

**ACUITY'S
WORLD
RECORDS
2008**

ANOTHER RECORD ★ BREAKING YEAR

WORLD RECORD BREAKING COMPANY

Employees file in to set the World Record for the Largest Gathering of People Dressed as "Waldo."

LARGEST GROUP OF PEOPLE DRESSED AS "WALDO"

What does a company that has set records for technology leadership, an employee-friendly workplace, and industry-leading results do to top its performance? How about set an official Guinness World Record?!

That was part of the motivation behind the Guinness World Record for the Largest Gathering of People Dressed as "Waldo," which ACUITY set on December 10, 2008. Wearing custom-made attire matching the character in the internationally renowned "Where's Waldo" books, 577 ACUITY employees gathered at the insurer's Corporate Headquarters to break the previous World Record of 127.

The other motivation for the event was to give employees a unique way to share in the company's success. Companies that are serious about business but have fun doing it are the most successful!



Pat Tures (below) gives us his best "Waldo" smile.



EXECUTIVE FEATS OF ACHIEVEMENT



MOST CLOTHES PINS CLIPPED ON A FACE

The record for most clothes pins clipped on a face is 160 and was achieved by **Garry Turner (UK)** on the set of *Guinness World Records*, Madrid, Spain, on January 9, 2009.



DEEPEST PHILANTHROPIC POCKETS

In 2008, *ACUITY's* charitable contributions were 150 percent of the amount from last year. Over the past five years, *ACUITY* has contributed \$9,000,000 to worthy causes.

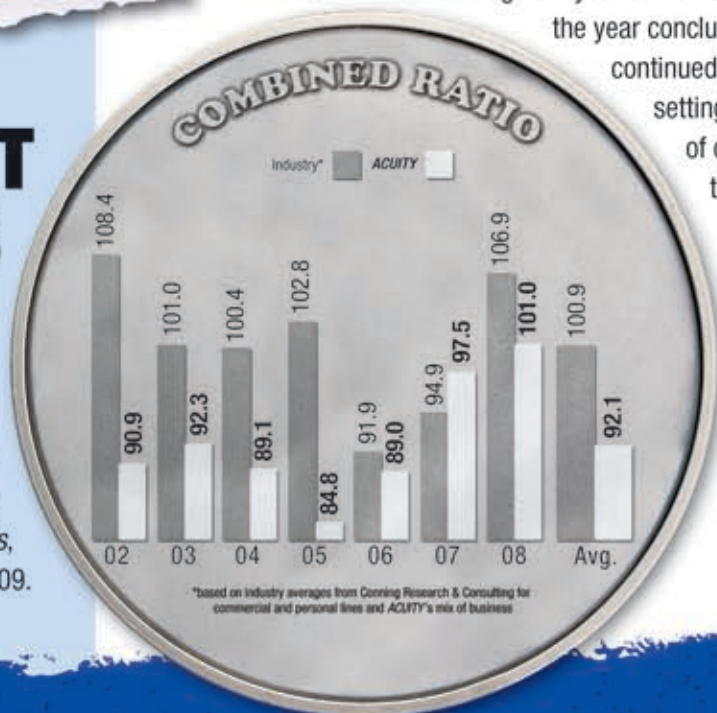
BIGGEST AUDIENCE

In 1987, Senior Commercial Underwriter **Marv Svoboda** (pictured, right) – performing as Gary Bonnett – opened for **Tanya Tucker** (pictured, left) in front of a crowd of 28,000 people in the Houston Astrodome.



★ MOST PROFITABLE

At the beginning of 2008, *The National Underwriter* named *ACUITY* "Profit Champion" in its first-ever "Underwriting Profit Hall of Fame," based on an average six-year combined ratio. As the year concluded, *ACUITY* continued its record-setting trend of outperforming the industry in profitability.

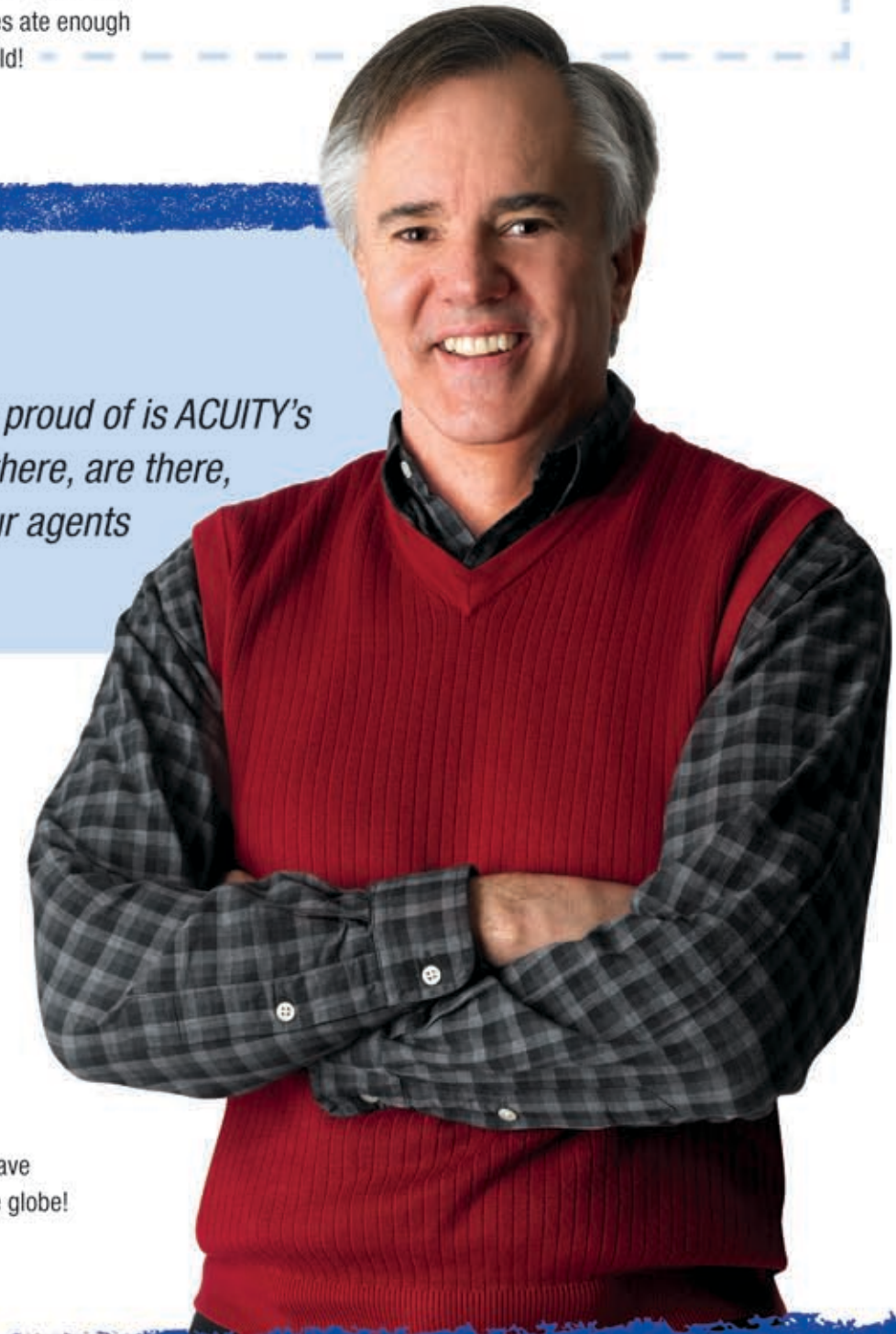


MOST HOT DOGS SERVED DURING WIENERMOBILE VISIT

When the Oscar Mayer Wienermobile visited *ACUITY's* Corporate Headquarters in 2008, employees ate enough hot dogs to span the length of a football field!

BEN SALZMANN PRESIDENT AND CEO

"The record I am most proud of is ACUITY's consistency. We were there, are there, and will be there for our agents and policyholders."



MOST MILES TRAVELED BY A PAPIER MÂCHÉ DOG

While traveling for *ACUITY's* 2008 Speaking Tours, "Petey" racked up enough miles to have circled the globe!



EXECUTIVE FEATS OF ACHIEVEMENT



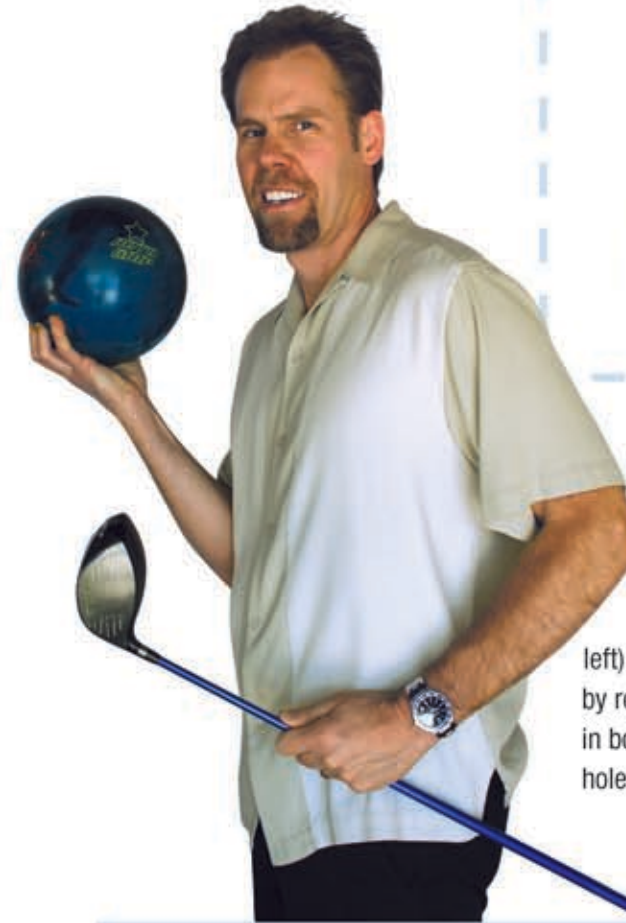
LONGEST DISTANCE ON HOT PLATES

The record for the longest distance walking over hot plates is 62 feet 6 inches and was achieved by **Rolf Iven (Germany)** on the set of *Guinness World Records* in Cologne, Germany, on September 9, 2006.



★ GREATEST POLICY COUNT

In a year when insurers struggled to achieve positive momentum, *ACUITY* continued its upward policy growth trend, setting a new record for inforce policies in 2008.



GREATEST ODDS BEATEN

Senior Premium Auditor **Scott Offerdahl** (pictured, left) beat odds of 92 million to 1 by rolling a perfect 300 game in bowling and hitting a hole-in-one in golf.

DID YOU KNOW?

ACUITY ranks as the 75th largest insurer in the nation, the highest ranking in company history.



TALLEST MOUNTAIN CLIMBED

At 2 p.m. on September 10, 2008, **Bruce James** (pictured, left), Partner at Sorhage & James Insurance Agency in Denver, Colorado, reached the 19,340-foot peak of Mount Kilimanjaro, the world's highest free-standing mountain and one of the largest volcanoes in the world.



BEST PERFORMING INSURER

ACUITY was named to the Ward's 50 list of best performing companies again in 2008. The ninth consecutive inclusion on the list is a company best.



★ BEST PARTNER

Success in business requires strong partnerships. Agents gave *ACUITY* their highest marks ever on the 2008 Speaking Tour survey.

Technology	4.75
Claims Service	4.63
Product Offerings	4.54
Quality of Staff	4.66
Rating Functionality	4.61
Application and Quote Service	4.65
Billing	4.61
Ease of Business	4.67

SALES SUCCESSES AND CREATIVE COMMUNICATIONS



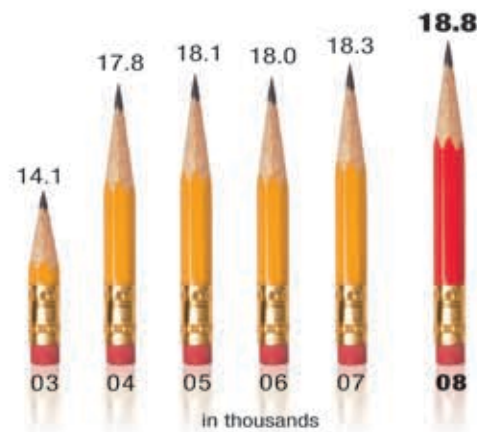
HEAVIEST CAR BALANCED ON THE HEAD

John Evans (UK) balanced a gutted Mini car weighing a total of 352 pounds on his head for 33 seconds at The London Studios, London, England, on May 24, 1999.

