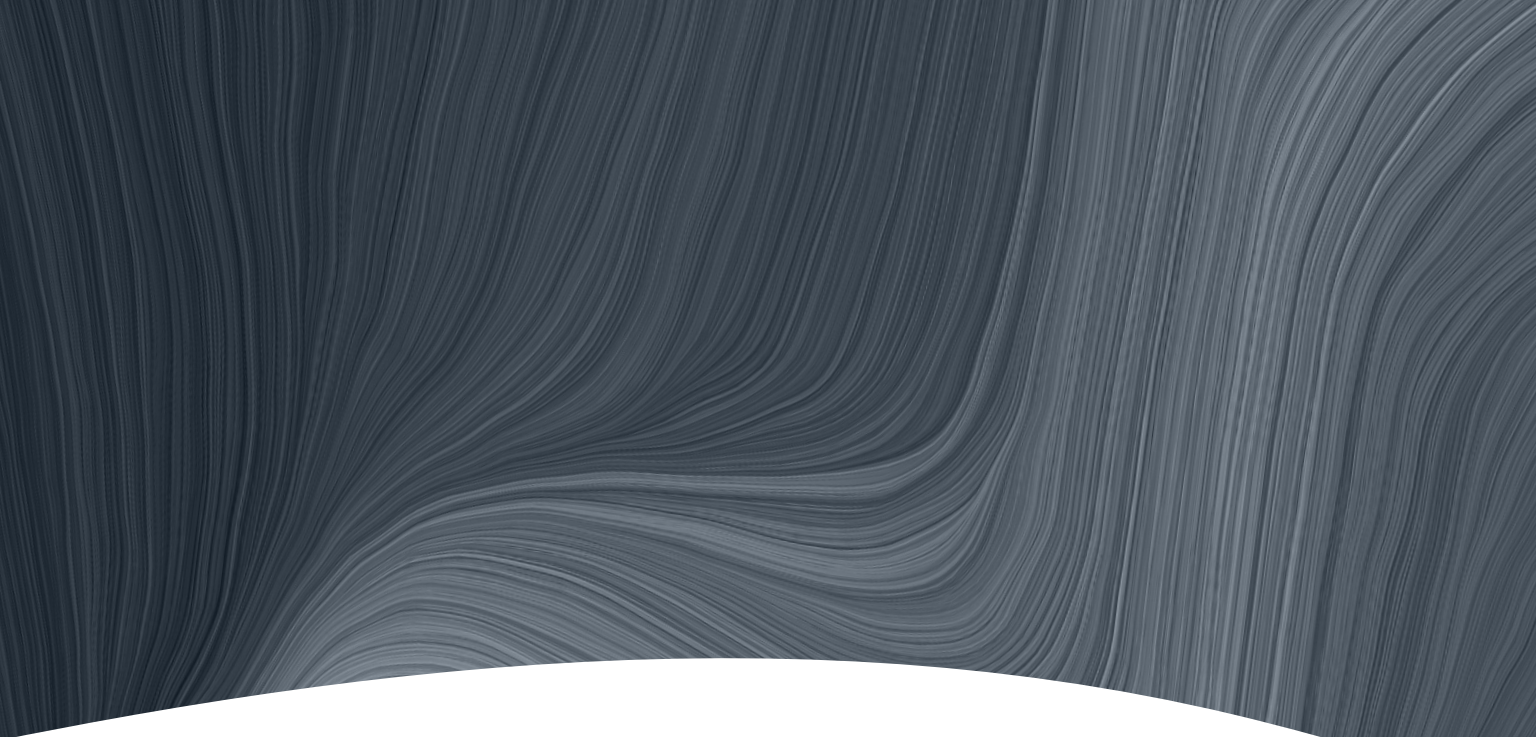


2022

YEAR IN REVIEW



SHAPING OUR MUTUAL FUTURE®



The National Association of Mutual Insurance Companies consists of more than 1,500 member companies, including seven of the top 10 property/casualty insurers in the United States. NAMIC member companies write \$357 billion in annual premiums and represent 69 percent of homeowners, 56 percent of automobile, and 31 percent of the business insurance markets.



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LETTER FROM THE CEO

Dear Colleagues:

What a year – 2022 will go down in NAMIC history as one of the most challenging yet rewarding years in recent memory. While still battling the long reach and fallout of the COVID virus, your association heralded major wins on your behalf with each passing day. Through the good works of our talented staff and, of course, NAMIC members who answered our calls for guidance and reinforcement, it was a year of many successes. You can read more about what the collective “we” achieved in 2022 in the following page of this annual report.

