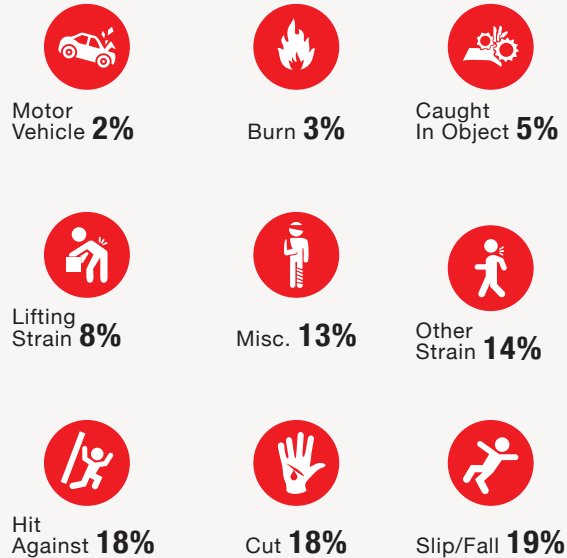
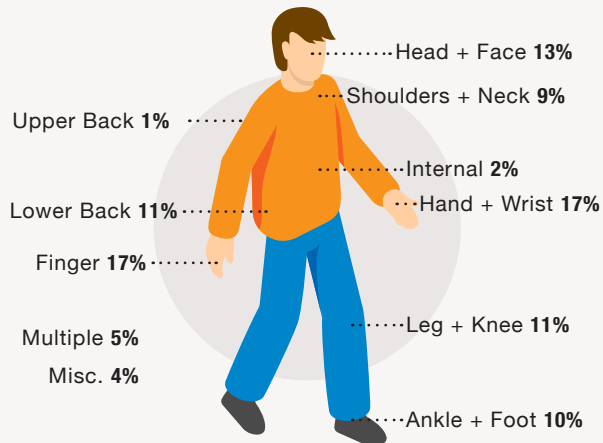


2018 CLAIM STATISTICS

NUMBER OF WCF INSURANCE CLAIMS FILED BY ACCIDENT TYPE



NUMBER OF WCF INSURANCE CLAIMS FILED BY BODY PART



2018 WCF MUTUAL HIGHLIGHTS

HIGH RENEWALS

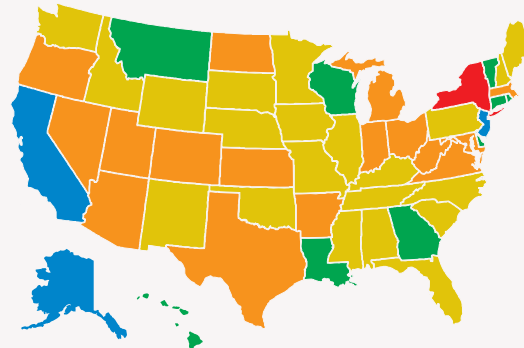
90%
of premium was
renewed in 2018

FINANCIAL RETURNS

8%
dividend declared from
2018 results

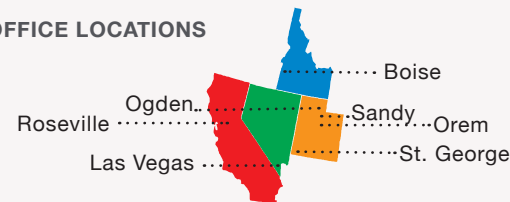
COMPETITIVE PRICING

Utah had some of the lowest workers' compensation rates in the country.



Oregon Workers' Compensation Premium Rating 2018

OFFICE LOCATIONS



WCF INSURANCE COVERAGE

- Workers' Compensation since 1917
- Commercial Auto coming in 2020
- Commercial Multi-peril coming in 2020
- Commercial Umbrella coming in 2020



100 West Towne Ridge Parkway
Sandy, UT 84070
800.446.2667
wcf.com

2018 ANNUAL REPORT



DEAR WCF INSURANCE POLICYHOLDERS,

2018 was a remarkable year for WCF Insurance! It was a notable year for strategic growth, significant progress in claims handling, and increased financial strength.

STRATEGIC GROWTH

One of the major successes of the year was the geographic expansion of our subsidiary company, Advantage Workers Compensation Insurance Company. We expanded agency partnerships into Northern California and saw our market share improve in Idaho and Nevada. Overall, we increased premium from \$272 million to \$281 million—with most of the growth coming from outside of Utah.

We have been purposefully growing our premium outside of Utah, but that does not mean we are losing focus on Utah - Utah is still our primary market and will continue to be our primary focus moving forward. In 2019, we will leverage existing and new agency appointments to generate greater premium volume and we expect to be the dominant carrier in Utah for years to come.

During 2018, we also made substantial advances in our plans to expand product offerings. We are on track to launch our first commercial auto, multi-peril, and umbrella coverages in 2020. I am confident we will introduce outstanding products that will keep us competitive as an insurer and meet your needs as a policyholder.

CLAIMS HANDLING

A major accomplishment in 2018 was receiving the mPower award from Mitchell International, a leading provider of insurance technology. The award celebrated our success in developing a pharmacy-partnership program that decreased the number of opioid pills dispensed to injured employees by 51% over the previous year—the equivalent of more than 41,000 opioid pills.

As described in Mitchell's news release, "WCF developed a program to get the right medication to the right people for the right situation, resulting in less opportunity for individuals to begin a path to tolerance, addiction, or abuse. To ensure a successful adoption, they conducted extensive outreach to the medical community. Because of



their outreach, WCF's programs have significantly influenced a broader network of health partners who have followed WCF's lead by adopting its protocols."

In 2019, we plan to continue to provide outstanding care to injured workers. Without sacrificing the quality of care provided to injured workers, we will work to reduce claims costs and increase efficiency by developing better analytics, improving electronic bill review and processing, and accessing a dynamic collection of networks calibrated for efficiencies based on performance in various geographic locations.

FINANCIAL STRENGTH

In 2018, we recorded an underwriting profit before dividends for the fifth consecutive year. We also grew total assets by 2% and increased policyholder equity, which has nearly doubled in the last ten years. At the same time, we have worked with others to keep the cost of workers' compensation insurance low and the market stable in the state of Utah. Our financial position has never been stronger, and we are pleased to once again provide an 8% dividend to the policyholders of WCF Mutual Insurance Company based on our 2018 results.

Our success as a company is exactly aligned with doing the right thing for our policyholders and their employees and agents. Thank you for your business.

Dallas H. Bradford
Dallas H. Bradford
Board Chair

Ray D. Pickup
Ray D. Pickup
President & CEO

2018 WCF INSURANCE HIGHLIGHTS

Year Ending December 31	2018	2017
(in thousands)		
Net premiums earned	\$ 281,033	\$ 272,020
Losses and loss adjustment expenses	184,919	180,077
Underwriting expenses	93,311	78,447
Underwriting income	2,803	13,496
Net investment income	62,413	54,396
Net realized capital gains on investments	9,742	5,839
Other expenses	2,232	17,534
Policyholder dividends	16,722	16,167
Net income	47,581	36,561

WCF and Advantage	2018	2017
Claims filed	24,180	22,420
Policy count	23,142	22,062

December 31	2018	2017
(in thousands)		
Admitted assets	\$ 2,125,589	\$ 2,081,363
Reserve for losses and loss adjustment expenses	1,097,475	1,072,353
Policyholder equity	945,773	934,924