★ BEST EDUCATED AGENTS

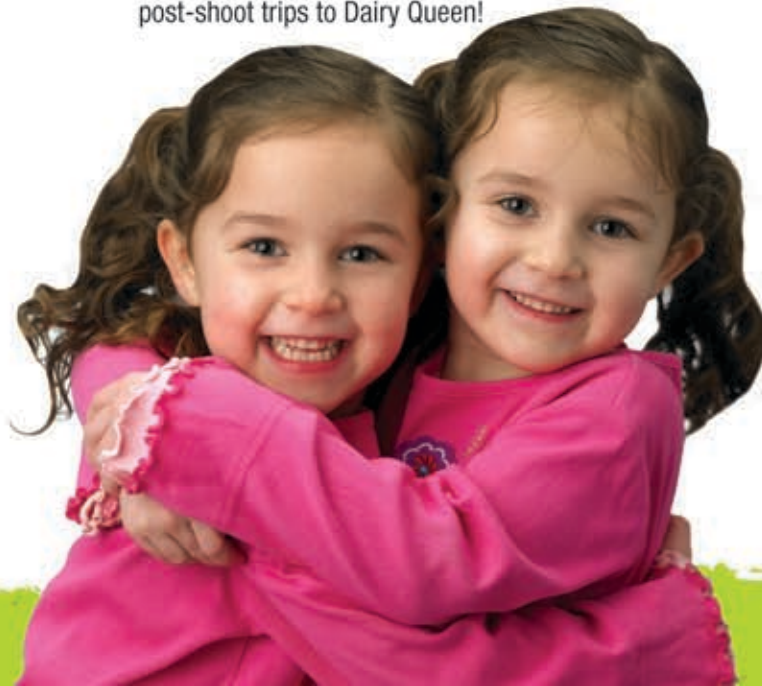
ACUITY made a record investment in continuing education for independent agents in 2008, exceeding 800 in-agency CE seminars for the first time in history and helping agents earn an all-time high 18,832 CE credits.

CE CREDITS EARNED



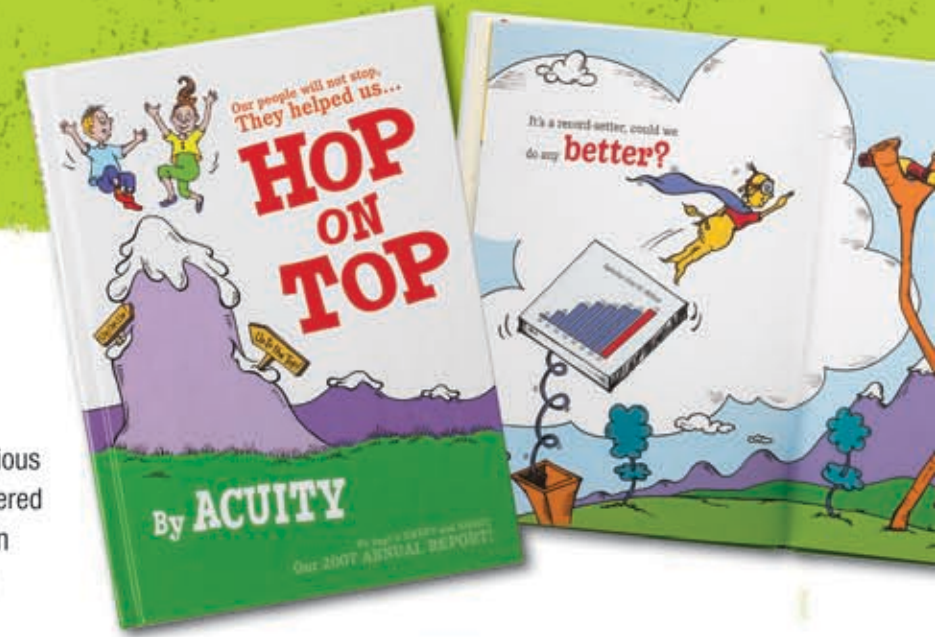
YOUNGEST (AND CUTEST) TWIN ADVERTISING MODELS

Twins Cordelia (pictured, left) and Louisa (pictured, right), now age five, began modeling for ACUITY at age four. Their photo session "demands" include post-shoot trips to Dairy Queen!



MOST CREATIVE ANNUAL REPORT

ACUITY's 2007 Annual Report earned the most prestigious recognition of any in ACUITY's history. The report garnered two International Platinum Awards from the Association of Marketing and Communication Professionals, more than any other insurance carrier.



WALLY WALDHART VICE PRESIDENT - SALES & COMMUNICATIONS

"ACUITY's record-setting performance in 2008 simply wouldn't have been possible without the support of the most professional agents in the industry."



MOST MILES RUN

General Manager Brian Benishek (pictured, left) has logged over 7,000 miles running over the past five years. That's equivalent to running from the East to the West Coast of the United States two and a half times!

SALES SUCCESSES AND CREATIVE COMMUNICATIONS



FASTEST TIME TO ESCAPE FROM A SUITCASE

The fastest time to escape a zipped suitcase was 7.04 seconds, achieved by **Leslie Tipton (USA)** on May 31, 2008, in Los Angeles, California, during *Book Expo America*.



HIGHEST JUMP

Skydiver **Jeff Magowan**, Vice President at Garceau, Wenick-Kutz, Magowan Insurance in Escanaba, Michigan, has jumped from 22,000 feet! Jeff, pictured (in the blue suit) with a student (in the yellow suit) performing a tandem jump, has jumped over 1,275 times since 1986 and has earned his Gold Wings and Expert License.



MOST SEAFOOD SERVED

Over 2,500 pounds of seafood were consumed by discerning agents at our 2008 Speaking Tours. That's 1 1/4 tons!



MOST DISC GOLF PLAYED IN FIVE DAYS

In 2004, **Joe Hullin** (pictured, above) and **Ryan Kunesh**, both Senior Programmer Analysts at *ACUITY*, created the "Labor Day 100," playing 100 holes of disc golf at courses throughout southeastern Wisconsin. The annual tradition typically includes courses in four counties, requires nearly 10 miles of walking, and takes up to 13 hours to complete!

DID YOU KNOW?

Since *ACUITY* started its Cash Rewards program, agents have earned an amazing \$3.3 million – just for submitting business online!



MOST VALUABLE AGENTS

Despite the soft market, the number of agents with over \$500,000 in volume with *ACUITY* reached an all-time high.

BIGGEST BLOCKBUSTER

Agents recognize *ACUITY*'s Speaking Tours as a tremendous educational opportunity and turned out in record numbers in 2008, topping 4,000 for the first time in company history.



MOST MEMORABLE VISITS

Agents new to *ACUITY*'s Corporate Headquarters get a personal tour of the "Interrogation and Torture Chamber," a room filled with *ACUITY* swag but decorated in macabre medieval décor!



BUSINESS INSURANCE BLOCKBUSTERS

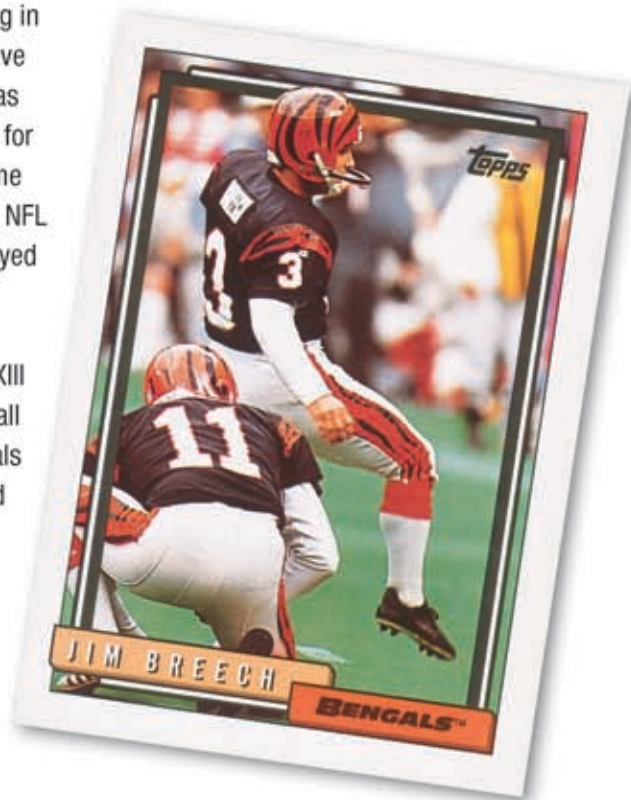


HIGHEST ALTITUDE REACHED BY HELIUM-FILLED PARTY BALLOONS

Mike Howard (UK) and Steve Davis (USA) ascended to a height of 18,300 feet using 1,400 helium-filled toy latex balloons near Albuquerque, New Mexico, on August 4, 2001.

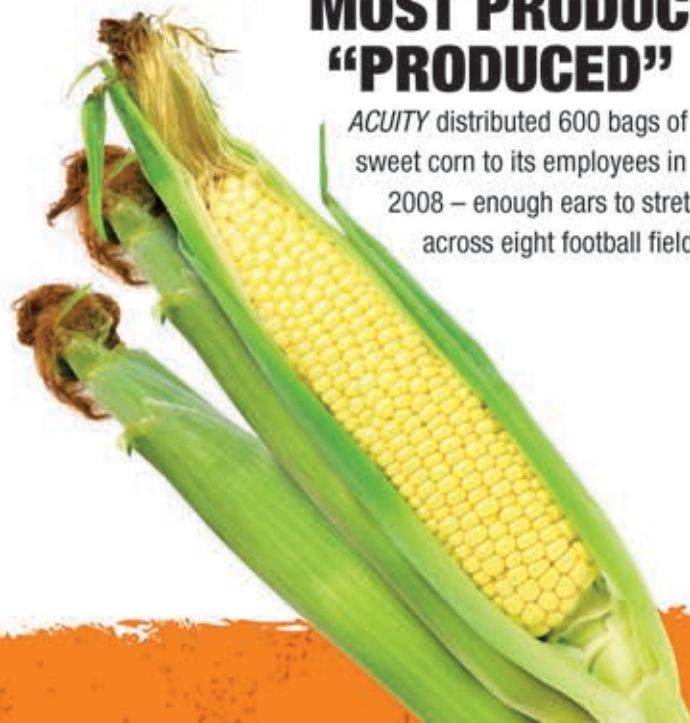
MOST POINTS SCORED

Jim Breech (pictured, below), Vice President at The Hauser Group in Cincinnati, Ohio, played 14 seasons as placekicker in the NFL, 13 of them with the Cincinnati Bengals. His 1,152 points with the Bengals are a franchise record. He is also second all-time in the NFL for scoring in 186 consecutive games and was a perfect nine for nine in overtime field goals, an NFL record. He played in two Super Bowls, and in Super Bowl XXIII he converted all three field goals attempted and scored 10 of Cincinnati's 16 points.



MOST PRODUCE "PRODUCED"

ACUITY distributed 600 bags of sweet corn to its employees in 2008 – enough ears to stretch across eight football fields.



MOST STROKES

The ACUITY golf outings are great fun, but they'll never be mistaken for the PGA tour. Agents took over 113,000 strokes at our 2008 tours!

