and Westfield Services provides service and training support for independent insurance agencies.

Our Insurance Family

- Ohio Farmers Insurance Company
- Westfield Insurance Company
- Westfield National Insurance Company
- American Select Insurance Company
- Old Guard Insurance Company





Strength in numbers

Some people find numbers intimidating, but for Joe Kohmann, Westfield Insurance's Group Finance Leader and Treasurer, they provide satisfaction and a sense of security.

"Today, we are in the strongest financial position we've ever been in as a company," he says. "And that's true both in terms of underwriting and investment results."

Over the last five years, Westfield has seen especially strong numbers in surplus growth, premium growth and combined ratio trend — a number that represents underwriting results. "But that's nothing new, as Westfield has had a combined ratio under 100 percent for 13 of the last 14 years," Kohmann says.

Joe Kohmann
Group Finance Leader, Treasurer

OUR PERFORMANCE

“Our performance has been validated by the rating agency A.M. Best, which has given us an ‘A’ rating or better for nearly 80 straight years now,” he says.

That long-term financial stability has allowed the Company to take on one ambitious multiyear enterprise initiative after another over the last few years. First came a more than \$100 million investment in the claims process — what Kohmann calls “a five-year transformation in people, processes and technology.”

Now, Westfield Insurance is in the early stages of an even larger and more ambitious investment, this time a transformation of its commercial lines capabilities.

“It’s going to be driven by technology and analytics, and it will make us more nimble, further increasing the quality of our underwriting, supporting growth and maximizing efficiency,” he says. “It will assure agents and customers alike that we will be here when they need us because we are investing in our business for today and for the future.”

And Joe Kohmann has the numbers to prove it.





A culture of caring

You won't find traditional managers of people at Westfield Insurance. Instead, you'll find leaders. "Managers manage processes, projects and spreadsheets, and that's important. But at Westfield, we want leaders leading people."

As Group Human Resources Leader at Westfield Insurance, Chris Paterakis is guiding the Human Resources team in these rapidly changing times. In years past, new employees set out to climb a one-path career ladder with the journey and destination mapped out. But that has changed. Seismic shifts in technology, workforce composition and employee engagement are redefining career progressions. "We talk about skills, abilities and competencies because we might be looking at filling a role in five years that doesn't even exist today," says Paterakis.

Westfield is striking a balance between nurturing and promoting talent from within and seeking out new employees to enrich the existing talent pool and increase diversity. "We're making a deliberate effort to hire employees with different backgrounds," he says. "We're looking for people of diverse cultures and life experiences — including former military and those with disabilities — because good ideas come from all people and places."

Chris Paterakis
Group Human Resources Leader

OUR PEOPLE

Paterakis cites studies showing that a diverse team working together collaboratively outperforms individuals in a more traditional structure. "Getting these diverse viewpoints isn't just the right thing to do. There's solid business value to it as we set about developing our next generation of leaders to better reflect the communities we serve."

The very definition of leadership is changing, too. "The old style was built around a command-and-control structure, but multiple generations in the workplace don't relate to that kind of top-down management," says Paterakis. "Employees want to be challenged,

but not micro managed. We turn them loose and expect results, but focus less on telling them exactly how to achieve those results." Westfield offers careers not just jobs. He says this new approach is helping make Westfield more agile, responsive, creative and dynamic, while ensuring its people thrive over the long term.

"We don't want just your best three years, followed by burnout," he says. "We want to get your best 30 years; Westfield truly wins with people."



Corporate Awards



MIDDLE MARKET AND SPECIALTY LINES

How a change of footwear stepped up a customer relationship

Sometimes a discussion about shoes can take a customer relationship to the next level.

That's what Martha Oakes, National Leader of Middle Market and Specialty Lines for Westfield Insurance, realized about delivering winning results for a beverage distributor.

"They were having significant workers' comp losses from slips and falls," she says. "Our risk control team recommended a switch to nonskid-soled steel-toed boots as integral to a comprehensive Health and Safety Initiative that included a recommendation to hire a full-time dedicated Risk Safety Manager. When they did, we were able to lower their premiums and developed such a deep relationship that the customer later gave us a major referral."



It wasn't just about the footwear. It came down to the Westfield team really listening, relating and finding ways to add value to Westfield's agents and the customers they serve.

Oakes leads a force of 95 field managers and underwriters in 21 states who partner with a team of claims reps and risk control specialists to serve a customer base of contractors, manufacturers, distributors and other industries. And the support that her team gives Middle Market agents in soliciting business, managing risk and transparently setting rates often helps seal the deal.



