



# Beyond Insurance

## 2022 President's Report

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**Ohio Mutual**  
Insurance Group



**Mark C. Russell**  
President & CEO

## To our members, agent partners, associates, and friends:

For Ohio Mutual, 2022 marked the start of a new era: after a transition of more than three years, we began the year with all of our policyholders as mutual members of Ohio Mutual Insurance Group.

This achievement has been a source of confidence in what proved to be an extremely challenging year for the entire insurance industry.

Claims costs and inflation continued to outpace premiums, yielding poor financial results industry-wide. Inflationary pressures will continue at least through 2023.

Also last year, unrelenting natural disasters impacted the whole country – including flooding, windstorms and tornadoes in the Midwest.

Ohio Mutual was not spared from these trends: A net loss of \$17.9 million due to weather losses, took our combined ratio from 95.4% in 2021 to 109.2% for 2022.

It is a testament to our company's resilience that, even in the face of these headwinds, Ohio Mutual maintained momentum on strategic initiatives that will yield benefits to our members both in the immediate future and the long term.

In fact, it's in times like these that the benefits of being a mutual company are most clear. Our strategy is built, not on stock gains for shareholders, but on earning loyalty from our members.

Industry sources calculated 2022 U.S. insured catastrophe losses at \$99 billion, the second-highest total on record.

As a company we are fanatical about earning the loyalty of our members. It makes great business sense, as it's much more efficient to keep a member than to find new ones. But in addition, we know it's simply the right thing to do. Our members are the reason Ohio Mutual exists and our focus is to continuously look for ways to provide a better experience, more value, and to earn deeper loyalty.

***In 2022 Ohio Mutual reached an all-time high for our Net Promoter Score (NPS), which is the way we measure the loyalty of our members.***

We seek feedback anywhere we can get it – we survey our members before their policy is renewed to make sure we are doing everything possible to maintain their loyalty. We also survey our members after they have a claim to ensure we've kept our promises. We even survey our independent agent partners annually, because if we ever turn off the feedback spigot, we will lose the best insights that help us continuously improve.

**Our strategy is built not on stock gains for shareholders, but on earning loyalty from our members.**

2022 was a great year for earning loyalty, because nothing demonstrates the value promise of insurance better than being there for members when they're hit with major losses. We asked members about their experiences with claims in 2022 and received many testimonies like this:

***“That was the first time I've ever filed an insurance claim. I was treated with respect, kindness and professional service. My claim was processed very quickly and I was extremely pleased. I've recommended my insurance company to all my friends and family. Thank you so much.”***

Outstanding claim service is a bedrock value of Ohio Mutual, but what is equally valuable is to spare members the cost and inconvenience of having a claim in the first place.

That's why we offer great member benefits like an Ohio Mutual app that provides auto policyholders information about their driving habits and rewards safe behavior. In addition, we offer our members a tool that monitors the electrical system in their home or business and alerts them to problems that could result in a fire that leads to loss of property and life.

Our homeowner members can also benefit from a market-leading, security system that provides whole-home protection and 24/7 police, fire and medical dispatch. In addition, we offer our members a smartphone app that guides users in creating a photo "inspection" of their insured property. Those photos also can serve as a property inventory in case a loss occurs later.

Member benefits like these and others are Ohio Mutual's way of going "Beyond Insurance" to offer members smart technologies that can prevent or mitigate losses.

And because we know great member relationships rely on our network of more than 400 independent agents across seven states, we equip those agents with technology tools for building and maintaining extraordinary member relationships.

On behalf of all members, I'm grateful for the passion and commitment of our associates and our independent agents and the leadership of our Board of Directors. I'm excited about the progress and momentum we've achieved toward our goal of attaining market-leading loyalty.