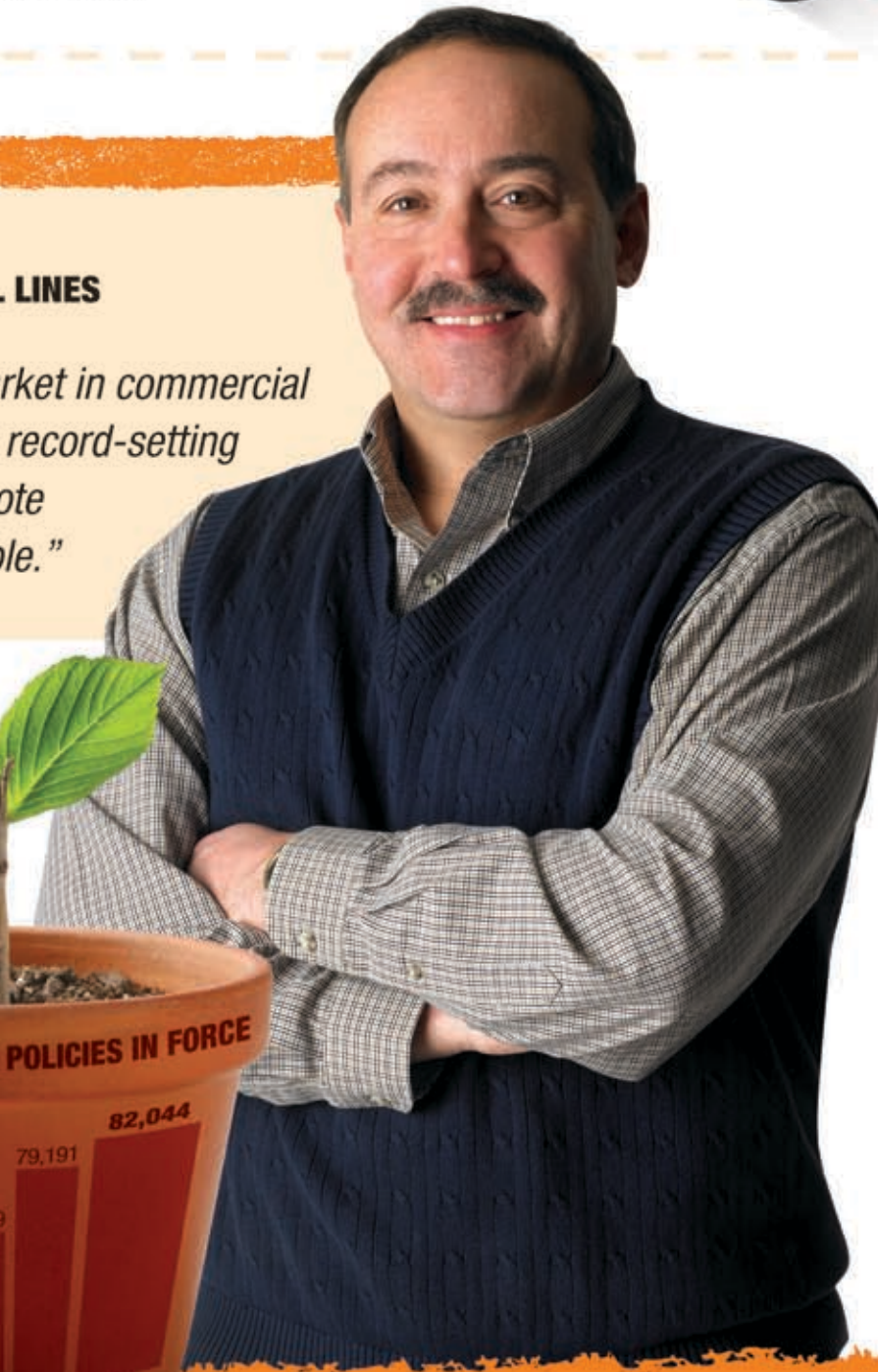
MOST MILES DRIVEN

Handling North and South Dakota and a large portion of Minnesota means Territory Director Steve Loeppke (pictured, right) puts a lot of miles on his vehicle. Over the span of his career, Steve has driven far enough to go to the moon and back...three times!



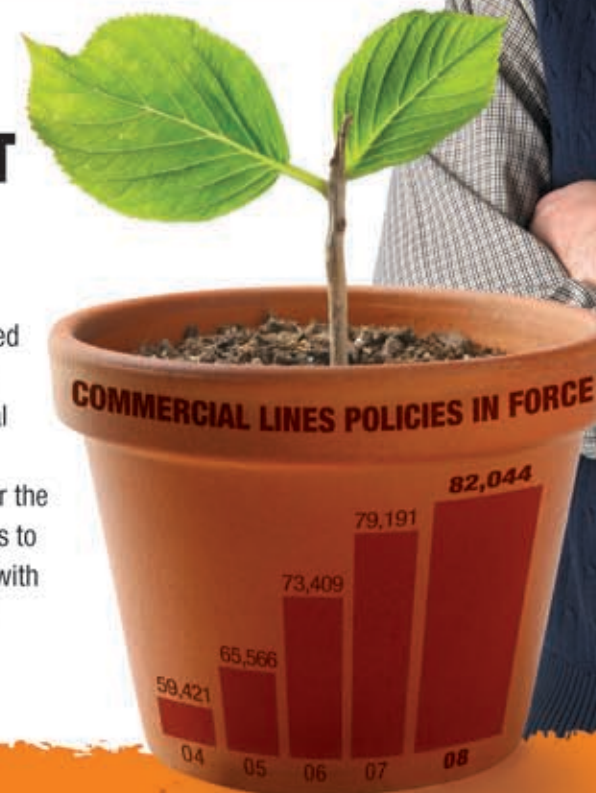
ED WARREN VICE PRESIDENT - COMMERCIAL LINES

"2008 was a challenging market in commercial lines, which makes ACUITY's record-setting year of policy growth and quote success even more remarkable."



HIGHEST POLICY COUNT

Despite an entrenched soft market in 2008, ACUITY's commercial lines policy count surpassed 82,000 for the first time ever, thanks to strong partnerships with independent agents.



BUSINESS INSURANCE BLOCKBUSTERS



MOST HEAD SPINS IN ONE MINUTE

The record for the most head spins in one minute is 109 and was achieved by **Aichi Ono (Japan)** at the World Trade Center, Hong Kong, China, on December 30, 2007.

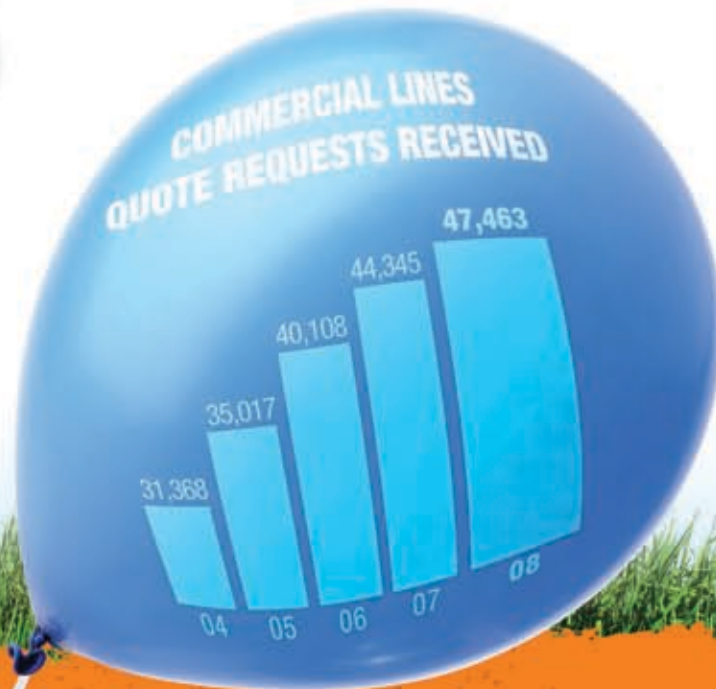


LONGEST TENURE

Sandy Ostermann (pictured, far left), Commercial Processing Manager, and **Karla Radovan** (pictured, second from right), Personal Lines Services Manager, joined **ACUITY's** staff in 1967!

★ GREATEST QUOTE REQUESTS RECEIVED

Agents continued to seek out **ACUITY** as a market for commercial lines business. In 2008, they submitted a record 47,463 quote requests!



MOST CONSECUTIVE ANTHEMS SUNG

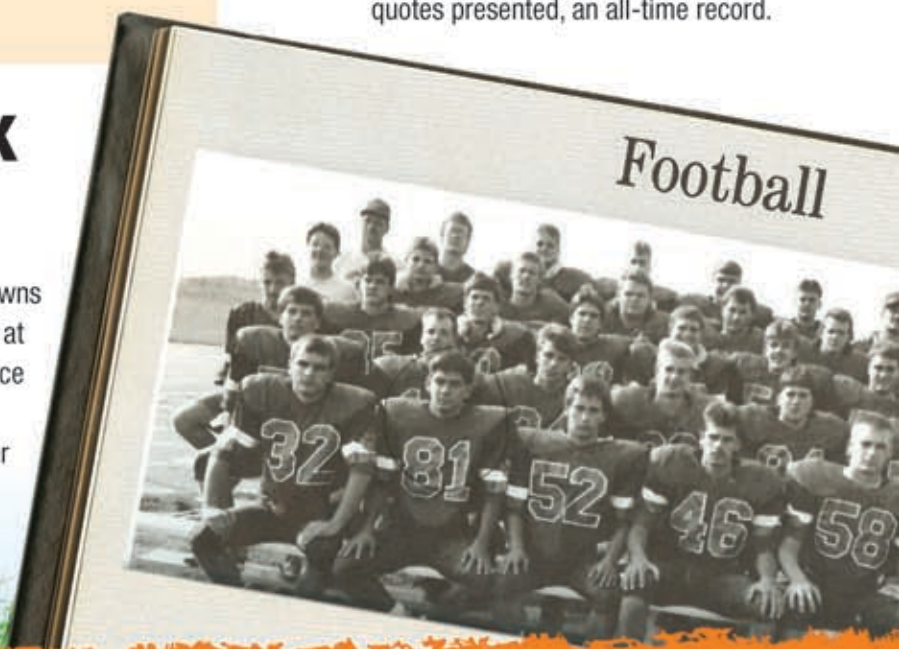
For each of the past 12 years, Manager - Commercial Underwriting **Stephanie Schreiber** (pictured, left) has opened the Sheboygan County Fair by singing the National Anthem. Stephanie has also sung the National Anthem before Lakeland College athletic events, and she has earned a National Choral Award!

DID YOU KNOW?

ACUITY's Loss Control Representatives average over 24 years of experience! Combined, that's over 800 years of insurance company loss control expertise!

FASTEST BACK-TO-BACK TOUCHDOWNS SCORED

In the 1989 season, **Jeff Corcoran** (pictured, number 81) Senior Commercial Field Underwriter, scored two touchdowns *within just six seconds* as a varsity football team member at Ashwaubenon High School in Wisconsin – a Bay Conference record. The former Jaguar caught a long pass for a score, then snared another touchdown pass on the first play after a fumble on the ensuing kickoff.



BEST SKIER

Barry Young (pictured, right), Senior Loss Control Representative in Idaho, won the overall title for the Men's 3 age division at the 2007 Water Ski National Championship!



★ STRONGEST HIT RATIO

In 2008, **ACUITY** was successful in writing a remarkable 38.1 percent of commercial lines quotes presented, an all-time record.

PERSONAL LINES AND MARKETING MILESTONES

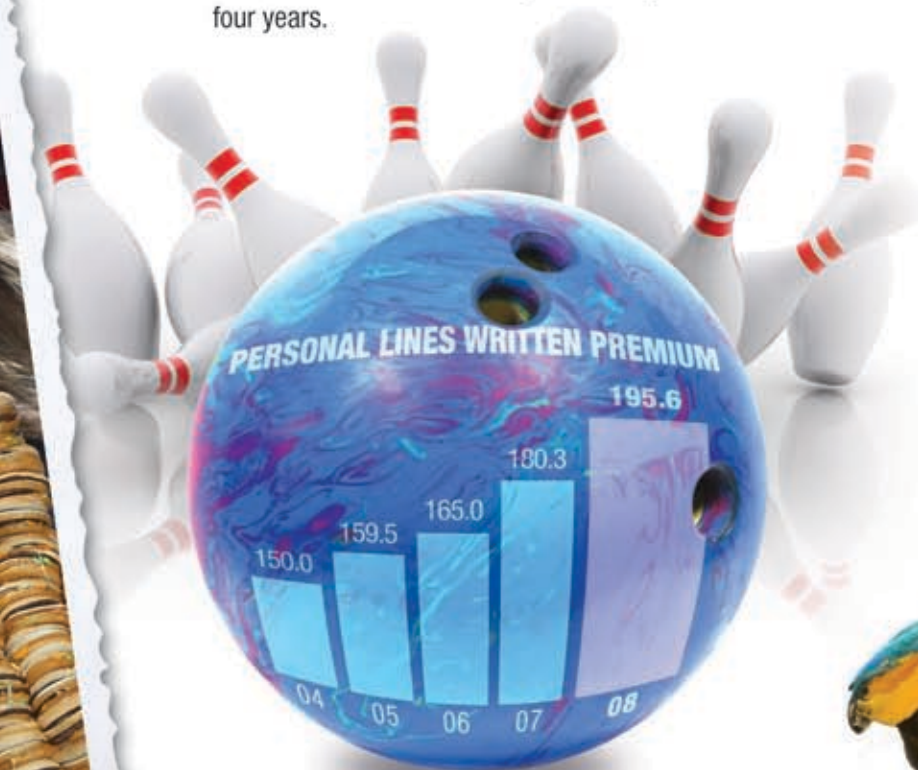


MOST BIG MACS CONSUMED

Donald Gorske (USA) consumed his 22,000th McDonald's Big Mac on April 3, 2007, in his 35th year of eating Big Macs on a daily basis.

★ GREATEST WRITTEN PREMIUM

A combination of precise and fair pricing, valuable coverages, and ease of doing business propelled personal lines premium to a record amount in 2008, an increase of over 30 percent in just four years.