“About 80 percent of the time when our team accompanies the agent to a presentation, we get the business,” she says.

By nurturing close business relationships, Oakes and her team seek to learn as much knowledge as they offer. Using that information, the team has developed customer-appealing features such as custom billing on commercial policies exceeding \$75,000.

“We might bill by location or on a seasonal rate, whatever makes the most sense for the customer,” she says. “We’ve learned how important that can be to certain types of accounts.”

The best relationships, after all, can begin with something as small as shoes — or something as important as a rate reduction on premiums. But it really starts with listening and caring.



Martha Oakes
National Middle Market Leader

SMALL BUSINESS ACCOUNTS



Cindi Streblo
Small Business Accounts Division Leader

Winning in Small Business Accounts

“I need a price.”

That’s a common conversation starter from independent agents dealing with Westfield Insurance, according to Rob Testa, a Division Leader for Small Business Accounts (SBA). Small businesses always look for a good price, so Westfield carefully evaluates each customer’s risk exposure to extend the best price available.

Westfield provides competitive pricing, says Testa, and a whole lot more.

“The agents appreciate the support we can give them for their small and larger accounts,” he says, referring to Westfield’s team of underwriters and risk control resources on call to help close deals at a moment’s notice. SBA supports agents in winning and servicing accounts that are generally \$25,000 or less in annual premiums.

“Business is good because the economy is improving,” says Cindi Streblo, SBA Division Leader. “We’re seeing both new accounts and additional business from existing customers who are adding employees, expanding locations, buying equipment and otherwise growing their premium base.”

In the Digital Age, the biggest challenge the insurance industry faces is that agents don't always meet face-to-face with prospective customers. Often, the relationship is established online, and the business is booked there as well.

This update in the way of doing business has great benefits — often streamlining the process, making it much faster and more efficient. And in the face of this change, SBA still makes it a priority to use a team approach. “Even though our agents don't always have an opportunity to personally meet the ownership team, stroll through the premises and see the operation, we are still able to appropriately understand the risk profile,” he says. “Operating in a digital era does not take away from our ability to do the same thorough job we would do with an in-person visit.”

Streblo shares, “We will continue our focus on automated interactions while still offering the type of individualized support our customers and agents have come to appreciate.”

Whether in-person or digitally, the SBA team — the agent, underwriters, risk control and billing — finds a way to win.



Rob Testa
Small Business Accounts Division Leader

AGRIBUSINESS

Speaking the language of the heartland

In the 1840s, New York City insurers knew little about the business needs of Ohio farmers and grain merchants. To address that professional and cultural disconnect, a group of community leaders got together in 1848 and started their own insurance company, Ohio Farmers Insurance Company, to better meet their risk protection needs against fire and wind.



While the Company's name has changed, its reputation for meeting the needs of the region's farmers, food processors and agricultural concerns has not. Westfield has continued to evolve, and today, it maintains a portfolio of property, general liability, commercial, auto, workers' compensation and other products in 21 states, serving the very specific insurance needs of agribusiness customers.



Meeting those needs goes beyond writing policies. Westfield's Agribusiness employees have personal and professional relationships across the industry, allowing them to meet agent and customer needs in a very hands-on way.



"Our passion for farming and commercial agribusiness is real," says Dave Ruppel, Agribusiness Region Leader. "Most of our team and the agents we work with either grew up on a farm or are connected to the industry themselves in some capacity. Our agents live in the communities they serve, and they know the customer because, in some respects, many of them *are* the customer."

Food safety, biosecurity and the ever-expanding size of the American farm and commercial agribusiness have impacted the industry in significant ways, and the Westfield team is diligent about staying on top of the latest data, industry trends and technological developments to anticipate and meet future customer needs. Agents, claims reps and underwriters regularly tour farms and food production facilities to experience industry changes for themselves and gain an understanding of how those changes impact the agents and customers Westfield serves.

“Knowledge is power,” says Ruppel. “That’s why we spend a lot of time literally in the field, seeing for ourselves what’s driving the industry. For many of us, farming is our heritage, and it’s also our future.”

Dave Ruppel
Agribusiness Region Leader





On the high road to surety success

Westfield Insurance wants your business, not just now, but also for the long term.

“We want to establish a relationship with our customers that lasts through generations,” says Dennis Baus, National Surety Leader at Westfield Insurance, describing his commitment to customers and the exclusive network of independent agents who develop the relationships and market the products.

