

ACUITY 2013

**THE  
YEAR  
THAT  
BLOOMED**





**ACUITY  
BLOSSOMED  
WITH A FIFTH  
STRAIGHT  
YEAR**

**OF INDUSTRY-LEADING  
SURPLUS GAIN  
AND A COMBINED RATIO  
OF ONLY 92.4!  
ROBUST  
DOUBLE-DIGIT  
SALES  
GROWTH  
CAPPED OFF A  
BOUNTIFUL 2013!**

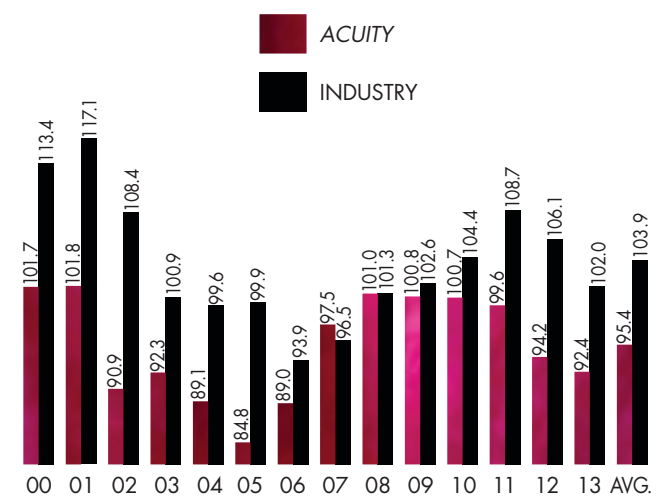


**BEN SALZMANN**  
PRESIDENT AND CEO

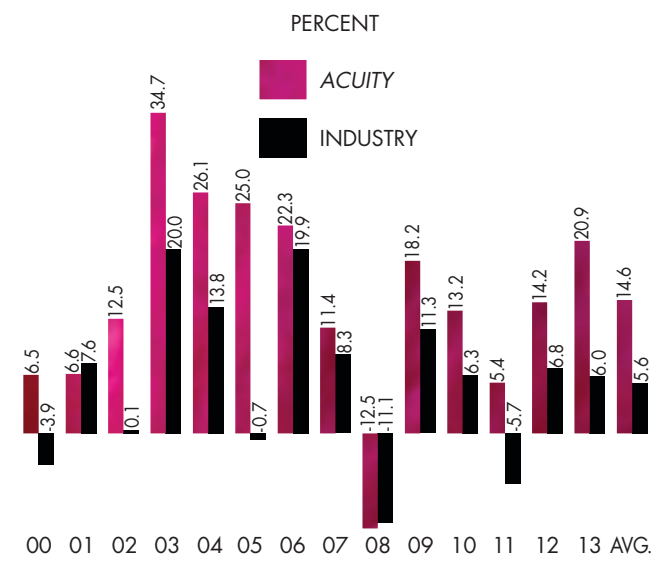
OPPOSITE: BEGONIA



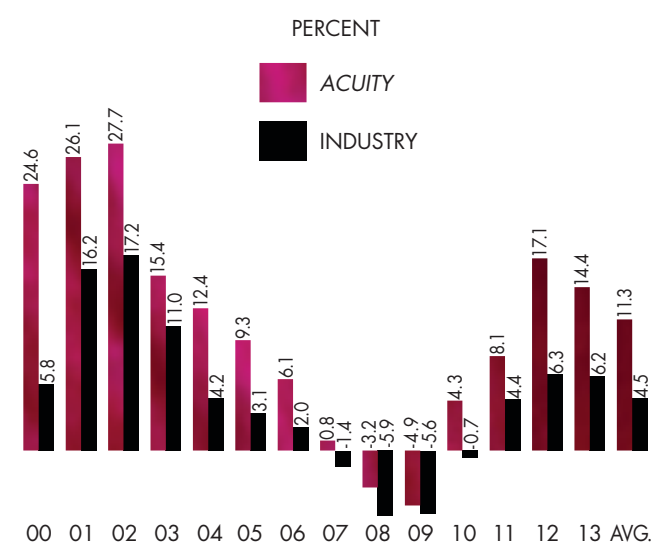
## COMBINED RATIO



## SURPLUS GROWTH



## SALES GROWTH



Based on industry averages from Conning Research & Consulting, weighted by ACUIY's mix of business (statutory)



