

The Future of **OUTPERFORMANCE**

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THE 2020 YEAR REPRESENTS A MONUMENTAL SHIFT IN PERCEPTION.

How many uncorrelated, low-probability, high-impact events can you have in one year?

Answer: a lot. *Certainly more than what any model would ever predict. It stretches the brain.*

The result, unfortunately, has been much trauma. People's lives are changed. Much of what seemed important a year ago is now trivial. Customer behavior, preferences, and sense of value have shifted. Like the Great Depression or World War II influenced our grandparents' and parents' outlooks, 2020 looks to mark a generational shift in norms and beliefs.

These dynamics create interesting marketing and sales challenges. Past strategies to attract and retain customers could increasingly miss the mark moving forward. We all need to adapt. We need to identify the current trends. And, at Holborn, we believe those who adapt and lean into trends quickly – with focused marketing, products, and services – will achieve outperformance.

SO, WHAT ARE THE TRENDS?

As we think about our own business and that of our clients, here are three:



TECHNOLOGY:

One need look no further than Apple's stock price to realize this trend is a no-brainer. Why? Today's technology increasingly represents freedom to the consumer. Putting information and the ability to connect right in people's pockets empowers and provides a sense of control and self-determination.



NATURAL LIVING:

Nature supports health and represents life. Folks are exercising more. Demand for pets has increased. Gardening, woodworking, and even new ways of cooking have emerged during this time. Consumers are willing to pay more, and investors are paying up, for products from companies acting with environmental and social responsibility.



LOCAL COMMUNITY:

When times get tough, we turn to people we know and trust. We saw this trend play out in spades following this year's August derecho event. Communities in affected areas came together, neighbors helping neighbors. People just got it done. The pandemic response also reveals a movement toward local decision-making.

There is nothing new to these trends. The fear, uncertainty, and loss of control dictated by 2020 events, however, are changing their importance in determining behavior.

We believe NAMIC companies – and those that are like-minded – are uniquely situated to benefit and will continue to outperform. Mutuals' local, defined presence in their communities naturally aligns with feelings of safety and trust. Your recent and ongoing investments in technology empower efficiency and distribution. You remain stable and predictable. Marketing strategies, products, and services related to these trends – individually or, ideally, in combination – increase alignment with customer demand.

At Holborn, we remain committed to a long-term mission of serving our clients and their communities in times of need through stability and trust-based relationships. Holborn is

100% employee-owned, with no external debt. We only answer to ourselves and our clients. We also recognize the flaws in many standard models and industry practices, and continue to invest in technology, people, and relationships to drive a better understanding of risk and competitive advantage for our clients.

With 2020 marking Holborn's centennial, like NAMIC's membership, we stand the test of time. We are stable and remain committed to our people, celebrating our 100th year by creating jobs, hiring new staff, and helping to ensure certainty for future generations. We are proud of our association with the NAMIC family and look forward to the next 100 years as an independent and valued member of our community. *Stay safe, stay strong.*