“We have a talent pool of over 100 Surety dedicated employees who deliver deep risk insight through a team approach, all the while remaining mindful of our core values: Knowledge, Trust, Integrity, Respect and Stewardship.”

“We are a strong, responsive regional company with national capabilities — licensed in 50 states with agencies in 42 of those states,” says Baus. “We have been in the surety business since 1956, and leverage our experience and expertise to build professional partnerships poised for success.”

The bulk of the surety business at Westfield is in contract surety, but that’s evolving.

“We are excited to be refreshing our commercial surety platform and services,” says Baus.

Dennis Baus
National Surety Leader

SURETY



Surety offers unique challenges and opportunities, and Westfield Insurance has created a distinct business line to address and add value to our agents' product offerings. Baus' team selects partners from the Company's network of independent agents and regional bond professionals who understand the nuances of the Surety line.

"We also add tremendous value through our in-house Surety claims counsel; they clearly understand the environment and have the expertise to address client concerns, and work with the obligees, principals and surety agents to protect, help and encourage project success."



As a result of the depth of industry experience and desire to enhance their value, the Surety team has recently launched WesExpress®, the Company's personal credit-based program for small and emerging contractors who require bonds of less than \$350,000. Westfield also has introduced WesCom Surety®, a proprietary online commercial

surety submission and underwriting program for heightened responsiveness for our agents who desire a reliable and trusted carrier solution to their commercial surety transactional business.

The result of this attention to agent and customer needs is an ongoing, proven success.

"We see a favorable future, with positive momentum generated from our growth and profitable results. We have a proud history in providing favorable returns as our contribution to Westfield Insurance's success," Baus says.

He credits this to his team's deep background in surety and their commitment to excellence.

"We strive to take the high road," he says. "We always want to do the right thing, in treating customers and agents with the utmost respect and in branding Westfield as a professional and caring partner. This is simply who we are."





Satisfied customers, gratified agents

To successfully engage independent agents, an insurance carrier has to make a positive impression on their customers.

As straightforward as that sounds, it's a key distinguishing characteristic between Westfield and many of its competitors. Personal Lines insurance is a very competitive business, and Westfield's team works diligently to offer a stable of quality products and unsurpassed service to both our agents and our policyholders.

"We have a solid 87 percent policy retention overall, and that figure goes up to nearly 90 percent when we write both the home and auto for a customer in Wespak or Wespak Estate," says Terry McClaskey, National Personal Lines, Underwriting and Sales Leader.

The Westfield Insurance commitment to quality and excellence is demonstrated by the stability of our pricing and the valuable coverages included in our package products.

"Eighty-six percent of the total premiums we're generating today in Personal Lines are supported with auto, home, and — in many cases — umbrellas, rental properties and recreational vehicles for those same customers," says McClaskey. "Writing

Terry McClaskey

National Personal Lines, Underwriting and Sales Leader

PERSONAL LINES

all lines of business for a customer dramatically increases retention for both Westfield and for our agency partners. Agents value the package product and appreciate the strong retention and ability to address a customer's needs in one policy. This makes it easier for us to build a healthy and stable book of business together."

The company also focuses on keeping the sales process as simple as possible with:

- Agency automation that is among the best in the industry
- Underwriters dedicated to developing mutually beneficial relationships
- Convenient billing options that offer choice to the customer

"We'll write one policy for the home and the auto, and provide customers with a single bill for all policies with Westfield for ultimate organization and ease," says McClaskey.

While striving to offer the best product and service to our agents and customers, Westfield Personal Lines also remains mindful of the bottom line.

"Agents truly value our strength and financial stability," says McClaskey. "We are proud that 2015 was our fourth straight year of generating an underwriting profit and our fifth straight year of growth."

This success is a direct result of the Company investing in analytics and sophisticated rating models which enable the stable and adequate pricing of our products, thereby avoiding movement in rate or coverage that would adversely impact the policyholder.

"We invest in our products, technologies, our people and the communities in which we live and do business," McClaskey says.

It really is that simple. The financial stability, relationships and value that accompany the Westfield brand balanced with a solid product offering, competitive price and best-in-class service to our agents and customers is our recipe for success.





The decade ahead, from data to drones

Rob Bowers is excited about the future.

“I think the next five to 10 years are going to be amazing,” says Bowers, Westfield Insurance National Claims Leader.

That enthusiasm is sparked by new processes and technologies that will positively impact Westfield’s claims management process. Things just aren’t the same anymore — and that’s a good thing. Here’s a closer look at what the future will bring.