**ACUITY  
FLOURISHES  
THROUGH FRUITFUL  
PARTNERSHIPS  
WITH INDEPENDENT  
AGENTS.  
WE SHOT UP  
PAST  
\$1 BILLION  
IN REVENUE  
IN 2013 AND HAVE  
ADDED NEARLY  
\$350 MILLION  
IN WRITTEN PREMIUM  
IN THE PAST  
36 MONTHS!**



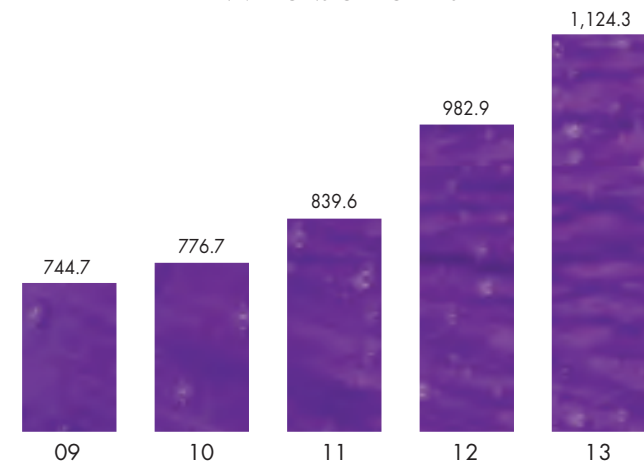
WALLY WALDHART  
VICE PRESIDENT - SALES AND  
COMMUNICATIONS

OPPOSITE: ANEMONE



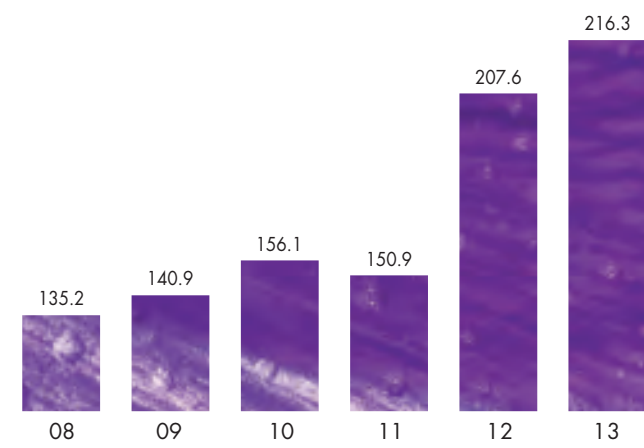
## TOTAL WRITTEN PREMIUM

IN MILLIONS OF DOLLARS



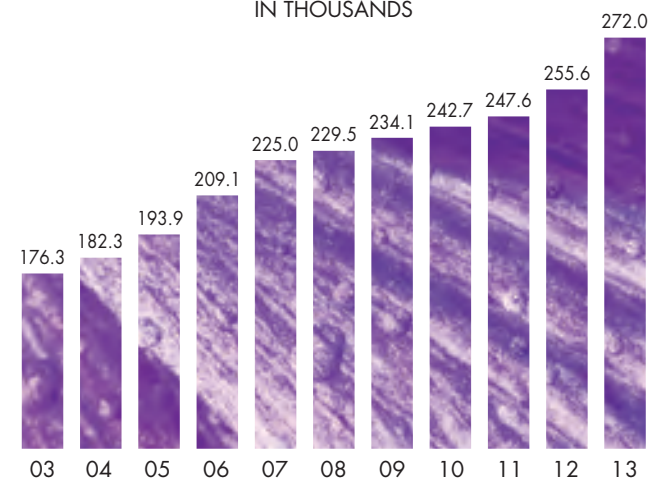
## NEW BUSINESS WRITTEN PREMIUM

IN MILLIONS OF DOLLARS



## POLICIES IN FORCE

IN THOUSANDS





**WITH PERENNIAL  
CONSISTENCY  
IN BOTH  
PRICING AND APPETITE,  
ACUITY  
GREW ACROSS  
ALL PRODUCTS AND  
TERRITORIES IN 2013.  