FIRST POLICY SOLD IN IDAHO

ACUITY's first policy written in Idaho was booked by **Bob Schmidt** (pictured, below), Principal of Chow and Company Insurance in Boise. Bob wrote his first policy, a Road and Residence, to insure his own home and autos.



BEST RECORD-SETTING EFFORT

On two separate occasions, Marketing Analyst **Tracy Chaloupka** (pictured, left) organized an event to break the World Record for the longest relay swim. Although thousands participated in the two events, the effort fell just short – but no other employee has attempted to beat the same World Record twice!

ED FELCHNER VICE PRESIDENT - PERSONAL LINES

"ACUITY set several new records in 2008, as we wrapped up one of our best years ever in personal lines."



LARGEST IN-OFFICE AVIARY

The Maguire Agency has an aviary that spans almost an entire wall of its Roseville, Minnesota headquarters, containing nearly two dozen exotic birds.



SHORTEST TIME TO ENTER NEW STATES

In just five years, ACUITY has entered eight new states of operation!

MOST COOKIES CONSUMED

Attendees at ACUITY Town Hall meetings in 2008 took home 16,600 Girl Scout cookies. If stacked on top of each other, those cookies would stretch to a height that exceeds the tallest water tower in the world, located in Union, New Jersey!



PERSONAL LINES AND MARKETING MILESTONES



SMALLEST WAIST (LIVING PERSON)

Cathie Jung (USA), who stands at 5 feet 8 inches, has a corseted waist measuring 15 inches. Un-corseted, it measures 21 inches.

★ MOST NEW BUSINESS

ACUITY wrote the most personal lines new business in its history during a two-year span from 2007-2008.



MOST HELPFUL UNDERWRITERS

ACUITY's Personal Lines Underwriters handled an incredible 91,901 phone calls in 2008 – a record 7,300 calls each from agents, policyholders, and others. Add up the total talk time, and underwriting staff would have been on the phone for 46 straight days!



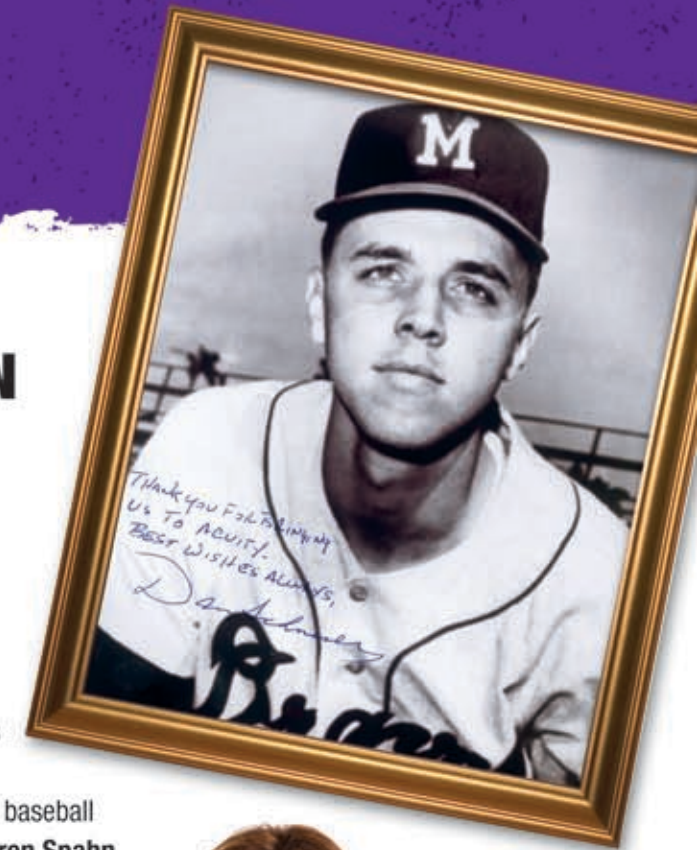
Terri Hughes, Personal Lines Underwriting Manager

HIGHEST PERCENTAGE OF INTERNET POLICY CHANGES

In addition to writing a record amount of new business electronically, ACUITY set a new benchmark for personal lines policy changes submitted via the Internet, receiving six times more endorsements online in 2008, than just five years ago.

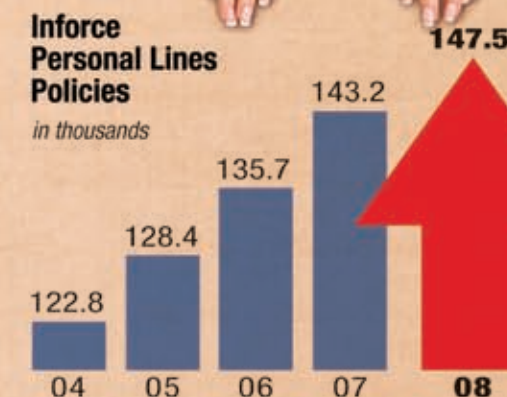
STRONGEST COOPERSTOWN CONNECTION

Dan Schneider (pictured, right), Principal at The Schneider Group in Tucson, Arizona, had a .500 batting average in 1965 with the Milwaukee Braves. Dan broke into the Major Leagues at age 20. In his career as pitcher for the Braves and Houston Astros, he played alongside Hall of Famers and other baseball legends such as **Hank Aaron, Warren Spahn, Eddie Mathews, Lew Burdette, Phil Niekro, Joe Morgan, Joe Torre** and **Bob Uecker**.



DID YOU KNOW?

A group of five ACUITY Marketing employees – **Suanne Cavanaugh, Mike Skelton, Lisa Doeber, Tricia Deming, and Sarah Daane** – formed a walking group that has grown to 11 people and that covered a combined total of 2,500 miles in 2008, simply by walking in and around Corporate Headquarters during morning and afternoon breaks!



★ HIGHEST POLICY COUNT

ACUITY set a company record in personal lines policy count, finishing the year at over 147,000 for the first time in our history.

MOST MILES BIKED FOR MS

Jim Strandberg (pictured, left), Director of Product and Research, is a regular participant in the annual Bike MS fundraiser for the National Multiple Sclerosis Society. To date, he has logged over 1,200 miles for Bike MS – the distance from Sheboygan, Wisconsin, to West Palm Beach, Florida!



CLAIMS CHALLENGES CONQUERED



FASTEST TIME TO SHOOT TEN ARROWS

The fastest time to shoot ten arrows is 1 minute 7 seconds and was achieved by **Luis Caidas Martin (Spain)** on the set of *Guinness World Records: El Show de los records* in Madrid, Spain, on June 4, 2006.

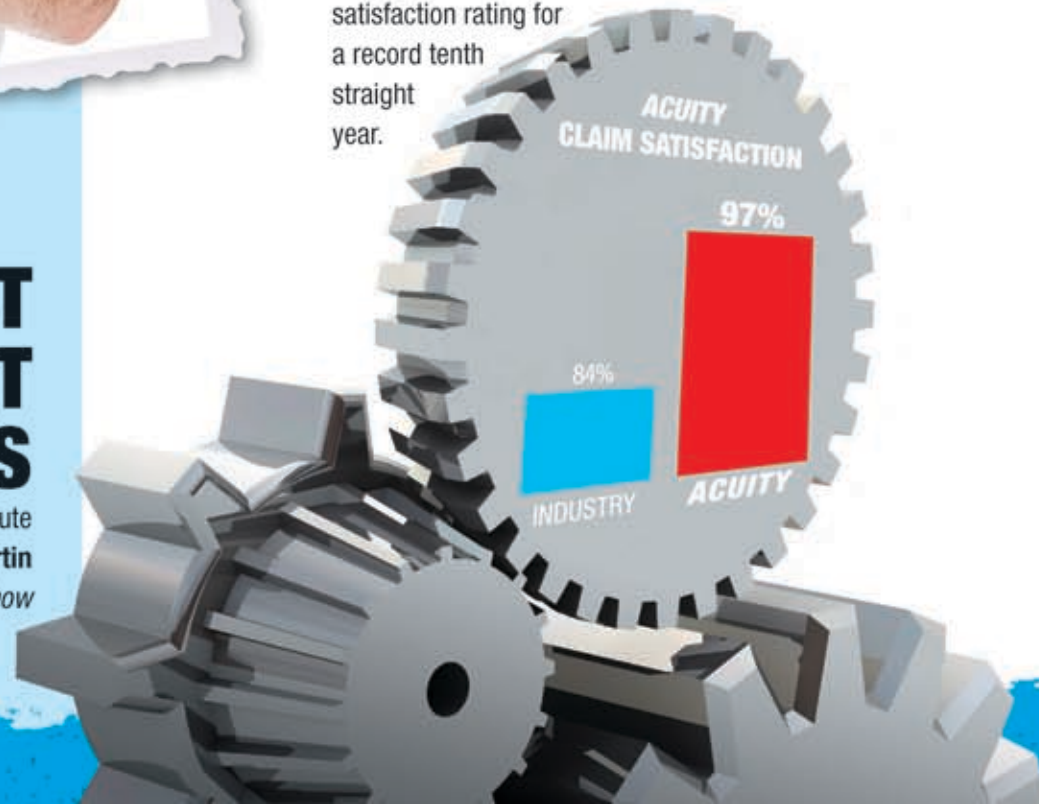
“WILDEST” CLAIM

When an *ACUITY* policyholder in Tennessee left home to walk her dogs, she returned to find her street blocked off by police and the SWAT team attempting to remove a deer that had broken through a glass door. The distraught animal wreaked havoc in nearly every room of her house.



★ BEST SERVICE

Fast response, personal service, and fair settlement enabled *ACUITY* to maintain its industry-leading 97 percent claim satisfaction rating for a record tenth straight year.



BEST NON-CLAIM CLAIMS SERVICE

Claims Representative **Stephen Katz** (pictured, left) personally delivered a can of gas to a stranded policyholder – even though there was no claim and no coverage!

HIGHEST STORM LOSSES

In 2008, *ACUITY* handled over 5,809 storm claims, representing \$36 million in losses, the highest ever.

JAMIE LOIACONO VICE PRESIDENT - CLAIMS

“Despite record-setting storm losses in 2008, ACUITY maintained our world-class levels of claims service.”

BEST IN CLAIMS TRAINING

In 2008, The International Insurance Institute honored *ACUITY* with its first-ever Loyalty Award, given to *ACUITY* for demonstrating a high level of dedication to claims education and training!



CLAIMS CHALLENGES CONQUERED



HAIRIEST FAMILY

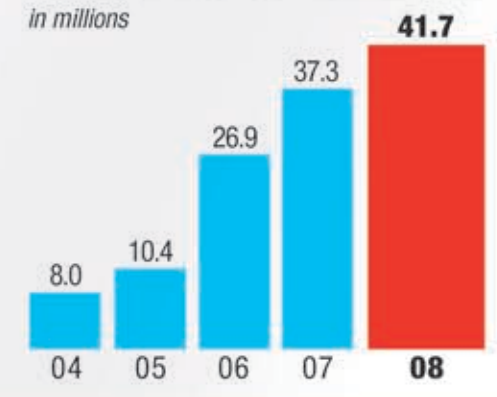
Victor "Larry" Ramos Gomez (Mexico) is one of a family of 19, spanning five generations and all with the rare condition known as congenital generalized hypertrichosis, characterized by excessive facial and torso hair.

BEST HOLIDAY CLAIM SERVICE

While at a family gathering in Stevens Point, Wisconsin, on the 4th of July, 2008 Field Claims Representative **Jody Hobbs** (pictured, right) handled a claim for **Ray Olson**, President of Premier Alliance Property & Casualty in Nampa, Idaho!



DOLLAR SAVINGS FROM MANAGED CARE



GREATEST DOLLAR SAVINGS FROM MANAGED CARE

Controlling medical costs is a priority for commercial policyholders. ACUITY set a record in managed care savings in 2008, exceeding \$40 million for the first time in company history.



HIGHEST SCORING HALL OF FAME DEFENSEMAN

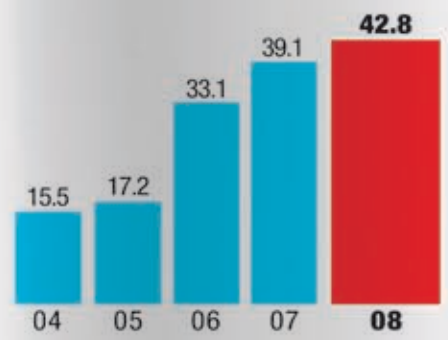
Reed Larson (pictured, left), Producer at Advance Agency in Bloomington, Minnesota, was inducted into the NHL Hall of Fame in 1996. He set several team records for the Detroit Red Wings, where he played most of his 11-year NHL career. Reed is one of only three defensemen in NHL history to record at least nine straight seasons with 50 or more points!