Predictive modeling

Predictive modeling uses data to create a statistical model of future behavior and can be used to predict the outcome of a loss.

“With that information, we can predict which losses could potentially go south,” says Bowers. “Then we put the right adjusters and services on the claim from the beginning.”

Take, for example, Westfield’s response to a workers’ comp claim for a foot injury.

Rob Bowers
National Claims Leader

CLAIMS MANAGEMENT

“We determined that the claimant was diabetic, along with other comorbidities in our model, so we were able to use data and deliver wound management that avoided complications, an amputation or death,” Bowers says.

Westfield is also using data to pilot auto fraud and workers’ comp modeling programs, allowing it to better direct resources and pay what we owe.

Telematics

Telematics deals with the long-distance transmission of computerized information and involves the use of data collection devices to control or mitigate losses.

One example is a sensor in a sump pump that automatically contacts the insurer or a service provider if water reaches a certain threshold.

Drones

Drones are increasingly commonplace, and Westfield is beginning to explore the opportunities this presents for the insurance industry. New Federal Aviation Administration (FAA) guidelines were recently released, and insurers will be able to use commercial drones to assess damages in hard-to-reach places such as roofs, homes after an earthquake or in catastrophic situations. This keeps adjusters out of unsafe areas and out of the way of emergency crews, creates efficiencies in the process and allows for flexibility of damage inspection.

All of these developing technologies offer a host of advantages to insurance companies, agents and customers alike. The sky’s the limit — and there are drones up there to prove it.



GROUP DISTRIBUTION

Close ties

"If our agencies are healthy, we're healthy."

It's a simple declaration, and it's the guiding principle behind just about every move Craig Welsh makes as Group Distribution Leader at Westfield Insurance. Welsh and his team are responsible for initiating and fostering excellent working relationships between Westfield and its network of independent agency partners. "We hold them to the highest standards, and they hold us to those same standards," he says of the relationships. "We have a sincere belief in the agency system, and we have a long history of strong partnerships. The agency system is well-positioned to serve the customer with choice and expertise that are often unmatched in our industry. In fact, many of our agency relationships go back more than a hundred years."

In addition, the insurance Company maintains a close working relationship with the Westfield Agents Association (WAA), a 125-year-old voluntary membership organization of the

Company's agents. "It's self-governing and independent from the Company," he says. "They serve as advocates for the agency network and help us better understand the needs of our agents."

Westfield also supports the Independent Insurance Agents & Brokers of America, a national alliance of more than a quarter of a million business owners and their employees who offer all types of insurance and financial services products.

Agency performance and operational evaluations are among Group Distribution's leading responsibilities. This involves regularly reviewing not only financial performance but also agency business practices including strategies for hiring, training, technology upgrades and digital capabilities to make sure its partners stay on the leading edge and remain highly competitive.

The performance evaluation efforts pay off in big ways. It ultimately provides insight into the performance of every Westfield agency and makes



us a better carrier partner. The top agencies and those best positioned for future success are invited to join Westfield's Trilogy or Horizon programs, which recognize top performance, receive increased compensation and other select-partner benefits.

The team also aims to maintain strong bonds and close ties to agents. In addition to hosting hundreds of agents every year at the corporate campus in Westfield Center, Ohio, Welsh and the leadership team hit the road to connect with well over 300 agencies annually. The strategy emphasizes quality over quantity, with a Westfield network of over 900 base agencies with agents at some 2,000 locations.

"Some of our competitors deal with thousands of agencies, so this shows the exclusivity of our relationships," Welsh says.

Westfield has its agency partnerships to thank for more than a century of sales success and customer satisfaction, and the Company looks forward to another century of success.

Craig Welsh
Group Distribution Leader

WESTFIELD
AGENTS ASSOCIATIONSM



Brief history of the Westfield Agents Association

The Westfield Agents Association, founded in 1891 as the Ohio Farmers Agents Association, celebrates its 125th year in 2016.

Licensed Westfield agents are eligible for membership with a \$75 annual fee, up from 50 cents in 1892 when dues were established.

WAA members are represented by 14 directors from across our operating territory. WAA is committed to attracting new agents to our business and developing them to become leading producers and future agency principals.

For more than 15 years, _____, developed by WAA and Westfield Insurance, has trained and graduated more than 260 agents.

During the years since the formulation of this unparalleled relationship between agents and Westfield, together they have met and overcome many challenges, and both have become stronger because of this partnership.