AN ALL-TIME  
HIGH 40%  
QUOTE  
HIT RATIO  
HELPED PRODUCE NEARLY  
\$156 MILLION  
IN NEW BUSINESS!**

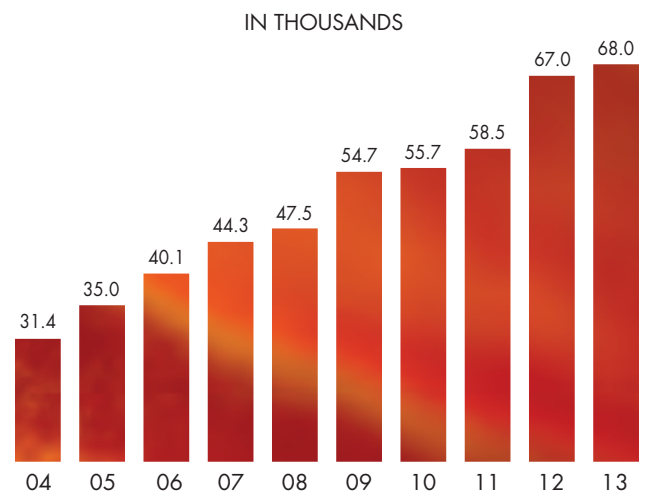


**ED WARREN**  
VICE PRESIDENT - COMMERCIAL LINES

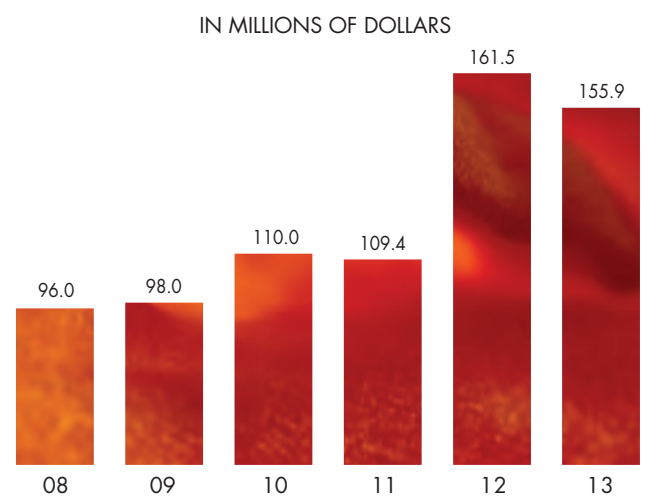
OPPOSITE: GERBERA DAISY



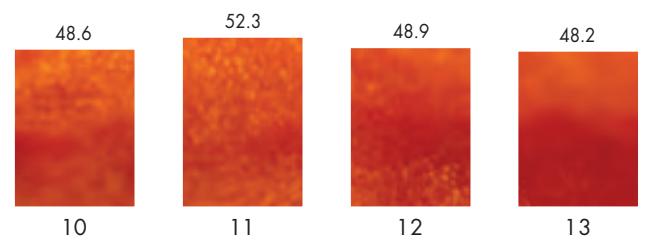
## COMMERCIAL LINES QUOTE REQUESTS RECEIVED



## COMMERCIAL NEW BUSINESS WRITTEN PREMIUM



## COMMERCIAL ACCIDENT YEAR LOSS RATIO\*



\*As of December 31 of each year



**A FERTILE MIX OF  
PRECISION  
PRICING,  
STABLE APPETITE,  
AND GREAT  
SERVICE  
PROPELLED ACUITY  
TO ALL-TIME  
RECORDS  
IN NEW BUSINESS,  
POLICIES  
IN FORCE,  
AND TOTAL WRITTEN  
PREMIUM  
IN PERSONAL LINES!**



