



News release

Jan. 11, 2007
For Immediate Release

Contact:
Mark Ladwig
(952) 838-4270
(800) 937-1181

Pat Johnson to retire as president, chief executive of SFM

MINNEAPOLIS—SFM President and CEO Pat Johnson plans to retire in 2007, the company announced today.

Johnson, president and CEO since 1992, has led the workers' compensation insurer with innovative change to build its leadership in the industry. SFM is the largest writer of workers' compensation in Minnesota and a growing leader regionally.

“Our company is strong operationally and financially. We’ve just produced another year of great financial results and growth; in fact, it was yet another record-breaking year for us. Great service is our hallmark, and we’ve redesigned our operations internally to assure strong customer focus even as we continue to grow. We’re pleased with our growth and performance in the Wisconsin market. The company is well positioned for the future, and it seems like a good time for SFM to transition its top leadership,” Johnson said.

“Personally, I’ve always considered it a privilege to be part of a truly outstanding organization that dedicates itself to helping people and their employers work through the difficulties of on-the-job injury. SFM has always done that cost-effectively and in a manner that respects the purposes of the work comp system.”

Johnson is planning her departure for late spring. SFM Board Chair Truman Jeffers said a board search committee will engage an independent firm to conduct a nationwide search, including also consideration of candidates within SFM’s leadership team.

Preliminary results for year-end 2006 show SFM producing steady growth of customers, steady growth of premium, and steady growth in financial strength. The company projects a 95 percent combined ratio for 2006, solid underwriting gains, and significant growth in policyholder surplus.

Johnson, 57, anticipates staying active in industry affairs, but looks forward to more time to devote to other interests. “For starters,” she said, “my husband and I are planning to take on the Inca Trail, hiking in the Andean mountains to Machu Picchu.”

— 30 —

About SFM

SFM, headquartered in Bloomington, Minn., is a customer-owned mutual insurance company providing Minnesota and Wisconsin employers with workers' compensation coverage. SFM offers workers' compensation insurance solutions for employers of all sizes, including claims and disability management, cost containment, legal assistance, and third-party administration. For more information, visit www.sfmic.com.