Jani Groza
Group Community Investment Leader

COMMUNITY INVESTMENT

“We foster relationships with nonprofit partners and learn about their needs so we can maximize benefits beyond the dollars,” says Groza.

For example, Westfield partners with Youth Opportunities Unlimited (Y.O.U.) to provide a cash grant from its foundation. But the relationship doesn’t stop there. Westfield also hosted a group of Y.O.U. teens at its corporate headquarters so they could meet with team members in various departments and learn about the industry firsthand.

“To go a step further, we also made a grant to Y.O.U. providing transportation for a group of students so they could get to their summer job on Westfield’s campus. Transportation was a major barrier for Y.O.U. students being able to work during the summer. This marries initiatives that are important to us — supporting nonprofits that stabilize families — and promoting career pathways to our industry,” says Groza.

Westfield partners with many agents in the community to reach these goals, and our employee base is another valuable resource.

“Giving back is part of our culture,” says Groza. “More than half of our people participate in at least one of our many employee-facing programs, such as taking advantage of our volunteer time-off program. It allows a day of volunteering for a Westfield nonprofit partner — an effort that happens across our operating territories.”

While Westfield Insurance Foundation and the Company’s CI department were only established in the last decade, Westfield has a long history of giving.

“Our strategy is about honoring our legacy of caring with a solid plan for the future that’s relevant to agents, employees and the customers we serve,” says Groza.



Safety



Family Stability



Disaster Recovery





It takes a numbers team

Insurance companies make decisions based on a combination of experience, expertise and instinct. However, when those decisions affect agents and customers, there is also a need for objective measures that help increase confidence.

That's where Jim Merz and his collaborative team come in.

"Working together, we're a cross-functional team of more than 50 advanced analysts, putting us on the leading edge of using data as an asset," says Merz, Group Actuarial and Analytics Leader at Westfield Insurance.

In his role, Merz works to advance the analytical maturity of Westfield Insurance by developing and implementing organizational capabilities and promoting collaboration between the Company's Actuarial department and Analytics Resource Center (ARC) and other departments.

Jim Merz

Group Actuarial and Analytics Leader

ACTUARIAL AND ANALYTICS

Westfield business units rely on Merz and his team to leverage data and analytics for a variety of strategic and operational decisions. They analyze trends in claims, exposures and expenses to help establish appropriate pricing and reserving levels, and to provide underwriters with objective and actionable data.

“We support our business partners in many ways — from ensuring we have high-quality data, to monitoring and verifying current work processes and designing workflows for the new technology we launch, to conducting modeling and predictive analytics for underwriting,” Merz says.



One example is when the team deployed a workers' compensation severity predictive model, which uses historical data to inform Westfield's Workers' Compensation Claims unit of a claim's potential severity.

Based on the data, the model can also recommend additional actions for adjusters to take in order to get appropriate care for the claimant and get them back to work faster. This is just one way that using data and analytics help strengthen decision-making processes at Westfield.

“The insight we generate is only one of many factors that can influence corporate direction and priorities, but we can use this information to enhance decision-making,” Merz says.





Jon Park
*Chairman, President and CEO,
Westfield Bank*

Helping customers: One of our cornerstones

In a world where multibank holding companies seem to crowd out other financial institutions, Westfield Bank offers a breath of fresh air. The locally owned and operated community bank offers personalized attention combined with the lending capacity, treasury management services and comprehensive products of a larger institution.

“Many banks view relationships with customers as a one-way street,” says Jon Park, Chairman, President and CEO of Westfield Bank. “You give your business to them, and that’s it. Westfield Bank sees things differently. We get to know you and your business so we can build a long-term relationship that supports your needs.”

The bank also helps companies generate business by introducing them to prospects. While these connections can happen any time, they often occur at networking events held throughout the year, such as golfing at Westfield Group Country Club or business-focused educational symposiums.

At Westfield Bank, our mission is to deliver financial solutions by sharing knowledge and building trust among our customers, partners, employees and communities.

Westfield Bank aspires to become Northeast Ohio’s fastest-growing, highest performing, most-admired bank.



"We enjoy creating synergies for our customers, and we view the process as an integral part of the value we deliver," Park says.

An affiliate of Westfield Insurance, Westfield Bank got its start as a financing resource for independent insurance agencies. However, it quickly expanded to meet the needs of retail and commercial customers across a variety of industries.

No matter the customer, the bank's focus is on building relationships.

"Our clients have direct access to our decision-makers, which means prompt answers to their questions," Park says. "With Westfield Bank, you get to know multiple bankers, so you'll never talk to a stranger. If your primary banker isn't immediately available, you can talk to someone else who is knowledgeable about your situation."