Among the most notable achievements was the completion of our journey to strengthen the association for the long-term benefit of member companies and their policyholders. Throughout the year, NAMIC leadership, its board of directors, member representatives, and staff came together to create what is the most comprehensive strategic framework in the organization’s more than 125-year history.

The NAMIC 2023-2025 Strategic Framework, adopted by the board in December, leads us forward in three key areas – Operational Excellence, Enhanced Member Value, and Increased Advocacy Impact – each broad pillar encompassing specific action items and objectives. This framework and these areas of focus give us the direction to think strategically and to reimagine the services we provide to each of you.

I am very proud of what was accomplished in creating this new NAMIC strategic framework, and I personally want to thank everyone who helped shepherd it through the process last year. I’m confident that you will see and experience the benefits of the advancements NAMIC makes for years to come.



Neil

LETTER FROM THE CURRENT AND PAST CHAIRS

Dear Friends,

As we mark the end of another year, what amazes us most is how quickly time flies and how much we seem to accomplish as an industry thanks to the work of NAMIC.

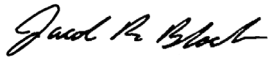
As the association followed the same path of many of our own companies that adopted a hybrid approach to a post-pandemic return to the office, it's tempting to describe NAMIC as returning to full strength in 2022. But that would be a misnomer because the association operated on our behalf at full strength throughout the pandemic, achieving major advocacy wins across the board.

Perhaps the greater impact for NAMIC members this past year came as the result of the return to normalcy for the educational events offered by the association. Once again we had the opportunity to come together in person to share knowledge, network, and build relationships through NAMIC that benefit each of us in our daily business dealings. It's safe to say we gained a new appreciation for the opportunities to reconnect and grow with NAMIC.



With 2023 now underway, we can't help but be excited about what the future will bring to this association as the result of the work completed last year. With your continued support and a new strategic framework on which to operate, NAMIC is well-positioned to evolve and innovate for years to come.

Thank you for a great year!



Jake Black
2022-2023 NAMIC Chair



Steve Sliver
2021-2022 NAMIC Chair





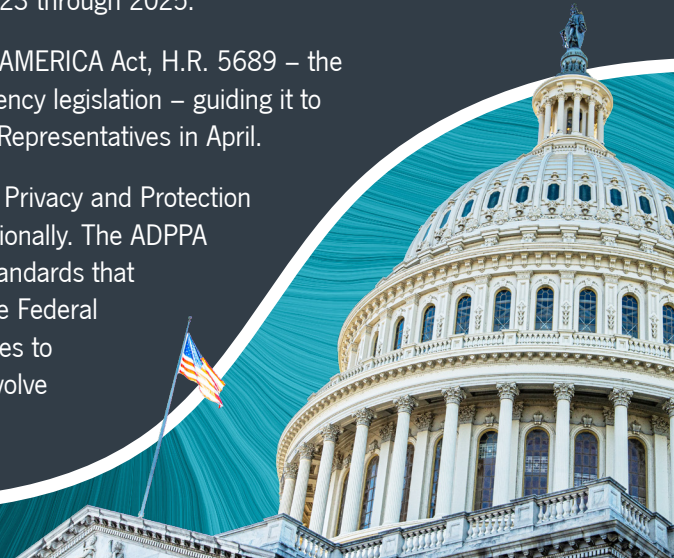
2022

YEAR IN REVIEW

As the pandemic continued to recede into the background, 2022 marked the beginning of a new normal for NAMIC and many of its member companies. Workplaces regained some sense of how they used to be three years ago, albeit with some modifications. NAMIC joined the ranks of adopting a hybrid approach to its everyday activities while other companies went back to full in-office work. Regardless of the approach, the association and NAMIC members experienced a year that more closely resembled the years before the pandemic.

Below are some of the highlights from NAMIC's successful year:

- In January 2022, NAMIC brought staff back into the office, adopting a hybrid approach combining three days in office with two days at home. It proved a resounding success for the team as productivity and morale exceeded expectations for the year.
- NAMIC senior leaders and member company leaders joined forces to collaborate in developing the most comprehensive strategic framework in the association's 127-year history. The framework lays out the priorities that will guide the association's work from 2023 through 2025.
- Our federal advocacy team made great progress with the Resilient AMERICA Act, H.R. 5689 – the next transformational piece of disaster mitigation and climate resiliency legislation – guiding it to an overwhelming bipartisan vote of 383-41 – in the U.S. House of Representatives in April.
- Federal advocates helped stop advancement of the American Data Privacy and Protection Act on the heels of privacy developments in the states and internationally. The ADPPA would establish a national regulatory framework for data privacy standards that introduces a private right of action, grants sweeping authority to the Federal Trade Commission, and lacks a strong preemption. NAMIC continues to work toward a smarter solution to this complex issue that would involve a single standard with enforcement left to the states.