GREATEST PERCENTAGE SAVINGS FROM MANAGED CARE

ACUITY's managed care savings continues to outpace the increase in claim dollars, setting a new record in 2008 and outpacing its peer carriers by 22 percent.



MANAGED CARE SAVINGS AS A PERCENT OF INITIAL CHARGES



DID YOU KNOW?

ACUITY's goal is to achieve meaningful, same-day contact when claims are reported. The company continued to achieve that objective 96 percent of the time in 2008.



FIRST IN FRAUD FIGHTING

In 2008, the Anti-Vehicle Crime Association of Wisconsin (AVCAW) presented ACUITY its first-ever Certificate of Appreciation for ACUITY's support of the Association's efforts to fight vehicle crime.

HIGHEST SALVAGE AND SUBROGATION RECOVERIES

ACUITY recovered over \$20 million in salvage and subrogation for a record third straight year.



FINANCIAL FEATS OF STRENGTH



TALLEST DOG

The tallest dog ever is **Gibson**, a Harlequin Great Dane, who measured 42.2 inches tall on August 31, 2004, and is owned by **Sandy Hall (USA)** of Grass Valley, California.

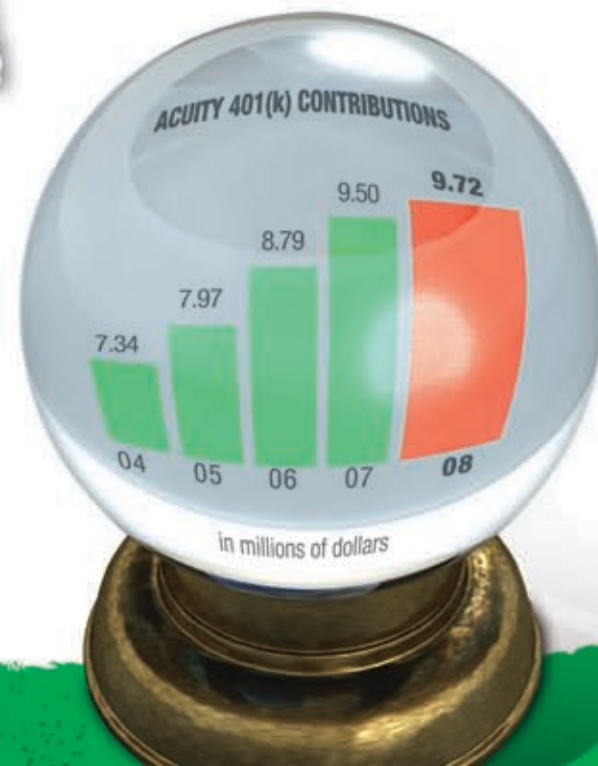
MOST POLAR PLUNGES

Keith Kraemer (pictured, right), Programmer Analyst, has taken the New Year's Day plunge into Lake Michigan with the Sheboygan Polar Bears eight times! His coldest dip was 19 degrees in 2009.



★ GREATEST INVESTMENT IN EMPLOYEES' FUTURES

ACUITY's total annual 401(k) contributions reached an all-time high in 2008, nearing the \$10 million mark.



MOST THREE-POINTERS

On January 19, 1996, as a member of the varsity basketball squad at Ainsworth High School in Nebraska, ACUITY Territory Director **Seth Miller** (pictured, above) scored nine three-pointers in one game – a Bulldog record that still stands.

HIGHEST AGENT COMMISSIONS

In the past ten years, ACUITY has paid **\$1 billion** in commission to independent agents. Stacking one billion dollar bills would extend 68 miles into outer space!



WENDY SCHULER VICE PRESIDENT - FINANCE

"Even with the turmoil in the world financial markets in 2008, ACUITY's strong, stable, and consistent performance is what agents and policyholders have come to expect."



MOST MARRIAGE CEREMONIES PERFORMED

In his duties as Commissioner in Williamson County, Tennessee, ACUITY Territory Director **Greg Davis** (pictured, below left) has conducted ten weddings.



FINANCIAL FEATS OF STRENGTH

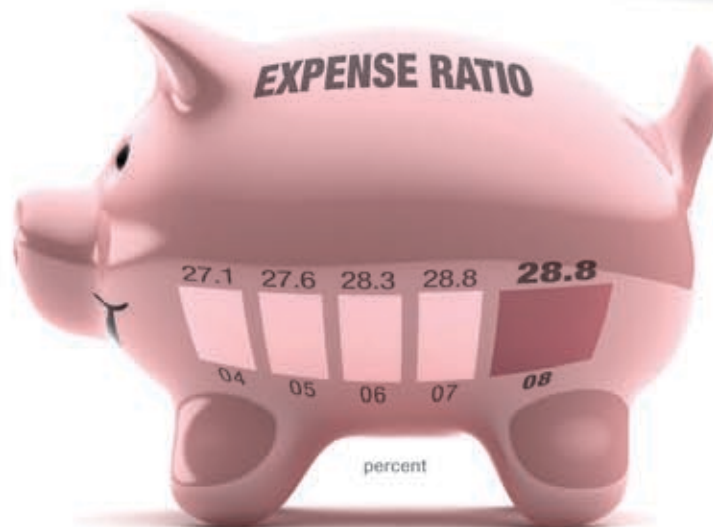


MOST GLASSES BALANCED ON THE CHIN

Ashrita Furman (USA) balanced 81 pint (20 oz) beer glasses on his chin for 12.10 seconds in his backyard in Jamaica, New York, on August 12, 2007.

LONGEST COURTSHIP

Looking through her baby book, Wendy Schuler (pictured, in crib), Vice President – Finance, was surprised to find the parents of her husband, Steve (pictured, left) listed in the visitor log. It turns out that Steve's parents weren't at the hospital to visit Wendy – they were there for Steve! The future husband and wife were born at Holy Family Hospital in Manitowoc, Wisconsin, one day apart!



★ MOST CONSISTENT EXPENSE RATIO

Despite softening premiums combined with volatile commodity costs, fuel prices, and other expenses, ACUITY's expense ratio stayed remarkably consistent in 2008.

RECORD AUDIT AVERAGE

In the last four years, ACUITY has collected over \$75 million in additional premium earned as a result of premium audits, an all-time record yearly average of nearly \$18.5 million!



DID YOU KNOW?

ACUITY is rated A+ by both A.M. Best and Standard & Poor's.

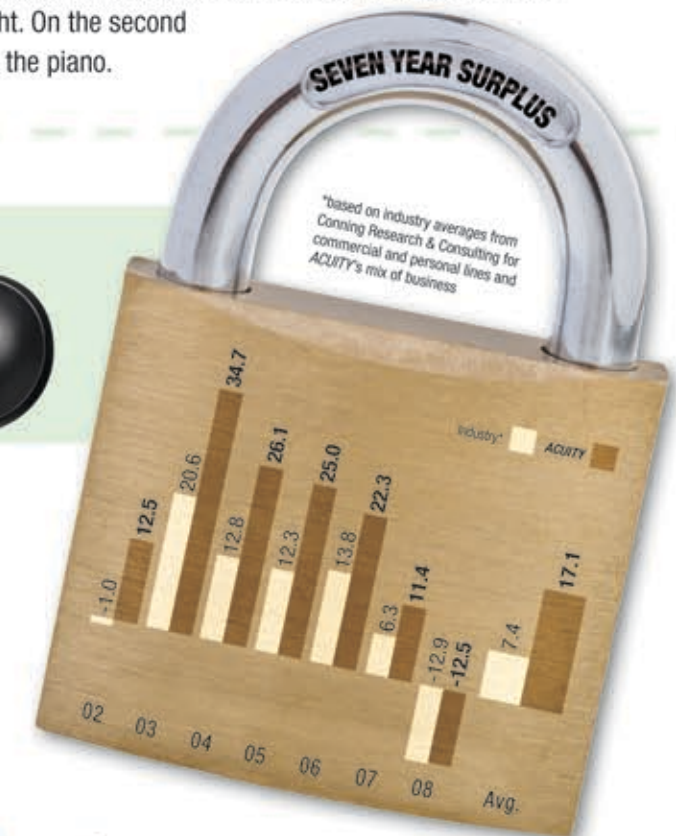
MOST DEVOTED DISNEY FAN

Jennifer Fahrenkrug (pictured, right) is a self-proclaimed Disney addict. The Michigan Territory Director has visited Walt Disney World 35 times in 35 years!



LONGEST LASTING SINGING ENGAGEMENT

For 40 years and still counting, Charles Whitehead, Co-Owner of Brown Insurance Group in Crossville, Tennessee, has been a member of the Brotherhood Quartet gospel group. During this time span, the group has performed at several hundred events. On the album cover in the upper left, Charlie Whitehead is in the first row, second from the right. On the second album cover, he is leaning on the piano.



★ STRONGEST SURPLUS

2008 was a down year for the industry, which lost surplus at a record rate. Yet over a seven-year period, ACUITY's surplus growth is over double that of the industry.

FINANCIAL FEATS OF STRENGTH

STATEMENT OF INCOME

For the Year Ending December 31, 2008

Underwriting income		\$745,710,058
Underwriting deductions		
Losses incurred	\$437,705,289	
Loss expenses incurred	80,601,152	
Underwriting expenses incurred	206,828,662	
Total underwriting deductions	725,135,103	
Net underwriting gain		20,574,955
Investment income		
Net investment income earned	54,438,674	
Net realized capital gains (losses)	(26,231,074)	
Total investment income	28,207,600	
Other income		1,653,835
Net income (before dividends and taxes)		50,436,390
Policyholders' dividends		17,733,990
Net income (after dividends and before taxes)		32,702,400
Income taxes (including deferred)		3,340,924
NET INCOME		\$ 29,361,476

Statements do not reflect the consolidated operations of non-insurance subsidiaries and are presented on the basis of unconsolidated generally accepted accounting principles (GAAP).



HANDPRINT OF WORLD'S LARGEST MAN

The tallest man in medical history is **Robert Pershing Wadlow (USA)** who, when last measured on June 27, 1940, was found to be 8 feet 11.1 inches tall. He had hands that measured 12.75 inches from the wrist to the tip of his middle finger. He wore a size 25 ring.



COMPARATIVE STATEMENT OF CONDITION

December 31,	2008	2007
ASSETS		
Bonds	\$1,181,057,439	\$1,182,333,786
Stocks	124,506,667	177,977,699
Other invested assets	86,286,566	153,316,778
Premiums receivable	239,537,505	244,792,354
Cash and short term investments	39,621,469	31,589,570
Accrued interest and dividends	15,798,255	14,744,453
Property and equipment, net	62,567,591	66,912,989
Reinsurance recoverables	57,108,487	56,965,944
Deferred acquisition costs	63,580,183	63,495,286
Deferred income taxes recoverable	64,175,748	0
Other miscellaneous assets	27,249,167	6,849,959
Total Assets	\$1,961,489,077	\$1,998,978,818
LIABILITIES AND SURPLUS		
Loss reserves	\$ 659,263,835	\$ 619,619,463
Unearned premium reserves	353,126,925	358,076,130
Loss adjustment expense reserves	191,136,952	174,527,843
Accrued expenses	72,292,106	76,935,103
Deferred income taxes payable	0	4,132,484
Other miscellaneous liabilities	4,315,251	4,260,345
Total liabilities	1,280,135,069	1,237,551,368
Policyholders' surplus	681,354,008	761,427,450
Total Liabilities and Surplus	\$1,961,489,077	\$1,998,978,818

**A.M. Best Rated A+, Superior
Standard & Poor's Rated A+**

ACTUARIAL AND INFORMATION INSIGHTS



MOST CHAINSAW JUGGLING CATCHES

The most chainsaw juggling catches is 88 and was achieved by **Aaron Gregg (Canada)** on the set of *El Show Olímpico*, in Mexico City, Mexico, on July 28, 2008.

MOST WORLD RECORDS BROKEN IN SHORTEST TIME

In just ten days, **Suanne Cavanaugh** (pictured, right), Team Manager - Regulatory Affairs, was part of three official Guinness World Record Events! On December 10, 2008, she helped **ACUITY** set a new World Record for the Largest Gathering of People Dressed as Waldo. Ten days later, she was part of the crowd at the Milwaukee Bucks game that set the World Record for the Longest Sustained "Wave" at 6 minutes 26 seconds and also established the record for the Loudest Indoor Stadium Crowd at 106.6 decibels.



BEST ROCK-PAPER-SCISSORS PERFORMANCE

Commercial Lines Underwriter **Nick Fitzgerald** (pictured, below) beat out 50 other contenders to claim the Regional Championship and earn a spot in the national tournament of the United States of America Rock-Paper-Scissors League!



PAT TURES VICE PRESIDENT - ACTUARIAL

"ACUITY's record-setting policy growth and customer retention shows we are setting rates competitively and fairly."

