

**Ohio Mutual**  
Insurance Group

## 2020 PRESIDENT'S REPORT

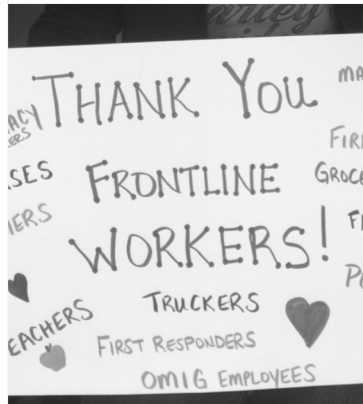
DOING THE RIGHT THINGS





# Serving our Communities

One of Ohio Mutual's strategic commitments is to contribute positively to our communities by giving time, funds, and effort. In response to an unprecedented level of need throughout 2020, we donated a record amount of financial support to local charitable organizations that feed, clothe, educate, and protect our friends and neighbors. It's the right thing to do.



## From the President & CEO

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***“Our customer experience and financial results in 2020 are the essence of our company’s purpose — to keep the promises that secure dreams.”***

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*2020 was a year full of once-in-a-generation challenges. The pandemic, civil unrest, and uncertainty impacted almost every aspect of our lives and the businesses we rely upon. I’m pleased to report Ohio Mutual effectively met the challenges head on. Our Ohio Mutual Team adapted and created the best possible outcomes in the face of a quickly changing environment. We provided stability and reassurance for our policyholders, agents, and associates in a time of great uncertainty and need.*

*After the pandemic shutdown extended longer than first expected, our Ohio Mutual Team created the Loyalty Relief Program, providing a 25% credit (over an 11-week span) for our personal auto policyholders. We also provided extraordinary bill-paying flexibility to assist policyholders. Our Loyalty Relief Program was among the best in the industry. Our outreach extended to our communities as well. We contributed positively to our communities by donating nearly \$550,000 to The Children’s Hunger Alliance, Salvation Army, United Way, YMCA, YWCA, and Ronald McDonald House – just to name a few. Additionally, we funded a number of scholarships, along with our annual associate matching gift program, which matches associate donations to a variety of charitable organizations meeting needs locally and around the world.*

*With all the uncertainty and change that 2020 generated – including adjusting to a new remote work environment for nearly all our associates – we maintained our focus on producing strong customer experience and financial results. We ended the year with a combined ratio of 94.2% and added approximately \$24.5M to policyholder surplus. The increase in policyholder surplus helps provide us with the financial strength to respond to extraordinary catastrophic events, to grow, and to invest in people, technology, and service.*

*Once again, Ohio Mutual was recognized by Aon plc among the nation’s top 50 insurers, and we maintained our A.M. Best “A” rating for a 28<sup>th</sup> consecutive year. In addition to producing strong financial results, we improved our customer experience by releasing Ohio Mutual Mobile, our new mobile app, and achieved all-time high customer loyalty survey scores from our policyholders and agents.*



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# 5 Year Financial Trends

## Combined Ratio (%)

2020	94.2%
2019	94.6%
2018	92.6%
2017	93.9%
2016	95.1%

## Policyholder Surplus (millions)

2020	\$304.8
2019	\$280.4
2018	\$253.1
2017	\$235.0
2016	\$217.6

## Direct Written Premium (millions)

2020	\$279.3
2019	\$278.2
2018	\$264.0
2017	\$236.8
2016	\$224.4

## Total Assets (millions)

2020	\$592.7
2019	\$553.2
2018	\$513.5
2017	\$478.9
2016	\$452.8

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*Finally, in the midst of all 2020's challenges, our Ohio Mutual Insurance Company members overwhelmingly voted on July 21, 2020 to change our organization to a mutual holding company structure. Among other advantages, the new mutual holding structure extends mutual membership rights to all our policyholders and provides for more operational and financial flexibility. It fortifies our commitment to mutuality and our focus on enhancing member value.*

*Our Board of Directors, agent partners, business partners, associates, and policyholders all share in the creation of 2020's successes. I thank each of you for your dedication during this most challenging year.*

**Mark C. Russell**  
President & CEO

# Condensed Consolidated Statutory 2020 Financial Report

<b>Assets</b>	2020 in Thousands	2019 in Thousands	2018 in Thousands
Bonds	394,520	\$369,864	\$356,923
Common and Preferred Stocks	58,593	46,955	37,283
Real Estate	7,800	7,671	4,450
Cash and Short-Term Investments	27,076	26,695	20,145
Premiums and Agent's Balances	70,530	67,677	63,715
Other Assets	34,137	34,348	30,936
<b>Total Admitted Assets</b>	<b>\$592,656</b>	<b>\$553,210</b>	<b>\$513,452</b>

## Total Liabilities and Policyholder Surplus

Unpaid Losses and Adjustment Expenses	\$122,783	\$116,737	\$107,853
Unearned Premiums	129,861	124,376	118,357
Other Liabilities	35,234	31,669	34,079
Total Liabilities	287,878	272,782	260,307
Total Policyholder Surplus	304,778	280,428	253,145
<b>Total Liabilities and Surplus</b>	<b>\$592,656</b>	<b>\$553,210</b>	<b>\$513,452</b>

## Statements of Income (for the years ended)

Net Premiums Earned	\$261,985	\$257,854	\$235,199
Losses and Loss Adjustment Expenses	161,097	163,820	141,713
Other Underwriting Expenses	87,335	81,967	80,598
Net Underwriting Gain	13,553	12,067	12,888
Investment Income	12,398	12,971	10,634
Other Income	2,586	3,104	1,418
Income Tax (Expense)	-4,093	-4,875	-5,416
<b>Net Income</b>	<b>\$24,444</b>	<b>\$23,267</b>	<b>\$19,524</b>



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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**

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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

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