Because the bank is more mobile than most financial institutions, it is also less confined to its eight brick-and-mortar locations, making it easier for bankers to go where their clients are.

"It's possible to have our decision-makers visit your business as a group," Park says. "While this doesn't constitute a formal loan commitment, we can give you a good indication on the spot of what we'll be able to do for your business. Our team approach to helping customers is one of our cornerstones."



A great service center, flood insurance and celebrity whales

Where can you take out a million-dollar insurance policy on a celebrity whale? How about coverage for an irreplaceable vintage sports car? Or for a sports legend whose home is filled with sports memorabilia?

When a client requires unique coverage, whether personal or commercial, Westfield Services can craft an individualized policy to meet many needs. And yes, Westfield Services has secured coverage for a whale at an aquarium and a multi-million-dollar policy covering a 1953 Corvette!

“Much of what we do is a one-off,” says Brian Bowerman, Westfield Services Leader, of his team’s pursuit of unique policies to satisfy unusual coverage needs.

Westfield Services has 60 employees based in Columbus, Ohio, and Lancaster, Pennsylvania. In addition to providing specialty coverages for Commercial and Personal Lines, Westfield’s employees also staff the Customer Service Center in Columbus.

“We were one of the first regional insurers to have a service center for independent agents,” says Bowerman. “We started it from scratch when we saw there was a need we could fill.”



Westfield Services' service center facility has been in operation since 1999, staffed with licensed customer service professionals who handle policy changes, billing questions, and routine (and complex) service calls, as well as handling cross-selling opportunities and bi-annual account reviews for Personal and Small Commercial Lines customers.

Westfield Service meets yet another niche demand as a major writer of flood insurance through the federal government's National Flood Insurance Program, something many agents may not be aware of.

"Our independent agents are pleasantly surprised when they learn about the breadth of services we offer," says Bowerman.

The Westfield Services team prides itself on delivering outstanding customer service and solving even the largest challenges. Even one as big as a whale.

Brian Bowerman
Westfield Services Leader



Hiring for personality, training for skill, differentiating with behaviors

When Jill Stevens asks about the weather, she's not making idle conversation. Stevens is the National Customer Service Leader at Westfield Insurance, and nasty weather can dramatically impact her team's work. When she hears about hurricanes, floods and other natural disasters in Westfield coverage areas, she immediately begins to rally her troops.

"During any kind of an event, we'll start a group text," she says, of when the team anticipates a spike in claims inquiries regarding auto, home, farm and property damage.

Other times, when the sudden surge in activity is unexpected, the team engages in conversations with agents and customers to get necessary information. And because of their extensive experience, they know the right questions that need to be answered, regardless of the situation.

Jill Stevens
National Customer Service Leader

CUSTOMER CARE CENTER

However, not all calls are about claims. Stevens' team also handles other customer inquiries, such as billing and policy questions, which account for over 18,000 calls a month. And that gives Westfield a distinct competitive advantage — team members can handle every kind of customer call, regardless of the type of coverage, issue and whether the call is from an agent or a customer.

No one gets bounced around from rep to rep, and every customer speaks with a live person who can actually help, Stevens says.

Westfield customer service reps (CSRs) each field 50-60 calls on a typical day and can resolve billing questions in an average of two-and-a-half minutes. Claims calls average just eight minutes.

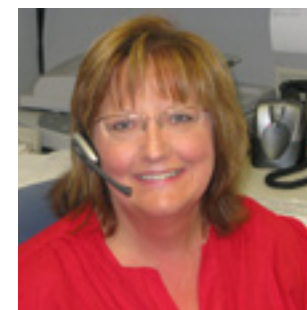
"We hire for personality, train for skills and focus on behaviors," Stevens says. "We tailor the interactions using experience engineering based on the personality of the caller. We've found that customer

perceptions is one-third what they do and two-thirds how they feel. Our goal is to make them feel the call was low effort. At the end of the day, few people want to call a contact center. When they do call us, we want to make it as easy as possible for our callers—customers, agents, claimants.

After all, unsurpassable customer service means doing whatever it takes. For example, when one storm resulted in a widespread power outage, Stevens herself put on a headset to help handle an unprecedented surge of phone activity. She remembers talking to one policyholder in the dark.

"I took down the claims information on paper and texted her with the information she'd need to file the claim," Stevens says.

