



# 2022

## Annual Report

### GROWTH AND PROGRESS



## GREETINGS WCF INSURANCE POLICYHOLDERS,

We are pleased to report that WCF Insurance produced solid operating results in 2022. We are proud of our progress and ability to continue delivering for you, our valued policyholders.

### GROWTH

Direct written premium for last year was \$390 million, which represents a 10.2% increase from 2021. This growth was driven by our workers' compensation business and our new product lines consisting of business owner's policy, commercial auto, and umbrella insurance.

### FINANCIAL STRENGTH

We are proud to announce that WCF ended 2022 with strong financial results, leaving us well positioned to achieve our strategic aspiration of becoming a super-regional carrier, capable of meeting all your business insurance needs. In 2022, we:

- Generated **net income** of \$41 million
- Achieved a **combined ratio** of 97.2%
- Maintained our **policyholder surplus** of \$1.180 billion

In addition, AM Best affirmed WCF's A "Excellent" rating and stable outlook.

We are thrilled to be in a place of financial strength to pay a 2022 dividend equivalent to 7% of premium to our WCF Mutual policyholders.

### CUSTOMER-FOCUSED INNOVATION

We believe that providing coverage that's "just right" for your business is only part of the equation. Equally as important is the delivery of service experiences that respect you and your time. We have made significant enhancements to our online finance and claim centers, including a refreshed claim dashboard. If you haven't been to our website recently, it is worth taking a look.



**Matt Lyon**  
CEO & President



**Dallas H. Bradford**  
Board Chair

### LOCAL COMMUNITY SUPPORT

We believe in empowering our local communities. We are focused on **building** relationships, **volunteering** in the community, and financially **supporting** local organizations and people where we do business. In 2022, we spent over 1,320 hours volunteering as a company; an increase of 117% over 2021. We also contributed more than \$2 million to 130 charitable organizations.

### LOOKING AHEAD

In 2023, we will continue our progress to offer the best insurance products and service experiences to customers. Key initiatives include offering more in addition to workers' compensation and investing in new and existing systems to further improve service delivery. We will continue to enrich the communities we serve through increased local engagement and corporate giving.

We're excited about our future and are committed to earning your trust and confidence in every interaction you have with us. As always, **we want to hear from you**. Take advantage of our surveys and feedback tools to let us know how we're doing. Delivering on the needs of our policyholders is why we exist.

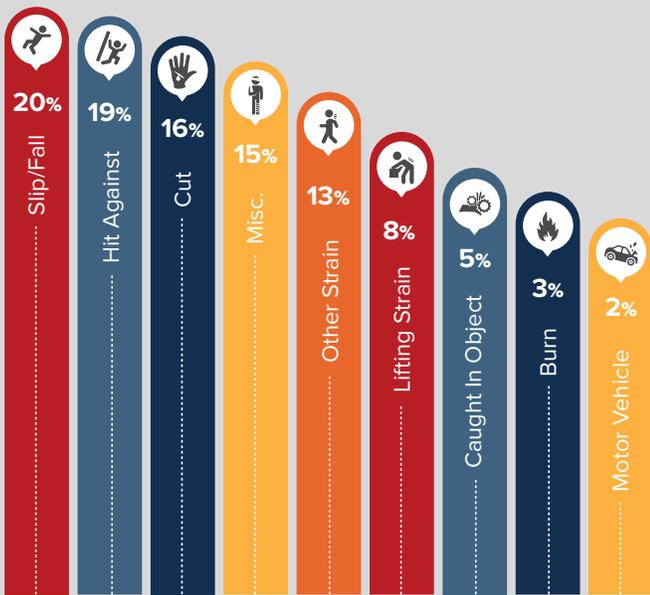
Thank you for your business and be careful out there.

**Matt Lyon**  
CEO & President

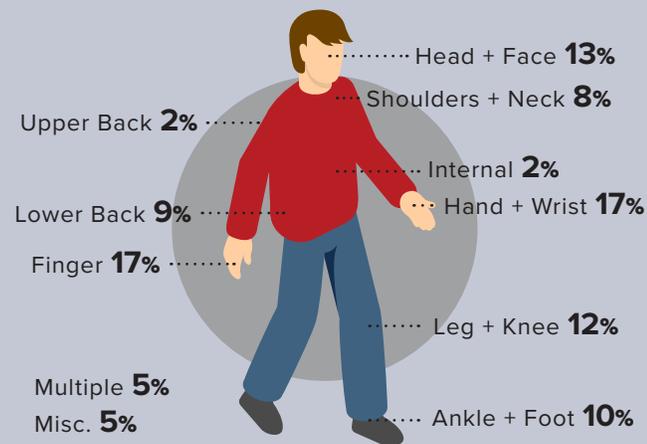
**Dallas H. Bradford**  
Board Chair

## 2022 Claim Statistics

PERCENTAGE OF WCF INSURANCE CLAIMS FILED BY **ACCIDENT TYPE**



PERCENTAGE OF WCF INSURANCE CLAIMS FILED BY **BODY PART**



## 2022 Financial Statement Highlights

Statement of Operations – Statutory Basis

Year Ending December 31	2022	2021
(in thousands)		
Net premiums earned	\$ 372,108	\$ 340,586
Losses and loss adjustment expenses	243,214	228,945
Underwriting expenses	126,376	107,864
Underwriting income	2,518	3,777
Net investment income	72,640	60,578
Net realized capital gains on investments	(688)	18,724
Other income (expenses)	(2,625)	(511)
Policyholder dividends	16,807	10,007
Federal income tax	14,272	10,728
Net income	\$ 40,766	\$ 61,833

Balance Sheet – Statutory Basis

December 31	2022	2021
(in thousands)		
Admitted assets	\$ 2,648,523	\$ 2,498,350
Reserve for losses and loss adjustment expenses	\$ 1,260,381	\$ 1,221,831
Other liabilities	208,196	91,152
Policyholders' surplus	1,179,946	1,185,367
Liabilities and policyholders' surplus	\$ 2,648,523	\$ 2,498,350

