



# 2003

# Award Recipient

## American National Property And Casualty Company-ANPAC

American National Property And Casualty Company (ANPAC®) is a home office property and casualty insurance company located in Springfield, Missouri and is a wholly owned subsidiary of American National Insurance Company (ANICO) of Galveston, Texas. ANICO is a life and health insurance company that has been in business since 1905.

ANPAC was incorporated in 1973, beginning operations with eight employees in Springfield, and wrote its first policy in February 1974. ANPAC provides automobile, homeowners, umbrella, boat, RV, motorcycle, other personal lines insurance and agri-business insurance in 46 states. These lines of business were developed to supplement the life insurance, health insurance, and annuities that ANICO and its subsidiaries offer. ANPAC now has over 850 Team Members (employees) and has reached over one million policy units.

ANPAC is one of the fastest growing insurance companies in the United States. Since its beginning, ANPAC has seen a regular increase in growth to its annualized level of about \$700 million in premiums. The company's success is attributed to a very focused strategic plan and a culture of alignment, focus, accountability and appreciation.

Most of ANPAC's processes are automated which greatly contributes to the company's high productivity



levels and low expense ratio. ANPAC has one of the lowest expense ratios of any insurance company in the United States which provides a strategic expense advantage.

Critical to the success of ANPAC's management system is a formalized strategic planning process and a resulting market-driven short-term and long-term strategic plan. Based upon the corporate vision, mission and strategic plan, objectives and measures are cascaded throughout all levels of the organization using a Balanced Scorecard approach which sharpens the focus on strategic performance by aligning current activities with short- and long-term goals. Through identification of critical measures, effective reporting and weekly Continuous Improvement Meetings (CIM's) at all levels within the organization, ANPAC can continually focus and address issues critical to continued strategic and operational success.

Mission Critical items are denoted on the Balanced Scorecard, as applicable, and given priority treatment and focus. Use of the Balance Scorecard throughout the organization provides a consistent management framework that drives high performance. Weekly CIM's provide a time for leaders to encourage feedback from Team Members, solicit ideas for improvement, discuss performance results, collectively address barriers, and discuss process and strategy improvements. The Personal Performance Review Program links individual Team Member's performance objectives to their divisional Balanced Scorecard and, ultimately, to the Corporate Balanced Scorecard.

360-degree feedback provides leaders with a summary of their department/unit employee satisfaction levels and specific leadership areas that should be targeted for improvement. Leaders also use the ANPAC Chairman's Quality Award, an internal quality award program for ANPAC divisions, to identify and address opportunities for improvement.



ANPAC has received the distinction of receiving an "A+" (superior) rating by A.M. Best, an independent financial rating company, "AA" (Very Strong) rating by Standard and Poor's, and has been recognized as a Ward's 50 Benchmark Company for several years by the Ward Financial Group. ANPAC received the 2003 Corporate Humanitarian of the Year Award presented by the United Way of the Ozarks. This special award recognizes corporations that exemplify the highest standards of community service and is the highest honor that the United Way of the Ozarks can bestow on a company and its employees.

ANPAC's insurance products are sold and serviced through its distribution partners – the Multiple Line Exclusive Agents – who are captive independent contractors of American National. They contract with ANPAC for selling property and casualty insurance, with ANICO for the sale of life, annuities, securities and other financial products, and with Farm Family, Inc. for agri-business products. The Multiple Line Exclusive Agents are considered ANPAC's "driving force" and offer customers one-stop shopping for needs-based personalized service related to insurance and financial products/services.

An innovative program that attracts new customers to the organization and retains existing clients is the CASHBACK From ANPAC®, which rewards customers for taking steps to prevent loss. Customers who have both automobile and homeowners insurance with ANPAC and who remain claim-free for a period of three years receive a refund of 25 percent of their combined first-year premiums and continue to receive refunds as long as they remain claim-free. Since the

program began in 1993, ANPAC has refunded over \$44 million nationwide and has reserved for future refunds over \$45 million.

ANPAC makes educating its customers about how to prevent loss a priority. Its website offers helpful safety hints such as information from the Highway Loss Data Institute on the type of car to buy for safety. ANPAC partners with various organizations to offer advice on safety and security issues (i.e., Better Homes and Gardens booklet entitled, "Home Safe and Sound – Your Guide to Protecting Your Family", etc.). Due to recent weather disasters in southwest Missouri, ANPAC teamed with the Springfield News-Leader, the Red Cross and the Federal Emergency Management Agency (FEMA) to sponsor and publish a guide to provide information about long-term recovery and planning for those directly and indirectly affected by the tornadoes and other weather related events.

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