It's all part of the department's "low effort" strategy. A high level of effort from Westfield's employees keeps the low level of effort where it belongs — with customers.



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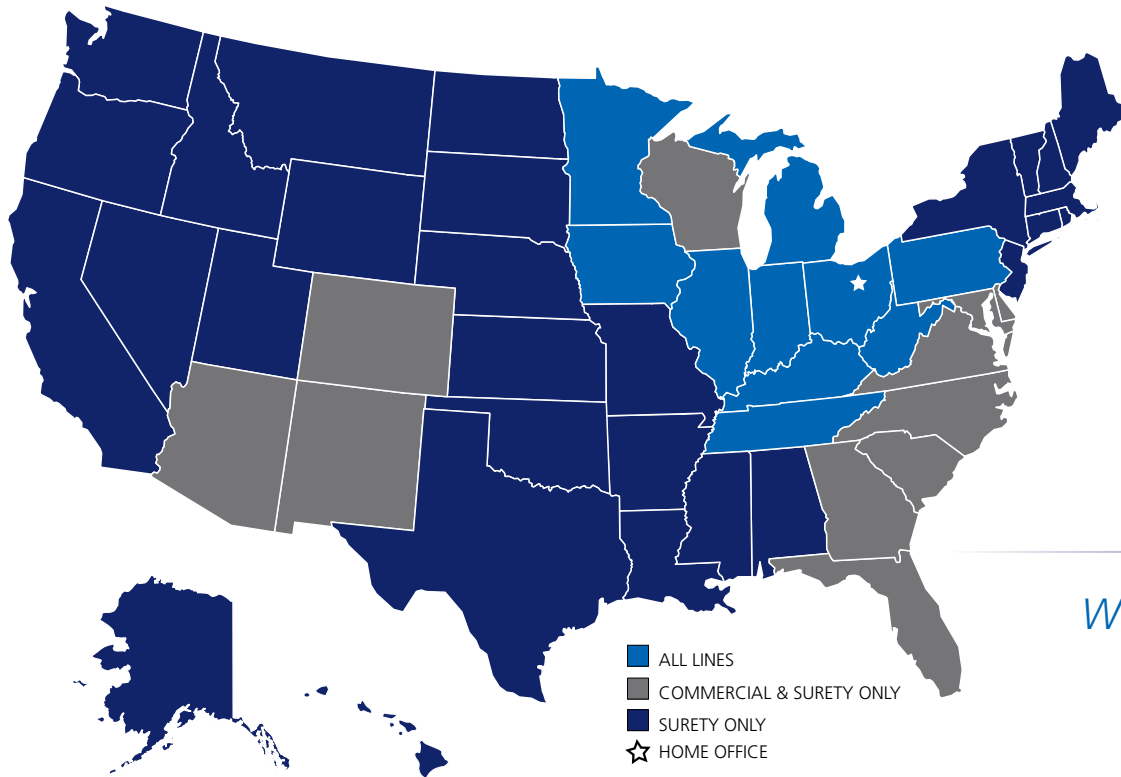
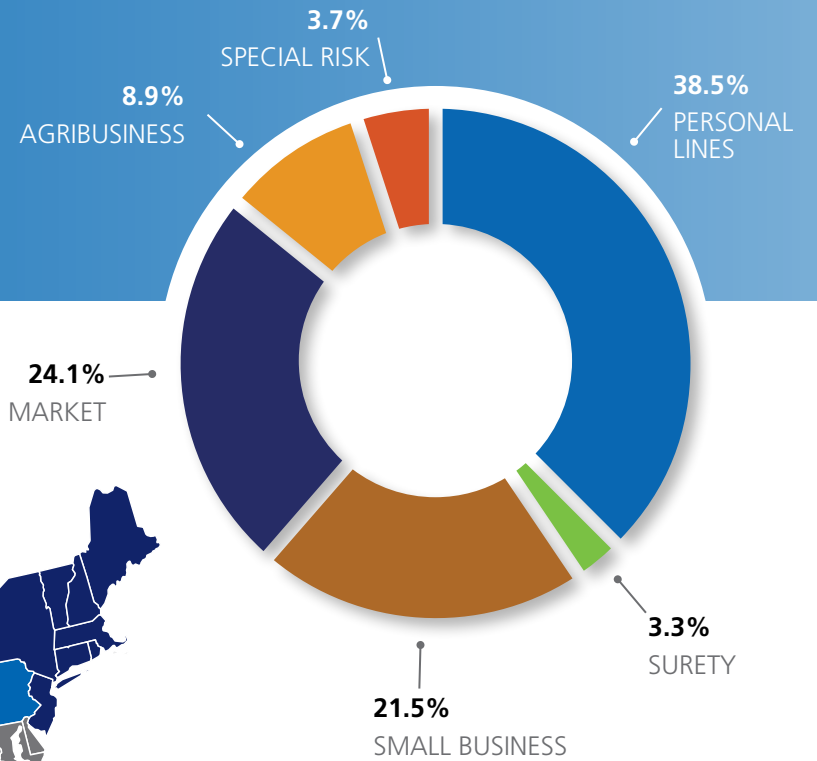
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WESTFIELD
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MIX OF BUSINESS



