

The 2016 Annual Report

A DELICIOUS
Year
INSIDE THE
acuity
CHOCOLATE FACTORY
~an acuity parody!~





Acuity, A Mutual Insurance Company

WELCOME!

2016 has been a truly delectable 366 days at the Acuity Chocolate Factory. Turn the pages to learn more about all the magic that happened this year!



ACUITY OFFICERS (from left to right)

MARCUS KNUTH
Vice President -
Enterprise Technology

SHERI MURPHY
Vice President - Services
& Administration

WENDY SCHULER
Vice President - Finance

SHANE PALTZER
Vice President - Marketing
& Personal Lines

WALLY WALDHART
Vice President - Sales
& Communications

BEN SALZMANN
President & CEO

ED WARREN
Vice President -
Commercial Lines

JAMIE LOIACONO
Vice President - Claims

PAT TURES
Vice President - Actuarial
& Strategic Information

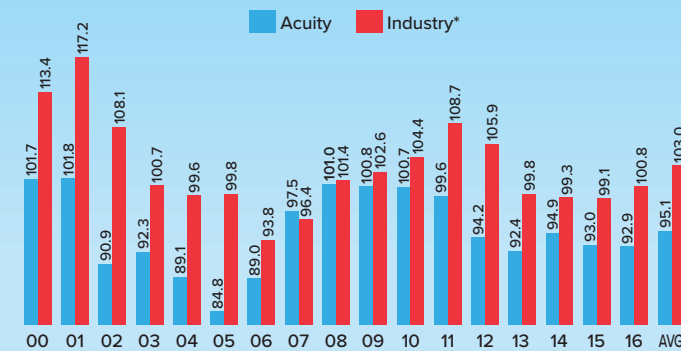
JOAN RAVANELLI MILLER
General Counsel &
Vice President -
Human Resources

MELISSA WINTER
Vice President -
Business Consulting



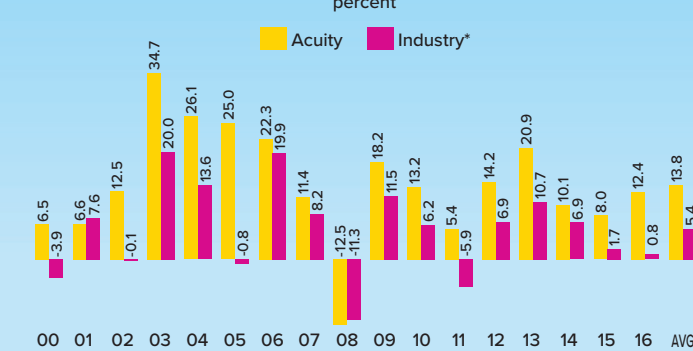


Combined Ratio



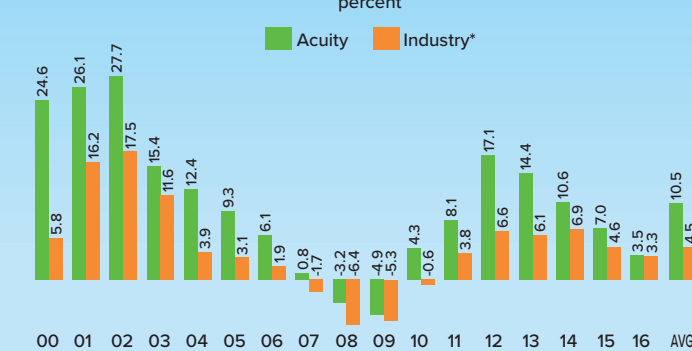
*Based on industry averages from Conning Research & Consulting, weighted by Acuity's mix of business (GAAP).

Surplus Growth



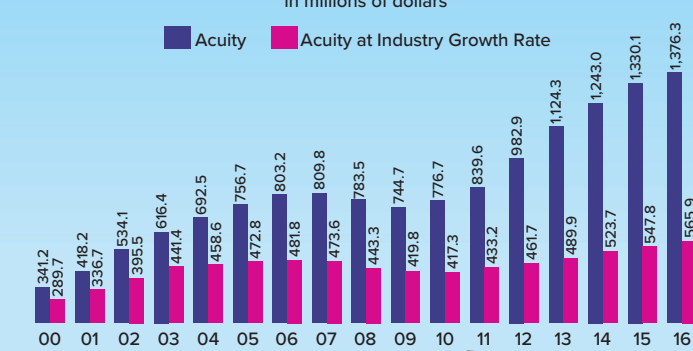
*Based on industry averages from Conning Research & Consulting, weighted by Acuity's mix of business (Statutory).

Sales Growth



*Based on industry averages from Conning Research & Consulting, weighted by Acuity's mix of business (GAAP).