**ED FELCHNER**  
VICE PRESIDENT - PERSONAL LINES  
AND MARKETING

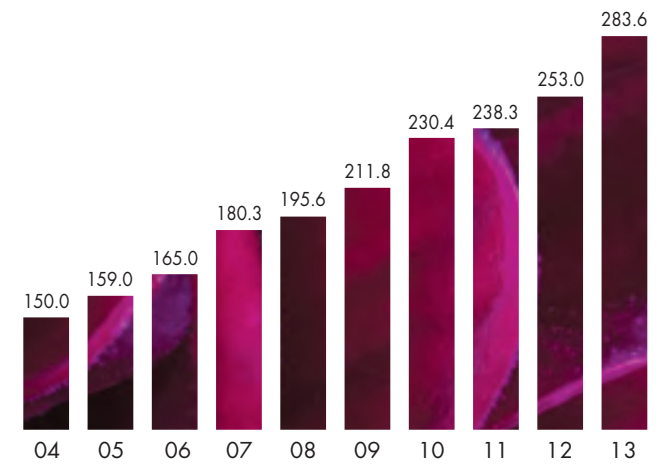
OPPOSITE: TIGER LILY





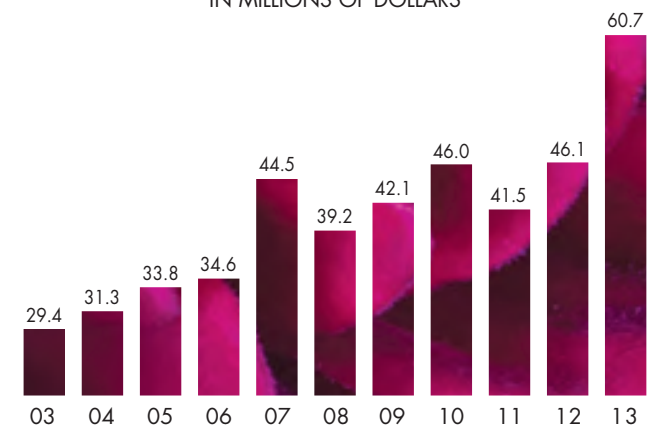
## PERSONAL LINES WRITTEN PREMIUM

IN MILLIONS OF DOLLARS



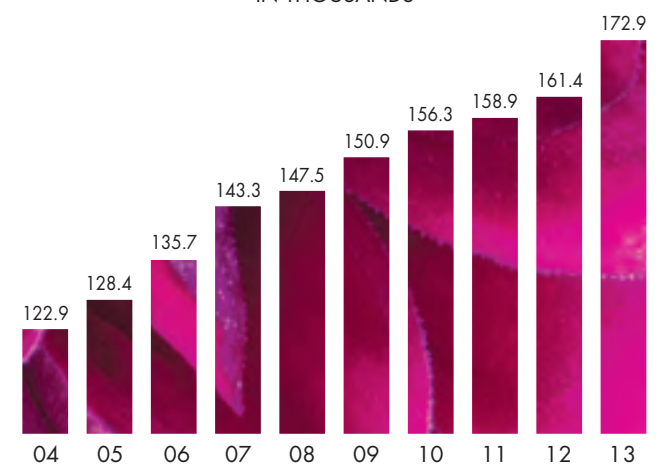
## PERSONAL LINES NEW BUSINESS WRITTEN PREMIUM

IN MILLIONS OF DOLLARS



## PERSONAL LINES POLICIES IN FORCE

IN THOUSANDS



OPPOSITE: ZINNIA



**CULTIVATING  
EXPERTISE,  
A COMMITMENT TO  
SAME-DAY  
CONTACT,  
AND A FOCUS ON  
HELPING PEOPLE  
REPAIR,  
REBUILD, AND  
RECOVER  
ARE ALL PART OF  
DELIVERING  
CLAIMS SERVICE AT  
**ACUTY**  
THAT IS TRULY  
A CUT ABOVE!**