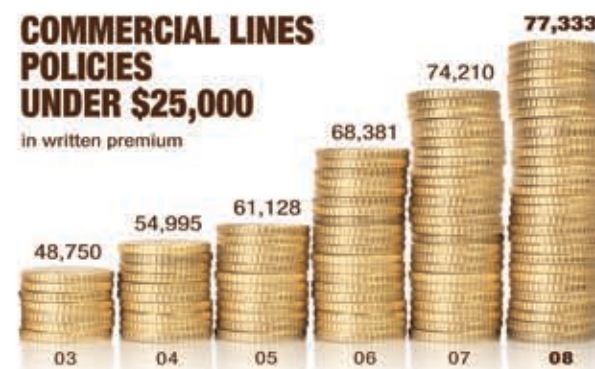
MOST BASKETBALL BROADCASTS

Mac McCausland (pictured, left), Vice President at PDCM Insurance in Waterloo, Iowa, has been the color analyst for 810 televised Big 10 and Missouri Valley men's and women's basketball games over the last 27 years. He is seen on *ESPN, Fox Sports,* and *Mediacom.*



COMMERCIAL LINES POLICIES UNDER \$25,000

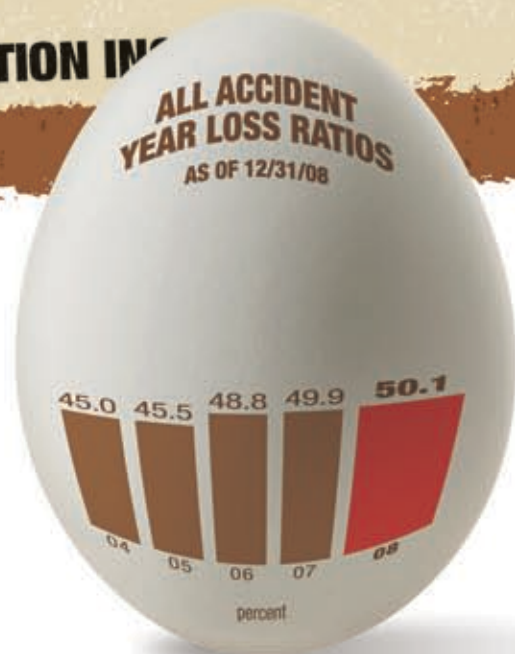
in written premium



★ STRONGEST GROWTH FOR ACCOUNTS UNDER \$25,000

ACUITY continued to experience strong growth among commercial lines accounts of all sizes. Those under \$25,000 in premium surpassed 75,000 for the first time in company history.

ACTUARIAL AND INFORMATION



★ MOST STABLE PERFORMANCE

With softening premiums continuing to put pressure on insurers' results, ACUITY's consistent accident year loss ratio over the past five years is a remarkable accomplishment.

MOST CINDER BLOCKS BROKEN BY HAND

In a display of Tang Soo Do, Commercial Lines Underwriter Jason Grunewald (pictured, left) broke two stacked cinder blocks at ACUITY's Corporate Headquarters. His personal best is four. Ouch!



MOST APPEARANCES BY A HUSBAND/WIFE MR./MRS. CLAUS TEAM

Since first performing in 1985, Bob Belger (pictured, right) and his wife, Karen (pictured, left), Inside Claims Representative, have appeared as Mr. and Mrs. Claus 1,750 times!



FIRST POLICIES SOLD IN UTAH

ACUITY's first policies in Utah were written by the Curry Insurance Agency in Tooele. Agency owner Max Curry, Sr. wrote a Bis-Pak, and Producer Alynn Lloyd booked the first personal lines policy.

DID YOU KNOW?

ACUITY's Switchboard personally answered over 300,000 incoming calls in 2008.

MOST FUTURE PRO ATHLETE TEAMMATES

LeRoy Hamilton (pictured, second row third from right), Inside Claims Representative, played varsity basketball at Mt. Carmel High School in Chicago with future Philadelphia Eagles quarterback Donovan McNabb (pictured, second row far right) and five-time NBA All-Star Antoine Walker (pictured, third row third from right). After high school, LeRoy became an All-American Player in basketball at Marian University in Fond du Lac, Wisconsin.



★ MOST LOYAL CUSTOMERS

ACUITY didn't just write record numbers of new personal lines policies in 2008; it maintained retention rates of over 91 percent for a record fourth straight year.

LARGEST SCORPION HELD IN THE MOUTH

Dean Sheldon (USA) was able to hold in his mouth a scorpion, measuring 7 inches for 18 seconds on the set of Guinness World Records: Primetime on December 21, 2000.



HUMAN RESOURCES HIGHLIGHTS



LARGEST HORN CIRCUMFERENCE (STEER)

The largest horn circumference on a steer measured 37.5 inches on May 6, 2003, and belonged to Lurch, an African Watusi steer owned by Janice Wolf (USA) of Gassville, Arkansas.

★ STRONGEST STAFF STABILITY

ACUITY has achieved a voluntary staff turnover rate of 2.2 percent for a record seven straight years, providing agents and policyholders with a stable team of service-focused professionals.



*from the Great Place to Work Institute as listed in Fortune Magazine's Best 100 Places to Work in America



BEST PLACE TO WORK

In 2008, ACUITY was honored as one of the Top Five "Best Medium-Sized Companies to Work For in America" by the Great Place to Work Institute for a record fifth straight year. No other company in the nation, in any industry and of any size, can equal that!

TOPS IN LEADERSHIP TRAINING

ACUITY was the only independent agency carrier to be ranked among the top 20 companies on the 2008 Best in Leadership Development list, chosen by Executive Excellence Publishing Group!

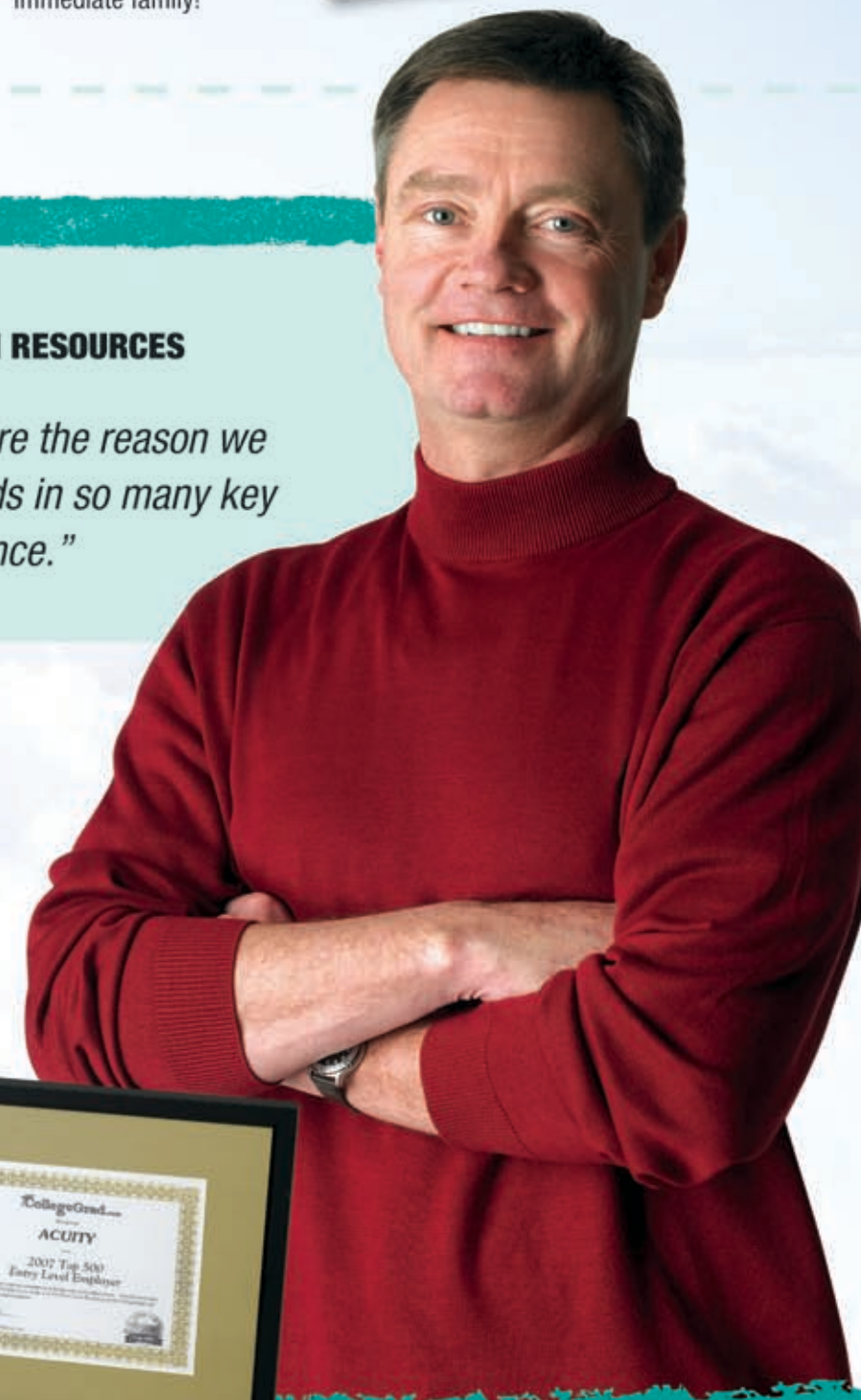
FITTEST FAMILY

Field Claims Manager Lea Kapral (pictured, far right) runs half-marathons – as do 17 other members of her immediate family!



JOHN SIGNER VICE PRESIDENT - HUMAN RESOURCES

"ACUITY's employees are the reason we have set all-time records in so many key categories of performance."

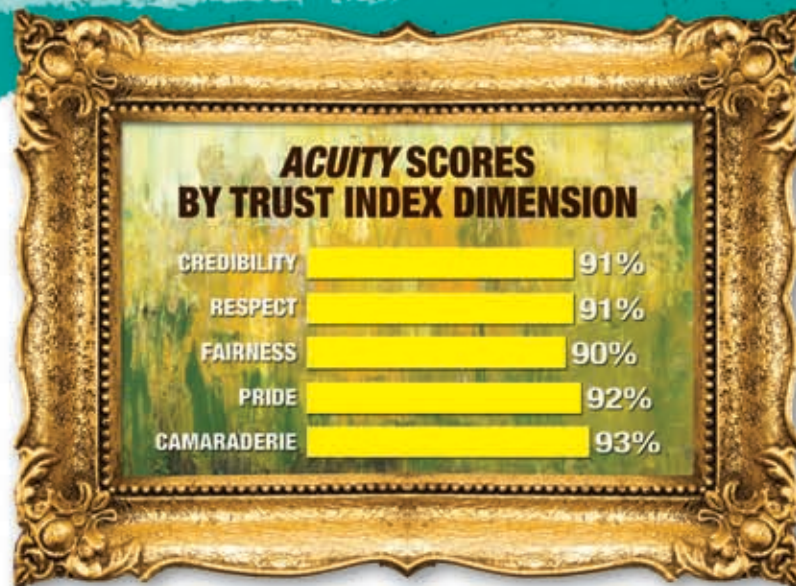


BEST CAREER-SPAN OPPORTUNITY

ACUITY is the only insurer to be named three straight years to both the list of Top-Entry Level Employers by CollegeGrad.com and the ranking of Best Employers for Workers Over 50 by the American Association of Retired Persons (AARP)!



HUMAN RESOURCES HIGHLIGHTS



★ GREATEST TRUST

ACUITY outpaced the Great Place to Work Institute Trust Index benchmarks in 2008 for a record seventh straight year.

BIGGEST AND BEST RECRUITING STAFF

ACUITY's own employees continue to be a remarkably effective recruitment force. A record 70 percent of new hires have come from staff referrals.

Jessica Antonelli and Chris Alexander, Commercial Lines Underwriters

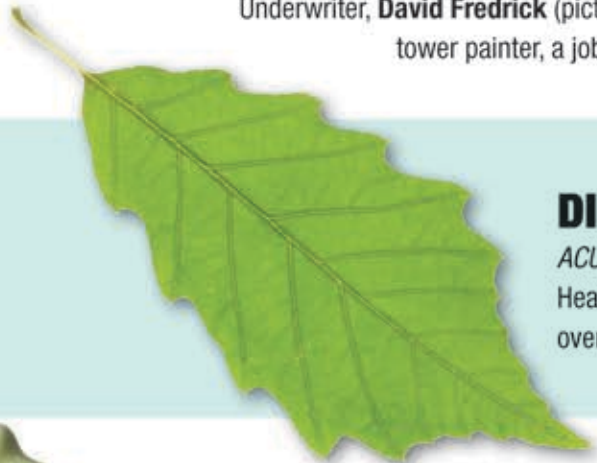


HIGHEST ALTITUDES REACHED BY PAINTER

Before his career at ACUITY as a Senior Commercial Lines Underwriter, **David Fredrick** (pictured, above) worked as a water tower painter, a job that reached 230-foot heights!