Comparative Written Premium

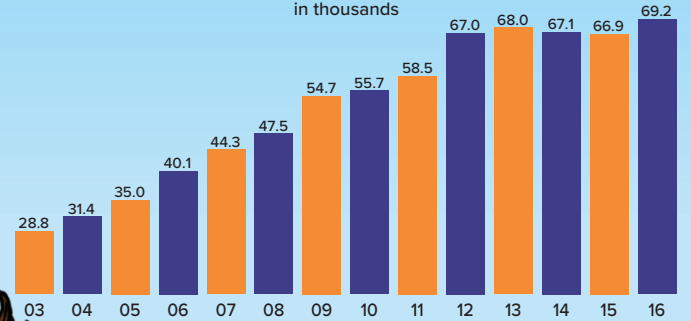


In both commercial and personal lines, we keep growing and growing!



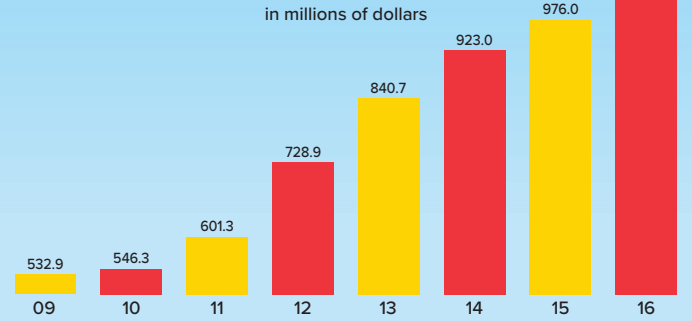
Commercial Lines Quotes Received

in thousands

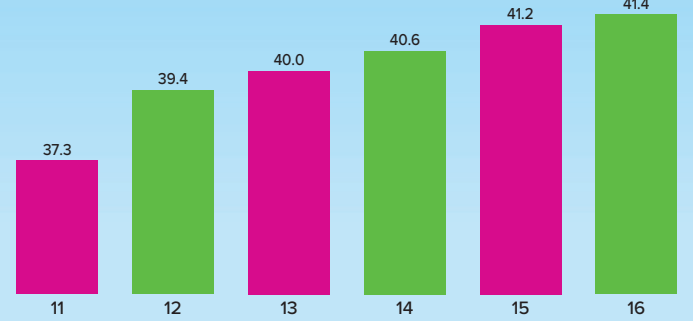


Commercial Lines Written Premium

in millions of dollars

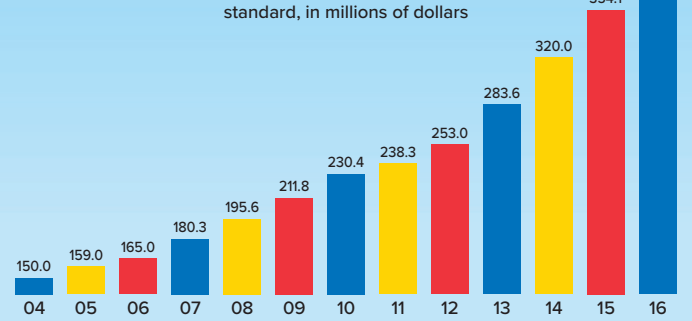


Commercial Lines Quote Hit Ratio



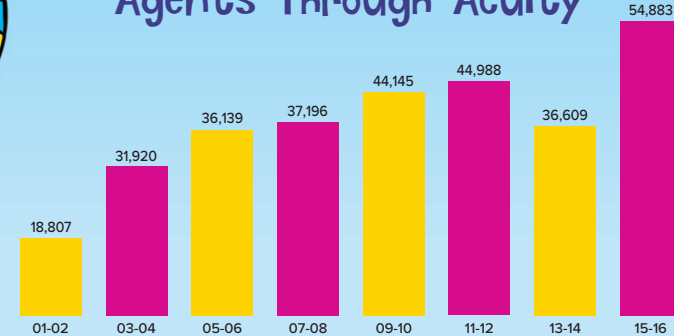
Personal Lines Written Premium

standard, in millions of dollars



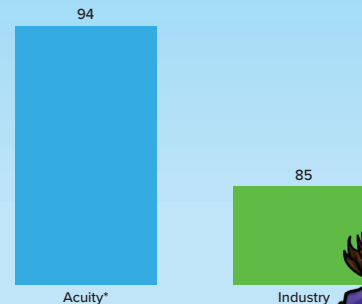


CE Credits Earned by Agents Through Acuity



Claims Satisfaction

percent



*Based on surveys of claimants and insureds

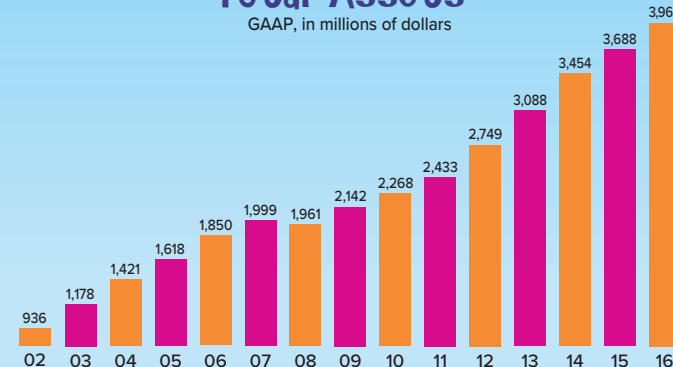


Customers can count on Acuity's claims service!