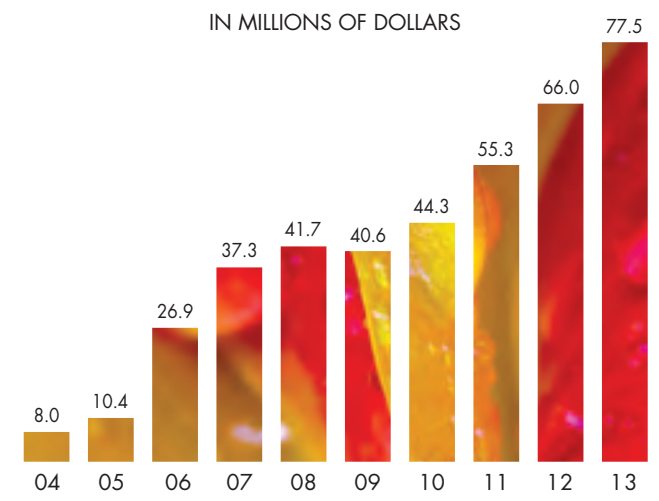
JAMIE LOIACONO  
VICE PRESIDENT - CLAIMS

OPPOSITE: SUNFLOWER



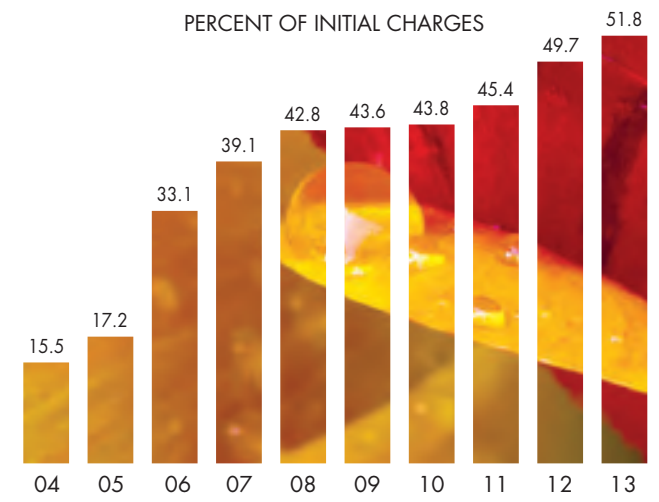
## SAVINGS FROM MANAGED CARE

IN MILLIONS OF DOLLARS



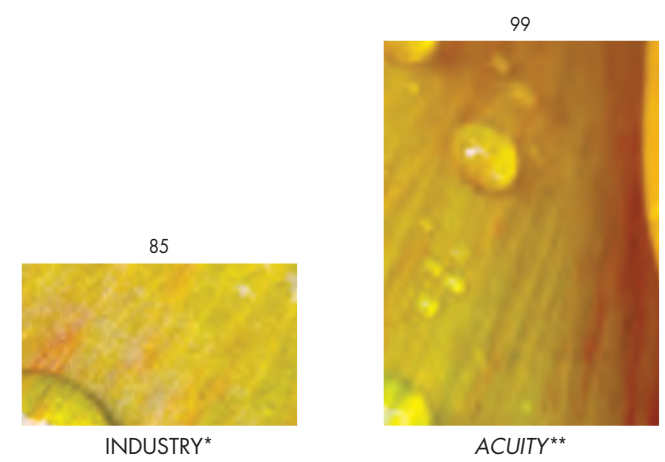
## MANAGED CARE SAVINGS

PERCENT OF INITIAL CHARGES



## CLAIMS SATISFACTION

PERCENT



\*ACSI Finance and Insurance Report 2013  
\*\*Based on agency surveys

**SOWING THE SEEDS OF  
FINANCIAL  
SUCCESS  
AND STABILITY:  
ACUITY'S  
RISK MANAGEMENT,  
UNDERWRITING  
DISCIPLINE,  
CONSERVATIVE  
INVESTING,  
AND ACCURATE  
RESERVING  
PRODUCED ANOTHER  