**Mark C. Russell**



# Board of Directors



Mark C. Russell



Neeru Arora



Karen Haefling



Mike Heister



Dawn Kink



Susan Porter



Jack Purse



Chuck Self



Tom Wooley

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# Company Management

**Mark C. Russell**, President & CEO

**David G. Hendrix**, Chief Financial Officer

**Marcella Smith**, Chief Administrative Officer

**Susan Kent**, Chief Analytics Officer

**Mendi Riddle**, VP Sales

**Chad Combs**, VP Personal Lines Underwriting

**Gary Johnson**, VP Commercial Lines Underwriting

**Dave Grove**, VP Product Management

**John R. DeLucia**, VP Claims

**Brad McCormack**, VP Information Systems

**Todd Boyer**, VP Corporate Communications

**Clare Krumlauf**, AVP Claims

**Andrew Wallen**, AVP & Corporate Controller

Company Leadership

# 2022 FINANCIAL REPORT

<b>Assets</b>	2022 in Thousands	2021 in Thousands	2020 in Thousands
Bonds	391,901	400,457	394,520
Common and Preferred Stocks	60,472	67,510	58,593
Real Estate	6,660	7,240	7,800
Cash and Short-Term Investments	53,233	57,769	27,076
Premiums and Agent's Balances	81,107	72,812	70,530
Other Assets	50,678	33,988	34,137
<b>Total Admitted Assets</b>	<b>\$644,051</b>	<b>\$639,776</b>	<b>\$592,656</b>

## Total Liabilities and Policyholder Surplus

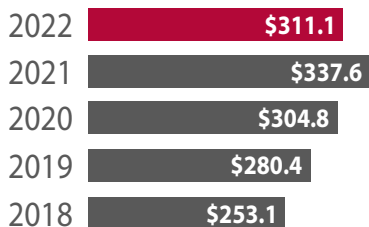
Unpaid Losses and Adjustment Expenses	155,759	\$132,976	\$122,783
Unearned Premiums	153,246	137,373	129,861
Other Liabilities	23,993	31,852	35,234
<b>Total Liabilities</b>	<b>332,998</b>	<b>302,201</b>	<b>287,878</b>
<b>Total Policyholder Surplus</b>	<b>311,053</b>	<b>337,575</b>	<b>304,778</b>
<b>Total Liabilities and Surplus</b>	<b>\$644,051</b>	<b>\$639,776</b>	<b>\$592,656</b>

## Statements of Income (for the years ended)

Net Premiums Earned	\$293,572	\$276,516	\$261,985
Losses and Loss Adjustment Expenses	235,758	176,489	161,097
Other Underwriting Expenses	89,450	89,729	87,335
<b>Net Underwriting Gain</b>	<b>-31,636</b>	<b>10,298</b>	<b>13,553</b>
Investment Income	12,397	10,893	10,785
Other Income	-2,559	4,864	4,199
Income Tax (Expense)	3,809	-4,731	-4,093
<b>Net Income</b>	<b>-\$17,989</b>	<b>\$21,324</b>	<b>\$24,444</b>

# 5 Year Financial Trends

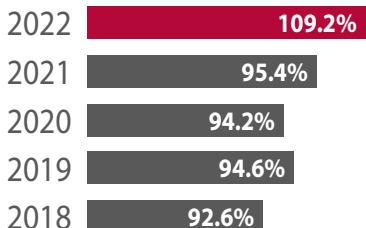
## Policyholder Surplus (millions)



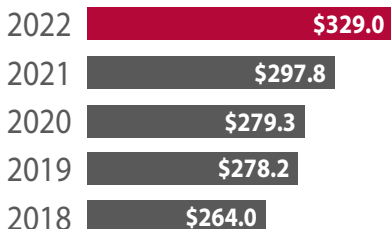
## Total Assets (millions)



## Combined Ratio (%)



## Direct Written Premium (millions)





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## OHIO MUTUAL INSURANCE GROUP

# GUIDING PRINCIPLES

### purpose

To keep the promises that secure dreams.

### mission

To enhance policyholder value by harnessing our financial strength, the ingenuity of our associates, and the shared loyalties of our independent agents and business partners.

### vision

To be recognized as an industry leader, earning market-leading loyalty from our policyholders and independent agents.

### strategic commitments

Generate consistent underwriting gains in order to increase **policyholder** financial security, and provide for strategic investments in our products, services, and associates

Demonstrate unwavering dedication to our **independent agent partners** and the Independent Agency System

Attract, develop, and celebrate a diverse group of passionate **associates**

Contribute positively to our **communities**

© Ohio Mutual Insurance Group

### values

**Do the Right Thing** – act with integrity and humility; show respect and care

**Results** – take a long-term view, use objective measurements and strong internal controls, be personally accountable

**Loyalty** – deliver exceptional customer experiences that build strong, lasting relationships; pursue “win-win” solutions

**Continuous Improvement** – embrace change, pursue self-development, improve processes, and eliminate waste

**Teamwork** – create a positive work environment built on transparency, candor, trust, collaboration, and fun

