

Inside PINNACOL

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Go Team!

Report Card: Arrupe Students Learning, Contributing at Pinnacol

Last fall, Pinnacol Assurance became the first workers' compensation insurance company in Colorado to host four students from Denver's Arrupe Jesuit High School as part of the school's work-study program. The students – Susana Portillo, Viviana Lopez, Ana Robles, and Guillermo Estrada – have been sharing 40 hours of work per week between them, performing administrative tasks for different teams in the company. Compensation for the work is applied toward their annual tuition.

So, how are these brave students doing? According to one of Pinnacol's Arrupe program coordinators Jerica Jones, claims representative on the medium south team, it's hard to tell who's benefiting more from the program – the students, or Pinnacol.

"These students show up for work every day with a great attitude and an eagerness to contribute," said Jones. "Their enthusiasm is contagious. Plus, they're learning real professional skills and, as they progress, are making a real difference for Pinnacol. I know their supervisors agree."

Viviana Lopez, a sophomore whose two older sisters also attend Arrupe, works with the customer service team (SCS). She says the program is helping her with communications and computer skills.

"The opportunity to work in a professional environment is really cool," Lopez said. "I'm also getting

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President's Message

Ken Ross, President and CEO



Staying Prepared: Pinnacol's Business Continuity Plan

A business continuity plan (BCP) is like an insurance policy – you hope you never have to use it, but you still need it in case of emergency. And there's always a chance that some type of disaster – natural or otherwise – may occur, affecting Pinnacol Assurance and our business operations. Although we can't plan for everything, we're well prepared for situations that may disrupt Pinnacol's business operations.

In the event of a disaster or inclement weather, Pinnacol's Incident Management Team (IMT) springs into action – as it did during the recent December blizzards. Team members include executives, team leaders, and staff who represent information services, business operations, communications, and other important functions. The IMT is responsible for determining whether or not to activate our BCP; serving as the single point of contact during these types of events; and making decisions about company closures, reimbursing employees, and deploying recovery resources as needed. The BCP worked well during the blizzards – we made the right decision to close Pinnacol, more than once, in order to keep employees safe.

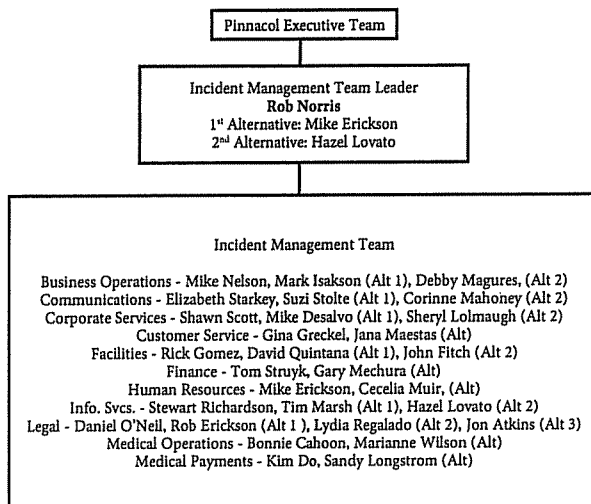
We originally developed the BCP in 2004 with assistance from an external consultant. The IMT has since updated the plan and continues to do so on a quarterly basis. The team also regularly tests the plan by running disaster and inclement weather scenarios.

In addition to employee safety, having a BCP in place is important for other reasons:

- ▶ Our stakeholders depend on us, from policyholders relying on us for coverage to injured workers who need benefit checks.
- ▶ With our role in the market, we need to maintain the service that our policyholders deserve and require.
- ▶ Service issues would seriously damage our reputation, which we've worked hard to build and maintain.

If Pinnacol does experience a disaster, you'll receive instructions from the IMT via e-mail, the PA system, and the business continuity hotline. But remember, our BCP only works if we know how to use it. Please review Pinnacol's BCP plan and evacuation plans, which are available on *CenterPoint* under Corp./Business Continuity, so that you're prepared. ●

Pinnacol's Incident Management Team



— "Arrupe Students," cont. from page 1

the chance to work with different computer programs, like PowerPoint and Excel, which I know will help me in college and in my career."