RECORD-  
SETTING  
YEAR!**

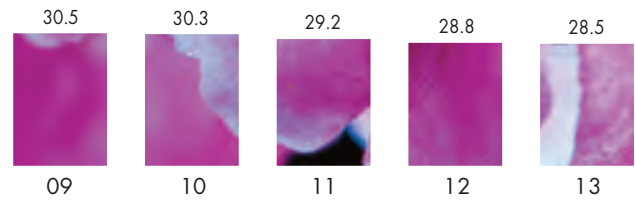


WENDY SCHULER  
VICE PRESIDENT - FINANCE

OPPOSITE: DAHLIA

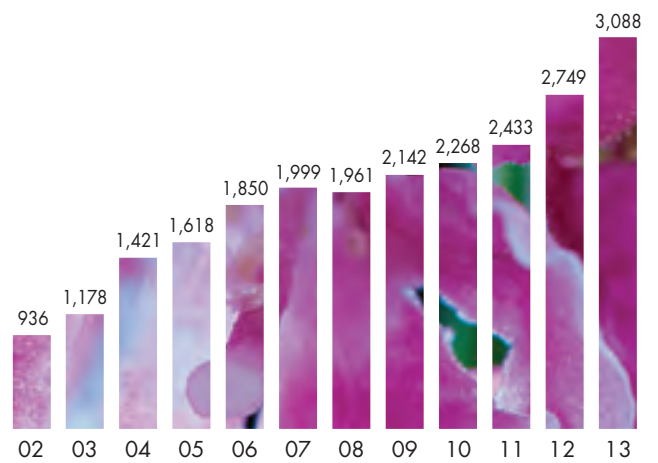


## ACUITY'S CONSISTENT EXPENSE RATIO

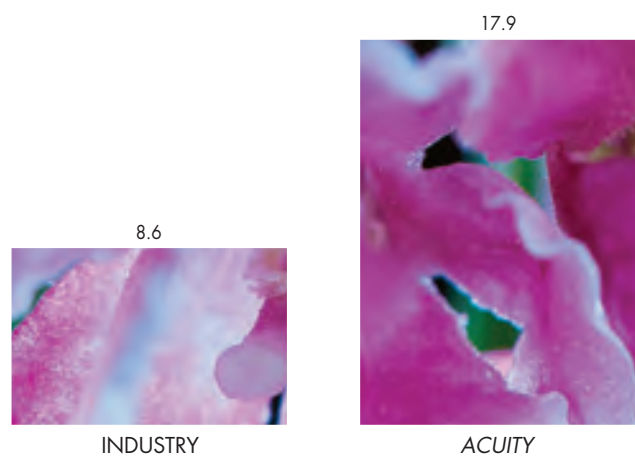


## TOTAL ASSETS (GAAP)

IN MILLIONS OF DOLLARS



## CASH FLOW AS A PERCENTAGE OF NET WRITTEN PREMIUM (GAAP)





**TURNING  
INFORMATION INTO  
INSIGHT  
REAPS RESULTS AT  
ACUITY.  
PREDICTIVE  
ANALYTICS  
AND PRECISION PRICING  
HELPED SURPLUS  
SHOOT UP  
AND CUSTOMER  
RETENTION  
BLOOM  
IN BOTH PERSONAL AND  
COMMERCIAL LINES!**