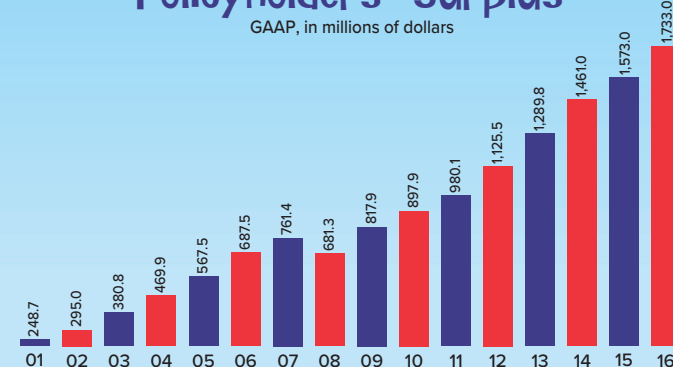
Total Assets

GAAP, in millions of dollars



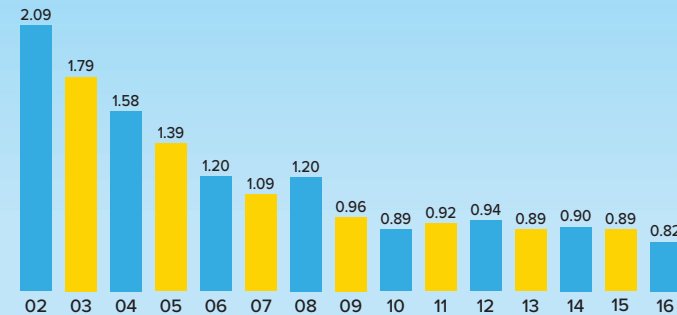
Policyholders' Surplus

GAAP, in millions of dollars

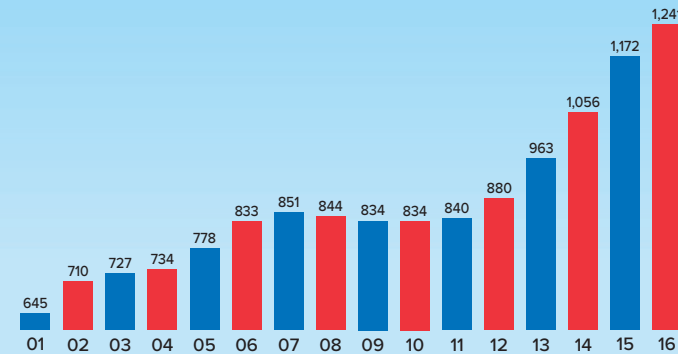




Net Written Premium to Surplus Ratio



Staff Size



2016 was an amazing, record-setting year! Let's take an even closer look at the ingredients that created a tasty recipe for **Success!**



STATEMENT OF INCOME

For the Year Ending December 31, 2016

Underwriting income	\$1,289,358,989
Underwriting deductions	
Losses incurred	\$661,540,365
Loss expenses incurred	125,044,419
Underwriting expenses incurred	376,846,637
Total underwriting deductions	1,163,431,421
Net underwriting gain	125,927,568
Investment income	
Net investment income earned	81,950,156
Net realized capital gains	19,201,123
Total net investment income	101,151,279
Other income	2,026,031
Net income (before dividends and taxes)	229,104,878
Policyholders' dividends	17,486,069
Net income (after dividends and before taxes)	211,618,809
Income taxes (including deferred)	66,528,011
NET INCOME	\$145,090,798

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

With numbers like these, we're turning the industry on its **EAR!**



COMPARATIVE STATEMENT OF CONDITION

December 31,	2016	2015
ASSETS		
Bonds	\$2,085,880,163	\$2,038,640,136
Stocks	844,831,959	750,235,463
Premiums receivable	413,657,962	393,302,697
Cash and short term investments	50,673,909	51,500,846
Accrued interest and dividends	24,119,059	24,093,570
Property and equipment, net	270,054,186	181,513,945
Reinsurance recoverables	142,262,350	118,629,022
Deferred acquisition costs	117,657,007	111,518,058
Other miscellaneous assets	15,934,513	18,444,315
Total Assets	\$3,965,071,108	\$3,687,878,052
LIABILITIES AND SURPLUS		
Loss reserves	\$1,108,289,610	\$1,040,062,022
Unearned premium reserves	640,552,591	612,052,064
Loss adjustment expense reserves	255,361,319	242,792,188
Accrued expenses	164,612,247	162,675,512
Deferred income tax liability	56,520,208	53,765,297
Other miscellaneous liabilities	6,756,000	3,547,154
Total liabilities	2,232,091,975	2,114,894,237
Policyholders' surplus	1,732,979,133	1,572,983,815
Total Liabilities and Surplus	\$3,965,071,108	\$3,687,878,052



Where all your insurance dreams come true!