Lopez specifically requested a work program in the insurance industry because "it's really interesting." Her plans include college — "probably a business degree" — followed by law school.

Her Pinnacol mentor, SCS Trainer Jami Valdez, has no doubt that she'll succeed.

"Viviana is a special person — Pinnacol is lucky to have her, as well as the other students," said Valdez. She adds that serving as a mentor is an important responsibility.



Jami Valdez (left) helps Arrupe student Viviana Lopez (right) learn how to use a screen in WCIS.

"All of the students' mentors really try to tailor projects to help them grow as professionals. For example, we're going to give Viviana more opportunities to interact with management throughout the company."

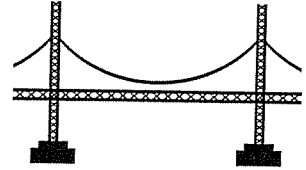
The other three students are doing equally well, and Portillo — the lone senior of the group — was recently accepted at the University of Denver.

"This program is so important for Pinnacol, because it shows a real commitment to the future of Colorado," said Valdez. "I can't think of anything more important than taking stock in our kids and preparing them for success." ●



Building Bridges

Here's a look at some of Ken Ross' outreach efforts with Pinnacol stakeholders in February and early March:

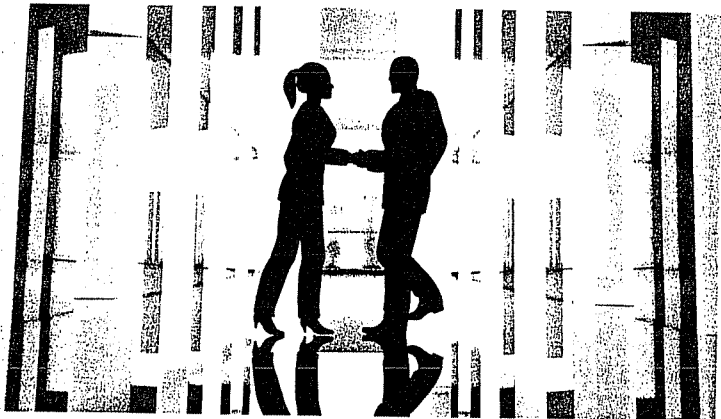


AMCOMP Conferences

The American Society of Workers' Comp Professionals (AMCOMP) is a national society dedicated to developing higher educational standards for workers' compensation professionals. Ken is a vice president for the society and attends several events on Pinnacol's behalf, sharing — and bringing back — information about emerging workers' comp industry trends and issues. He recently attended AMCOMP's annual conference in Las Vegas and the inaugural AMCOMP international London conference. While in London, Ken and Jeff Tetrick, chief financial officer, also met with several of our reinsurance markets and with our reinsurance broker, Aon Corporation. You can learn more about AMCOMP at www.amcomprou.com.

Meeting with Rep. Morgan Carroll

As Ken mentioned in recent all-employee e-mails, the provider choice bill (House Bill 1176) proposed by Rep. Morgan Carroll (D-Aurora) is moving ahead to the Senate. This bill would require employers to provide a list of at least two unaffiliated physicians for employees to choose from. Ken recently met with Rep. Carroll to begin building a relationship with her and to discuss House Bill 1176. Although Pinnacol still feels the bill is unnecessary, our team collaborated with Rep. Carroll, the Division of Workers' Compensation, and other organizations to amend the bill's language in an effort to make it workable should it be enacted.



Meeting with Division of Insurance Commissioner

The Division of Insurance (DOI) is a state agency that regulates Colorado's insurance industry, including Pinnacol. New DOI Commissioner Marcy Morrison was appointed on January 24, so it was important to introduce her to Pinnacol and start building a relationship. Marcia Benshoof, vice president, strategic business group, and Ken met with Marcy to discuss several topics, including Pinnacol's history, overall financial strength, relationship with her staff, and other important market and business issues. Marcy was a state legislator for eight years and is familiar with Pinnacol; she appreciated learning about our recent accomplishments and our significant role in Colorado's economy. ●