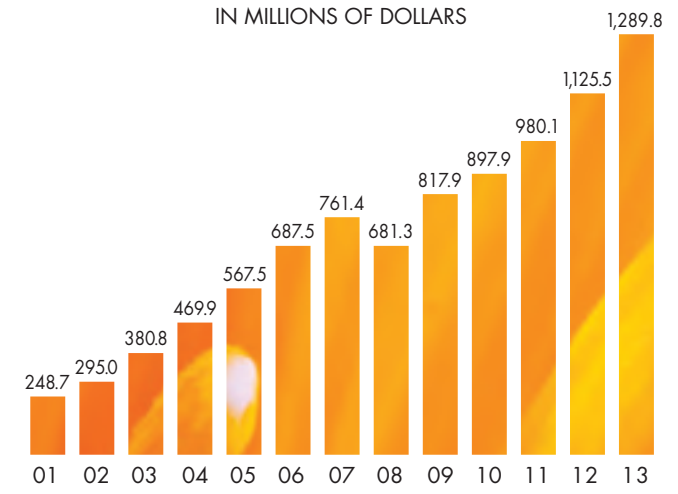
**PAT TURES**  
VICE PRESIDENT - ACTUARIAL AND STRATEGIC  
INFORMATION

OPPOSITE: PARROT TULIP

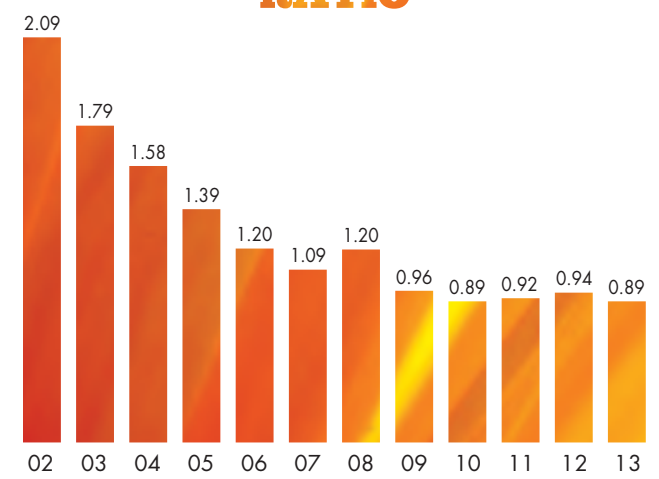


## POLICYHOLDERS' SURPLUS

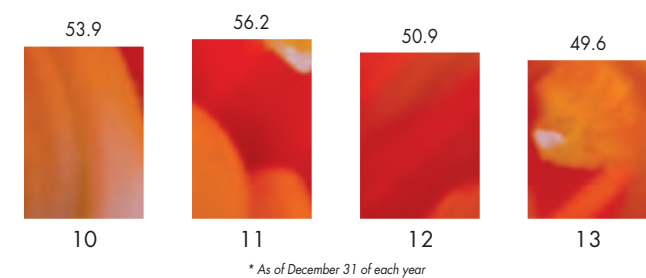
IN MILLIONS OF DOLLARS



## NET WRITTEN PREMIUM TO SURPLUS RATIO



## COMPANYWIDE ACCIDENT YEAR LOSS RATIO\*





**A COMMITMENT TO  
EXCELLENCE  
HAS TAKEN ROOT IN OUR  
CORPORATE  
CULTURE, WITH  
ACUITY  
HONORED AS THE  
BEST  
WORKPLACE IN  
AMERICA  
AMONG MID-SIZED  
COMPANIES FOUR  
YEARS  
IN A ROW!**