- NAMIC continued to ensure federal policymakers respect the state-based system of insurance regulation and educate lawmakers on risk-based pricing, fighting off efforts to advance harmful bills such as the Prohibit Auto Insurance Discrimination Act, H.R. 1270, which would eliminate consideration of actuarially sound risk rating factors.
- NAMIC's nine-year challenge to the Department of Housing and Urban Development's disparate impact rule related to property insurance policies was reinvigorated by a federal court judge, who indicated it is his "highest priority" to promptly address, with more activity expected in early 2023.
- In Washington state, following months of work by NAMIC's judicial and state advocacy teams, a judge overturned the insurance commissioner's rule prohibiting insurers from using credit scoring to set rates for auto, homeowners, and renters insurance. NAMIC had filed suit against the rule, arguing the commissioner had overstepped his authority.
- NAMIC state advocates fought rating and underwriting restrictions in more than 15 states in 2022 and challenged major tort expansions in states as politically varied as Alaska and New York.
- The NAMIC state advocacy team also played a key role in helping guide the most significant package of reforms to Florida's critically impaired insurance market in decades while scoring other affirmative wins on commonsense issues such as securing passage of distracted driving reform in Ohio.
- NAMIC's education and events team hit the ground running in 2022, taking in-person attendance back to full force. Attendance peaked with NAMIC's 127th Annual Convention, where more than 1,650 people convened in Dallas and goals for both satisfaction and financial performance were exceeded. Overall, NAMIC events hosted 3,500 in-person and virtual attendees and more than 5,400 webinar attendees in 2022.