WHERE WESTFIELD OPERATES

WESTFIELD INSURANCE FINANCIAL HIGHLIGHTS

(Dollars in Thousands)

(Unaudited)

FOR THE YEAR	2017	2016	2015	2014	2013
Net Written Premium	\$1,857,242	\$1,809,536	\$1,769,139	\$1,733,059	\$1,675,391
Net Operating Gain (Loss)	(27,547)	157,384	196,200	172,066	198,853
Net Income (after tax)	27,506	146,393	128,721	150,832	208,462
Combined Ratio	108.8%	98.1%	96.6%	97.1%	94.6%
Operating Ratio	101.1%	90.7%	88.3%	89.0%	87.1%
Return on Surplus	-1.2%	7.5%	10.1%	9.3%	11.9%
Net Premium Growth Rate	2.6%	2.3%	2.1%	3.4%	4.3%
AT YEAR END					
Total Admitted Assets	\$5,517,541	\$5,220,607	\$4,898,159	\$4,743,063	\$4,514,995
Net Loss and LAE Reserves	1,759,594	1,625,437	1,545,837	1,485,404	1,492,811
Net Unearned Premium	909,378	887,154	864,271	841,936	801,869
Surplus	2,334,514	2,211,868	1,997,142	1,902,450	1,808,690
Net Writings to Surplus	0.8	0.8	0.8	0.9	0.9
Annual Surplus Growth	5.5%	10.8%	5.0%	5.2%	18.6%

Prepared in accordance with statutory accounting principles.



WESTFIELD BANK FINANCIAL HIGHLIGHTS

(Dollars in Thousands)

(Unaudited)

FOR THE YEAR	2017	2016	2015	2014	2013
Gross Revenue	\$58,970	\$50,467	\$46,865	\$39,658	\$38,710
Operating Income*	\$12,319	\$9,003	\$9,512	\$8,008	\$7,875
Net Income (after tax)	\$12,319	\$8,692	\$9,512	\$6,869	\$7,875
Return on Average Equity*	8.4%	6.8%	7.8%	7.8%	8.7%
Return on Average Assets*	0.9%	0.7%	0.9%	0.9%	0.9%
Net Interest Margin	3.5%	3.5%	3.6%	3.6%	3.6%
Net Charge-offs to Average Loans	0.0%	0.1%	0.0%	0.1%	0.1%
AT YEAR END					
Total Assets	\$1,439,589	\$1,293,851	\$1,142,817	\$1,036,867	\$884,700
Loans	1,131,086	1,020,779	904,675	798,074	616,515
Investment Securities	197,306	170,606	150,081	168,286	209,953
Deposits	1,014,558	979,560	869,824	765,177	673,696
Shareholders' Equity	153,429	136,731	125,549	117,165	92,187
Equity to Assets Ratio	10.7%	10.6%	11.0%	11.3%	10.4%
Asset Growth Rate	11.3%	13.2%	10.2%	17.2%	6.0%

Prepared in accordance with U.S. GAAP

* Results based on non-U.S. GAAP basis with the primary difference being operating income excludes nonrecurring charges relating to business acquisitions.



WESTFIELD SERVICES FINANCIAL HIGHLIGHTS

(Dollars in Thousands)

(Unaudited)

FOR THE YEAR	2017	2016	2015	2014	2013
Revenue	\$7,393	\$6,751	\$6,023	\$5,656	\$5,031
Net Income (after tax)	952	752	663	764	639
Return on Average Equity	19.4%	18.4%	18.1%	23.7%	20.9%
Return on Average Assets	15.9%	14.2%	13.6%	16.6%	14.6%
AT YEAR END					
Total Assets	\$6,287	\$5,704	\$4,921	\$4,842	\$4,370
Shareholders' Equity	5,373	4,451	3,729	3,595	2,862

Prepared in accordance with U.S. GAAP.