DID YOU KNOW?

ACUITY's Corporate Headquarters grounds feature over 17,000 plantings.



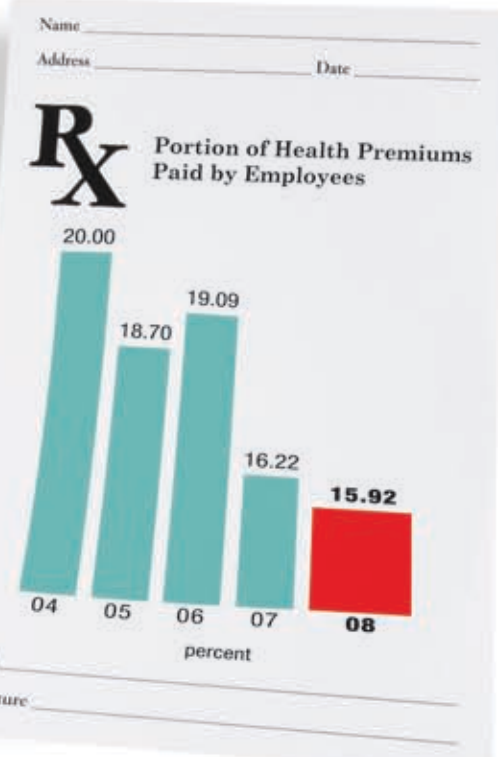
HEAVIEST HOLIDAY GIFT

ACUITY's employee holiday gift basket isn't just elaborate, it's heavy! The gift basket of 2008 set a record, topping the scales at 38 pounds – totaling nearly 16 tons of goodies for all employees!



MOST COLLEGE DIPLOMAS SIGNED

LeRoy Craig (pictured, left), President of Prescott and Craig in Jerome, Idaho, has been Chairman of the Board of Trustees for the College of Southern Idaho for 37 years. His signature is on every graduate's diploma, and there are currently 7,000 students enrolled. You do the math!



TALLEST HOUSE OF CARDS

The tallest free-standing house of cards measured 25 feet 9 7/16 inches and was built by **Bryan Berg (USA)** on October 16, 2007, in Dallas, Texas.

★ LONGEST TIME HOLDING PREMIUMS LEVEL

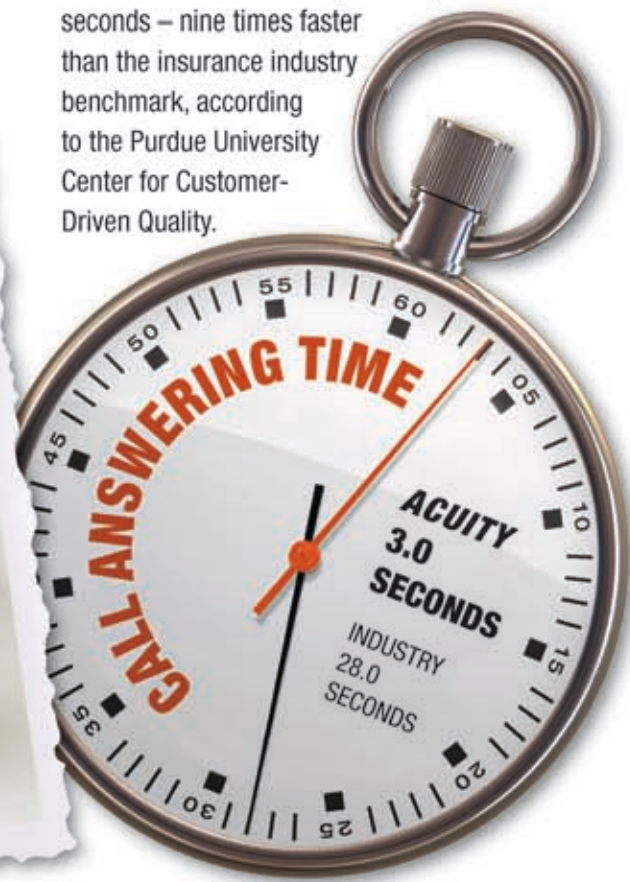
Healthcare costs have nearly tripled for employers, including ACUITY, over the past eight years. Amazingly, the cost borne by each ACUITY employee stayed the same over that span, and the percentage of premiums paid by staff members actually reached an all-time low.

SERVICE AND ADMINISTRATION STANDOUTS



★ QUICKEST CALL RESPONSE

ACUITY answers incoming calls in just three seconds – nine times faster than the insurance industry benchmark, according to the Purdue University Center for Customer-Driven Quality.



HIGHEST ANNUAL BILLING CALL VOLUME

Thanks to increased efficiency, ACUITY was able to handle a record 139,985 billing calls in 2008.



MOST MOWER MILEAGE

It takes a fleet of mowers to manage ACUITY's 2,396,000 square feet of grass. Each mowing covers nearly 40 miles!

Peter Rettler, Arborist

SHERI MURPHY VICE PRESIDENT - SERVICES & ADMINISTRATION

"ACUITY increased the speed of service to record levels in 2008, while maintaining our high levels of quality and accuracy."



FASTEST TIME TO EXTRACT GUMMY WORMS FROM CREAM PIES

During a pie eating contest at ACUITY's Corporate Headquarters, Customer Service Representative Eileen Kren dug out three gummy worms from a whipped cream pie – using no hands – in just 11 seconds!



MOST STITCHES SEWN

In over 30 years of quilting, Services Unit Manager Carla Soberg (pictured, left) has sewn over 500,000 stitches, connecting over 1,500 yards of fabric – enough to stretch nearly a mile.



MOST BASKETBALLS SIMULTANEOUSLY SPUN

The most basketballs spun simultaneously is 28 by Michael Kettman (USA) of St. Augustine, Florida, on May 25, 1999, on Guinness World Records, London, UK.



SERVICE AND ADMINISTRATION STANDOUTS



FASTEST TIME TO BURST THREE BALLOONS WITH THE BACK

The fastest time to burst three balloons with the back is 12 seconds, set by **Julia Gunthel, aka 'Zlata' (Germany)** on the set of *Guinness World Records - Die Grossten Weltrekorde* in Cologne, Germany, on November 23, 2007.

★ FASTEST PROCESSING

Thanks to process automation, best practice engineering, and staff training, **ACUITY** shaved the time it takes to handle incoming work, processing a record 90 percent of it within eight hours.



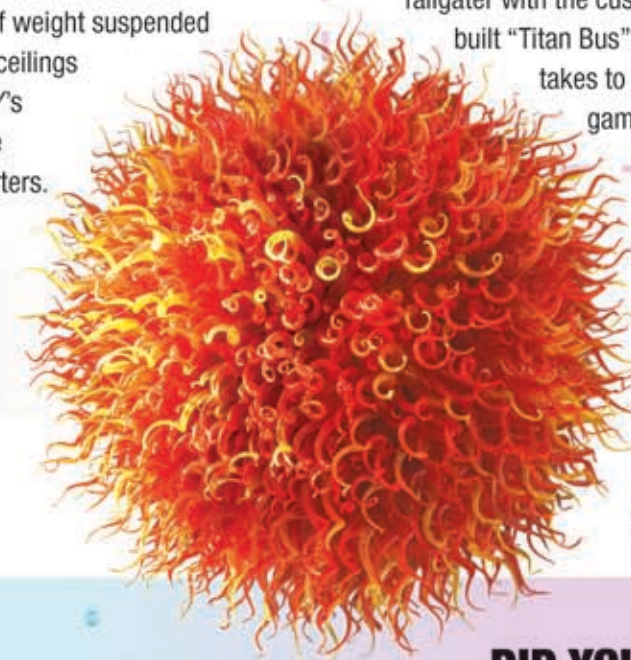
PERFECT PITCH

Karen Quicker (pictured, right), Document Transcription Processor, is a mezzo-soprano who has perfect pitch – the ability to sing any note without first hearing it. Karen was the 1994 winner of the Minnesota National Association of Teachers of Singing vocal competition and has performed with Sheboygan's Lakeshore Chorale, the University of Minnesota Opera, the Mankato State University Concert Choir, the Bethel College Festival Choir, and the Waukesha Choral Union, among others!



“SHARPEST” SCULPTURES

Seven glass sculptures, named the “Seven Sisters,” hang at **ACUITY**. In total, they consist of over 14,000 pieces of glass, each hand-blown by **Robert Kuster**. That's over 13 tons of weight suspended from the ceilings of **ACUITY's** Corporate Headquarters.



BIGGEST TITANS FAN

Joe Hunt (pictured, right), General Manager at H.B. Cowan and Company in Shelbyville, Tennessee, won the highly coveted honor of Best Titan Tailgater with the custom-built “Titan Bus” that he takes to all home games.



★ BEST CALL RESOLUTION

One-call resolution is an industry-standard measure for call center performance. **ACUITY** outperforms the industry, resolving issues in a record time of 1.24 minutes – less than 25 percent of the time it takes peer companies.

DID YOU KNOW?

ACUITY's four ponds at Corporate Headquarters contain 4.4 million gallons of water.



MOST MILES KAYAKED CONSECUTIVELY

Bob Hertel (pictured, right), Director - Personal Lines Product Development, spent 16 straight hours kayaking across Lake Michigan from Sheboygan, Wisconsin, to Ludington, Michigan, on June 16, 2004. Winds and strong currents that pushed him south toward Chicago helped add extra challenge to his trip, which totaled 65 miles!



MOST ACCURATE PROCESSING

ACUITY increased its accuracy level in Services to over 99.7 percent in 2008, an all-time record.



BUSINESS CONSULTING BENCHMARKS



MOST OFFICIAL AGENCY DUO

Brothers **John Hampton** (pictured left), Vice President, and **Brent Hampton** (pictured right), Commercial Lines Producer, at GCH Insurance Group in Winchester, Kentucky, are both college basketball referees. John has officiated in the Ohio Valley and Big 12 Conferences since 1986, and Brent has worked the A-10 and Atlantic Sun Conferences since 2000. Together, they have worked over 700 games!

FASTEST POLICY DELIVERY

Most carriers take days or weeks to deliver an actual policy. ASIST has shortened **ACUITY's** delivery time to as fast as 41 seconds.

MOST LUNCHESES WITH EXECUTIVES

Due to the "Lunches With an Officer" program, employees have enjoyed over 6,000 lunches in 669 informative sessions with **ACUITY** officers over the past two years!



FASTEST GAME OF OPERATION

At an event held by the British Association of Urological Surgeons, **Isa Isaa (Libya)** completed a game of Operation in 1 minute 2 seconds on June 28, 2001, in Dublin, Ireland.



★ MOST EFFICIENT

ACUITY continues to lead the industry in productivity. For a record ninth year, **ACUITY's** number of employees per \$100 million in revenue has bested the industry average.

LAURA CONKLIN VICE PRESIDENT - BUSINESS CONSULTING

*"Thanks to a never-ending drive for increased efficiency, **ACUITY** employees processed more business than ever in 2008."*



BRAVEST PET RESCUE

On July 14, 2008, Senior Field Claims Representative **Karen Free** (pictured, above) rescued a parakeet and two cats from a collapsed building while handling a claim in Indianola, Iowa. For her efforts, she received several scrapes and scratches – and a feature on the evening news!



BUSINESS CONSULTING BENCHMARKS

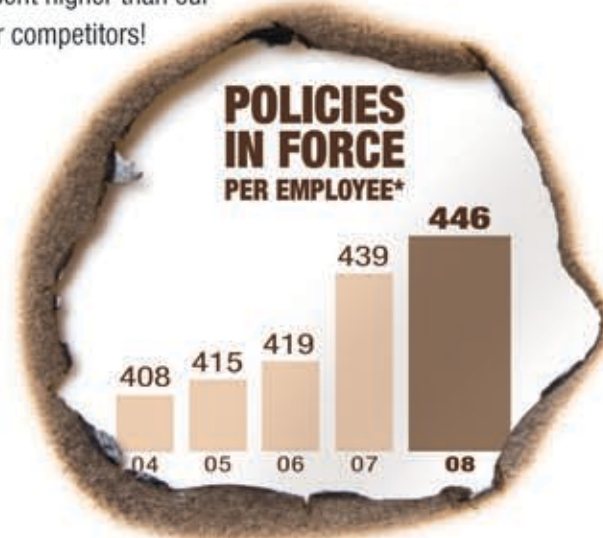


MOST RATTLESNAKES HELD IN THE MOUTH

The most rattlesnakes held in the mouth by their tails without any assistance is 11 by **Jackie Bibby (USA)** for ten seconds on the set of *Guinness World Records: Die Großen Weltrekorde* in Germany, on December 20, 2008.