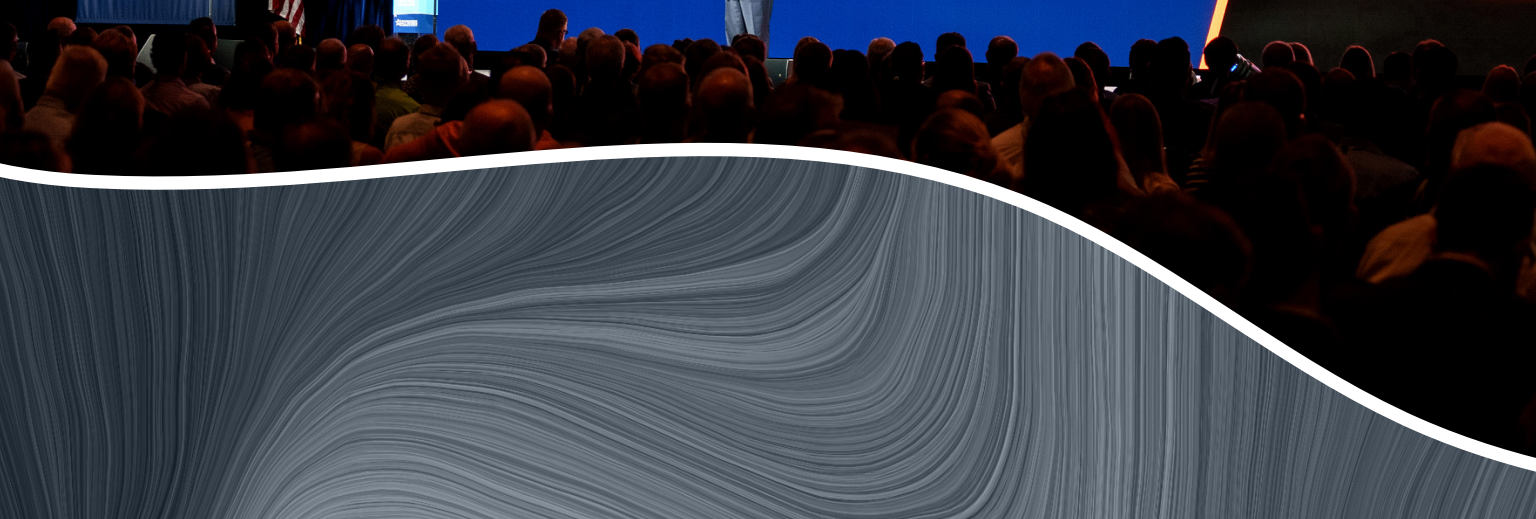


- NAMIC certification programs enjoyed a strong year as well, with more than 1,000 participants earning Farm Mutual Director, Professional Farm Mutual Manager, or Mutual Director certifications.
- NAMIC continued to grow in membership this year, thanks to its strong reputation and the hard work of the member experience team, adding 28 new companies into the association family. Voluntary retention remained above 99 percent.
- The NAMIC Mutual Insurance Foundation Scholarship Program raised \$135,000 in 2022, awarding scholarships to 38 students from across the country, bringing the total amount of scholarship funds raised by mutual insurers since 2012 to nearly half a million dollars.
- NAMICO enjoyed another great year, with total new business premium for 2022 reaching \$1,639,080 compared to \$1,474,571 in 2021. Total gross written premium increased 12.3 percent to \$23.5 million, compared to 7 percent and \$20.7 million in 2021. NAMICO saw projected underwriting profit of \$185,655.
- NAMICO's voluntary company renewal retention was 99.22 percent, reflecting adjustments made for business lost to demutualization, merger, liquidation, insolvency, or departure from NAMIC membership. Total renewal of all policies including agents E&O was 96.86 percent, compared to 96.54 percent in 2021.

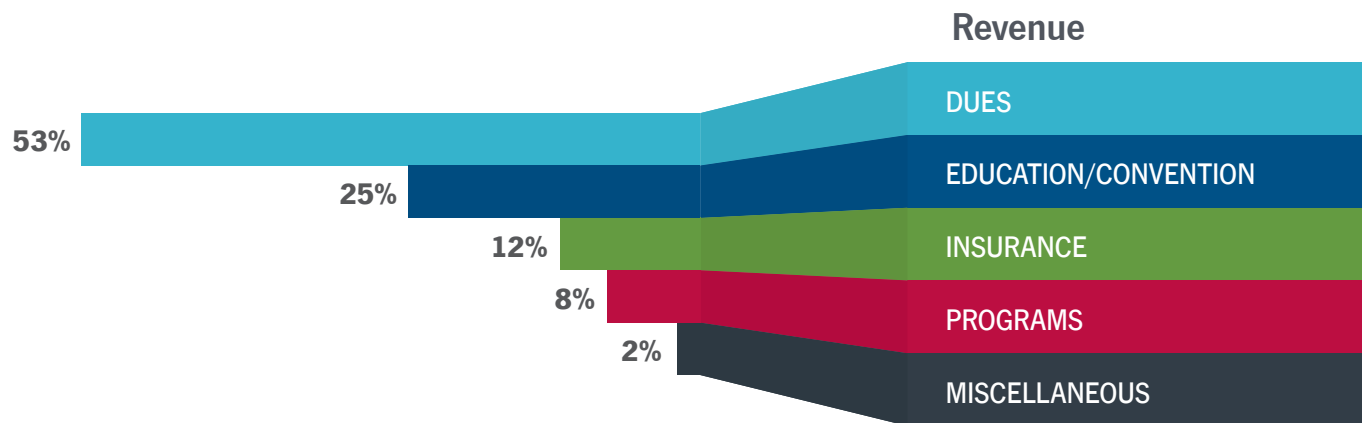


"...the secret of change is to focus all
your energy, not on fighting the past,
but **on building the new.**"

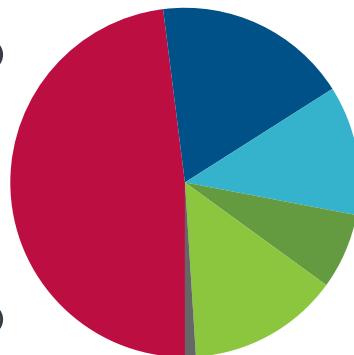
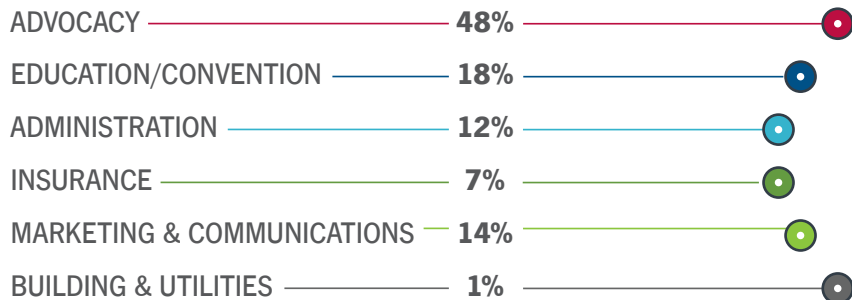
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2022 NAMIC FINANCIAL INFORMATION



Expenses





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