

STANDING STRONG

President's
Report

2023



Ohio Mutual
Insurance Group



A note from Mark C. Russell *President & CEO*

To our members, agent partners, associates and friends:

After a very tough 2022 for the insurance industry – including Ohio Mutual – many pessimists in the industry mistakenly assumed that things couldn't get any worse. For most Midwest-based insurance companies, it did.

As an encore to the previous year, 2023 was once again very challenging for the entire industry. Claims cost inflation and severe weather cast a shadow over the insurance industry. For example, residential construction materials and labor costs have escalated approximately 41% and 34% respectively since 2020. Also, the industry average personal auto collision claim has risen nearly 35% since 2020, primarily due to parts and labor inflation, repair complexity, and vehicle replacement and rental costs.

Up to the Challenge

In particular, the Midwest was hit with record wind and hail catastrophe events. Ohio Mutual incurred nearly \$56 million in catastrophe claims losses – more than double the planned catastrophe losses for the year. The vast majority of those losses were in Ohio. The good news is that our claims team excelled in responding to these events. In the 2023 Ohio Independent Agent Association Survey, agents voted Ohio Mutual as having the best claims service. Even with these large catastrophe financial impacts, Ohio Mutual outperformed most of its Midwest -based peers.

There are circumstances you can control, those you can manage, and those for which you can prepare.

While external factors such as weather and inflation are beyond our control, our prudent financial management positioned Ohio Mutual well to respond to the persistently costly claims environment. While individuals save for the proverbial rainy day, insurance companies save for years like 2022 & 2023.

Standing Strong

Despite the unsettled landscape in 2023, Ohio Mutual maintained its financial stability. For the 31st consecutive year, we proudly

upheld our A.M. Best “A” rating, reinforcing our reputation in the insurance industry. This accomplishment not only speaks to our enduring values but also reinforces the value of our long-term focus and dedication to our members’ trust and protection.

Having prepared for the things we cannot control, our focus throughout 2023 was on the things we could control and influence.

The extraordinary claims cost inflation plus Midwest storm claims drove our 2023 Combined Ratio up to 109.3. Essentially, for every \$1.00 we received in premiums we paid out \$1.09 in losses and expenses.

Continued quality service and initiatives like our MemberPlus portfolio of safety and loss mitigation products enhance the value for our members, ensuring that they benefit from their Ohio Mutual membership – even if they don’t have a claim.

Our ongoing investments in technology and innovation ensure that our products remain relevant to our members, that our agent partners have competitive products to bring to their local markets, and that our associates and agents have the most effective tools to provide a top-tier member experience.

Expanding our Footprint

In October 2023 we merged Wisconsin-based United Mutual Insurance Company into our Ohio Mutual holding company structure. This expands our geographic footprint to an eighth state, provides member growth opportunities, and will provide those members with additional services and product options.

The Feeling is Mutual

Our “mutual perspective” is a steadfast commitment to long-term thinking and strategic foresight. Unlike publicly traded companies beholden to short-term stock analyst concerns, we stay dedicated to the enduring welfare of our members. The decisions and investments we make today set us up for better results tomorrow – that is the advantage of the mutual insurance model.

Despite the challenges of the past few years, I am very optimistic about the future. With our skilled associates, commitment to excellence, and the continued support of our visionary board and more than 500 agent partners, we look forward to the opportunities that lie ahead. Moreover, we are incredibly grateful for the loyalty of our members, whose trust is the basis of our success.



Mark C. Russell

...we plant
trees under
whose shade
we may
never sit...

Ohio Mutual supports:

- Children’s Hunger Alliance
- Ronald McDonald House Charities
- United Way
- YMCA / YWCA
- Samaritan’s Purse
- American Red Cross
- Associate Matching Gift Program

Board of Directors



Mark C. Russell



Neeru Arora



Karen Haefling



Mike Heister



Dawn Kink



Susan Porter



Jack Purse



Chuck Self



Tom Wooley

Company Management

Mark C. Russell, President & CEO

Andrew Wallen, 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

Teri Miller, Corporate Controller

2023 OHIO MUTUAL

Assets	2023 in Thousands	2022 in Thousands	2021 in Thousands
Bonds	393,266	391,901	400,457
Common and Preferred Stocks	80,638	60,472	67,510
Real Estate	6,192	6,660	7,240
Cash and Short-Term Investments	43,514	53,233	57,769
Premiums and Agent's Balances	95,083	81,107	72,812
Other Assets	59,788	50,678	33,988
Total Admitted Assets	\$678,481	\$644,051	\$639,776

Total Liabilities and Policyholder Surplus

Unpaid Losses and Adjustment Expenses	163,480	155,759	\$132,976
Unearned Premiums	177,638	153,246	137,373
Other Liabilities	29,063	23,993	31,852
Total Liabilities	370,181	332,998	302,201
Total Policyholder Surplus	308,300	311,053	337,575
Total Liabilities and Surplus	\$678,481	\$644,051	\$639,776

Statements of Income (for the years ended)

Net Premiums Earned	\$331,426	\$293,572	\$276,516
Losses and Loss Adjustment Expenses	265,381	235,758	176,489
Other Underwriting Expenses	104,097	89,450	89,729
Net Underwriting Gain	-38,052	-31,636	10,298
Investment Income	20,691	12,397	10,892
Other Income	7,336	-2,559	4,864
Income Tax (Expense)	-3,717	3,809	-4,731
Net Income	-\$6,308	-\$17,989	\$21,323

FINANCIAL REPORT

5 YEAR FINANCIAL TRENDS

Total Assets

2023	\$678.5 M
2022	\$644.1 M
2021	\$639.8 M
2020	\$592.7 M
2019	\$553.2 M

Policyholder Surplus

2023	\$308.3 M
2022	\$311.1 M
2021	\$337.6 M
2020	\$304.8 M
2019	\$280.4 M

Combined Ratio (%)

2023	109.3%
2022	109.2%
2021	95.4%
2020	94.2%
2019	94.6%

Direct Written Premium

2023	\$377.6 M
2022	\$329.0 M
2021	\$297.8 M
2020	\$279.3 M
2019	\$278.2 M



Please note: United Mutual numbers are reported separately for 2023, but will be incorporated into Ohio Mutual Insurance Group, Inc. numbers in all subsequent financial reports.



omig.com

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**

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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