★ RECORD PRODUCTIVITY

ACUITY's employees continued to burn through the work in 2008 on their way to a new record for efficiency. The number of policies per employee increased to an all-time high 446, which is 35 percent higher than our peer competitors!



*as measured by industry benchmarks

MOST ACCOMPLISHED ARBITRATOR

Monika Boswein (pictured, below), Claims Consultant, has arbitrated over 425 cases in the past three years! She is the first person to be honored as Arbitrator of the Year in consecutive years (2007 and 2008) and is Wisconsin's first Certified Master Special Arbitrator!



MOST PAPER REDUCED

Over the past six years, *ACUITY* has saved 60 million sheets of paper, thanks to online document delivery, internal process optimization, and e-business initiatives. That's a stack of paper over four miles high!

PARTICIPANTS IN ON-SITE FITNESS CLASSES



★ HEALTHIEST STAFF

ACUITY employees balance professional development with personal wellness. *ACUITY* fitness classes saw a record 5,824 participants in 2008.

MOST CORDS OF WOOD SPLIT

Matt Lyman (pictured, right), Manager – Commercial Underwriting, has split firewood to produce over 100,000 pieces since moving into his family's wood-heated farmhouse in 1986, enough to stretch from downtown Evansville, Indiana, to a mile past Owensboro, Kentucky! Matt and his family had also rebuilt their 150-year-old home by hand, log by log!

MOST LEFT-HANDED DEPARTMENT

Left-handed people make up 10 percent of the population and 18.5 percent of U.S. presidents have been southpaws. However, a full 40 percent of the Marketing - Regulatory Affairs analysts are left handed!

DID YOU KNOW?

ACUITY has an active library of 7,676 policy and miscellaneous forms.

MOST PRESIDENT'S CHALLENGE MEDAL WINNERS

Despite distributing over one million calories in Girl Scout cookies, *ACUITY* produced more than 50 President's Challenge Corporate Medal winners for physical fitness – a new *ACUITY* record!



ENTERPRISE TECHNOLOGY TRIUMPHS



MOST SWORDS SWALLOWED SIMULTANEOUSLY BY A FEMALE

Natasha Veruschka (USA) swallowed 13 swords, each at least 15 inches long, at 3rd Annual Sideshow Gathering and Sword Swallowers Convention, Wilkes-Barre, Pennsylvania, on September 3, 2004.

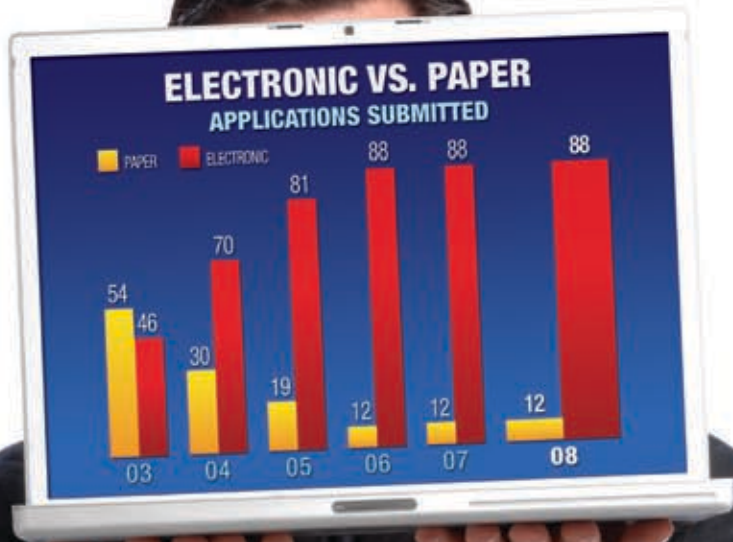
SMARTEST SIBLINGS

Brothers Mike (pictured, left) and Adam Thill (pictured, right), Systems Architect and Senior Programmer Analyst respectively, each graduated as valedictorians of their classes at Random Lake High School in Wisconsin. So did their siblings Andy, Matt, and Sarah!



★ FEWEST PAPER APPLICATIONS

Just ten years ago, none of the applications received by ACUIY were electronic. That number has increased to 88 percent, an all-time high.



LARGEST NUMBER OF ONLINE CHANGE REQUESTS

Agents' use of ACUIY's online tools for processing policy change requests has continued to expand. In 2008, an all-time record 45.2 percent of change requests were received online.

MOST ACORD AWARDS

ACUIY earned three more ACORD Technology Awards in 2008. Over the past seven years, that's 39 awards, more than any other insurance company in the nation!



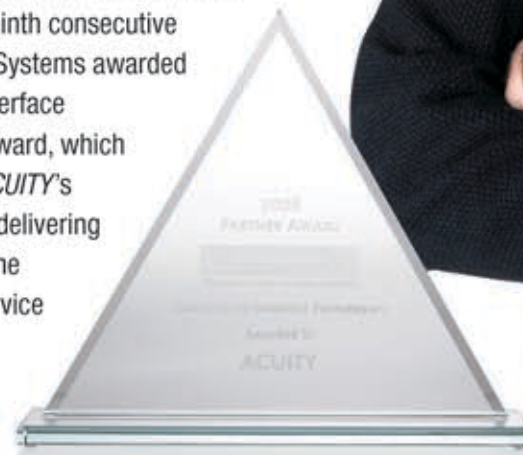
NEAL RUFFALO VICE PRESIDENT - ENTERPRISE TECHNOLOGY

"ACUIY continued our technology leadership in 2008, setting records in several areas of performance and reaching all-time highs in online business."



EASIEST TO DO E-BUSINESS WITH

For a record ninth consecutive year, Applied Systems awarded ACUIY its Interface Partnership Award, which recognizes ACUIY's leadership in delivering real-time online rating and service capabilities.





LONGEST FINGERNAILS ON A PAIR OF HANDS (FEMALE)

Lee Redmond (USA), who has not cut her nails since 1979, has grown and carefully manicured them to reach a total length of 28 feet 4.5 inches as measured on the set of *Lo show dei record* in Madrid, Spain, on February 23, 2008.

★ MOST ONLINE QUOTE VOLUME

Thanks to a continued expansion of the number of lines of business available for online submission, agents sent a record 267,932 quote requests to ACUITY in 2008.

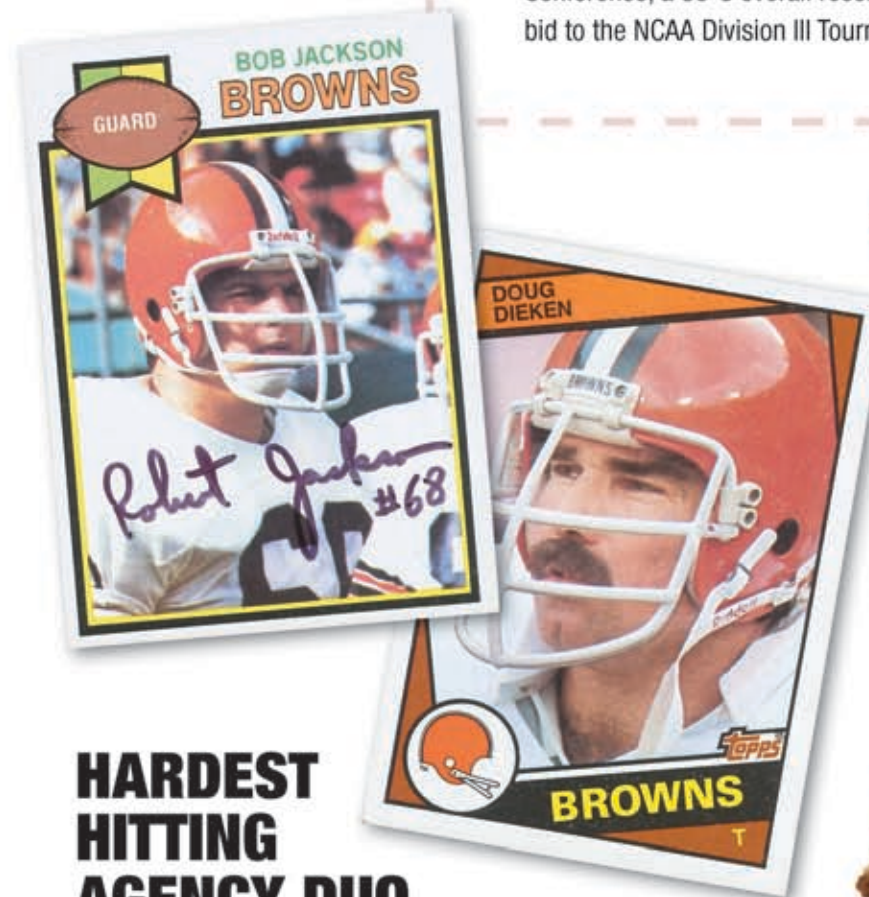


DID YOU KNOW?

ACUITY achieves its technology leadership despite spending 35 percent less on IT, as a percentage of written premium, than its competitors!

MOST ONLINE NEW BUSINESS VOLUME

Agents wrote an all-time record \$130 million in new business online with ACUITY in 2008, more than five times what they wrote in 2003!



HARDEST HITTING AGENCY DUO

Jackson, Dieken & Associates in Westlake, Ohio, is owned by two former NFL offensive linemen, Robert Jackson (pictured, above left) and Doug Dieken (pictured, above right). Robert played 12 seasons at guard with the Cleveland Browns and Atlanta Falcons. Doug played 14 seasons at tackle for the Browns, went to the Pro Bowl, and was inducted into the Cleveland Browns Legends in 2006.

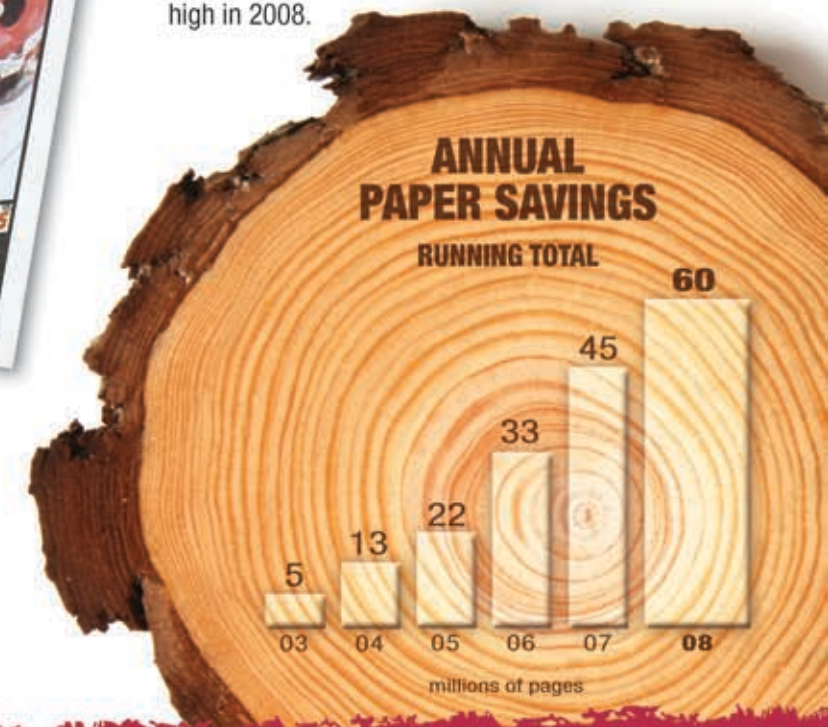
BEST FIRST-YEAR COACHING RECORD

In her first season as Head Coach of the St. Norbert College women's varsity volleyball team, Senior Field Claims Representative Bethani Thibodeau (pictured, right) led the squad to a perfect season in the Midwest Conference, a 30-3 overall record and a bid to the NCAA Division III Tournament.



★ GREATEST ANNUAL PAPER SAVINGS

Reducing paper cuts expenses, conserves resources, and makes ACUITY and its agents more efficient. ACUITY has steadily increased the amount of paper saved throughout its operations, reaching an all-time high in 2008.



MOST POWERFUL TECHNOLOGY

ACUITY was named to the *InformationWeek 500* for the fifth consecutive year in 2008. Ranked at number 29, ACUITY was the highest rated property and casualty insurer on the list!



Heather Ourada, Programmer Analyst

**ANOTHER INCREDIBLE
YEAR! AND ACUITY'S
RECORD-SETTING
STORY CONTINUES IN
2009!**