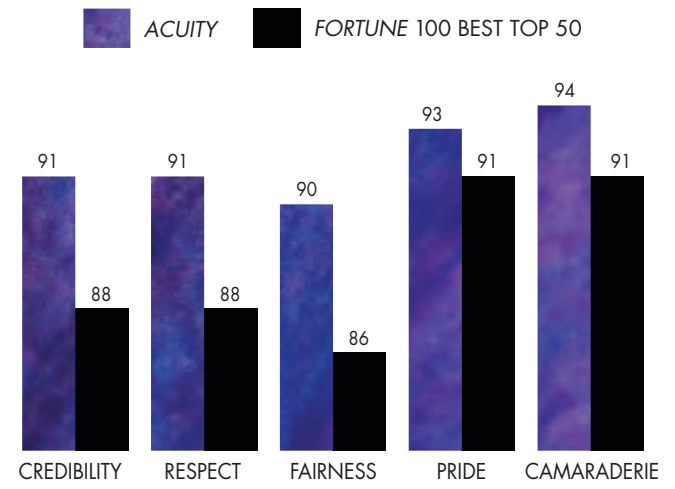
**JOAN RAVANELLI MILLER**  
GENERAL COUNSEL AND  
VICE PRESIDENT - HUMAN RESOURCES

OPPOSITE: PANSY

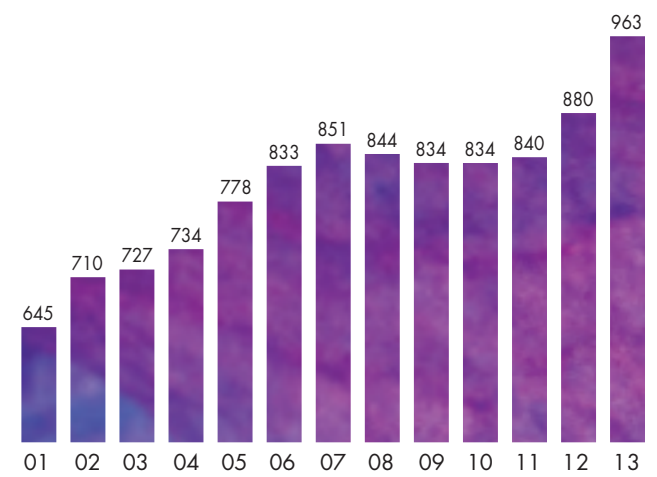




## SCORES BY TRUST INDEX DIMENSION

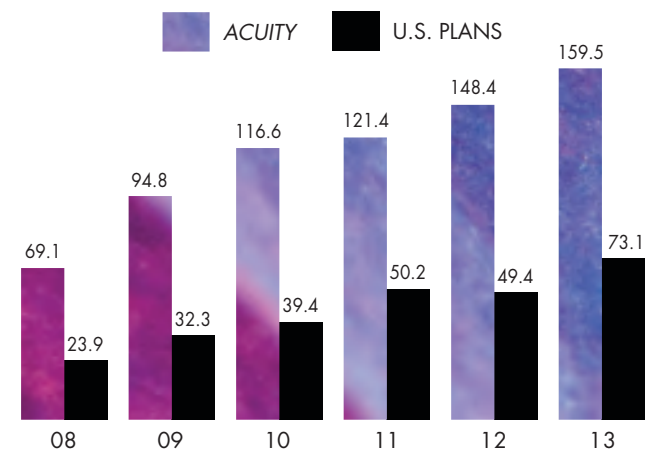


## STAFF SIZE



## AVERAGE 401(K) ACCOUNT BALANCE

IN THOUSANDS OF DOLLARS





**OUR GROWTH  
SPURT  
HAS ACUITY  
BURSTING  
AT THE SEAMS.  
WE BROKE  
GROUND ON A  
\$130  
MILLION  
ADDITION,  
ENSURING WE HAVE THE  
CAPACITY  
TO SERVE EVEN MORE  
CUSTOMERS  
IN THE YEARS AHEAD!**

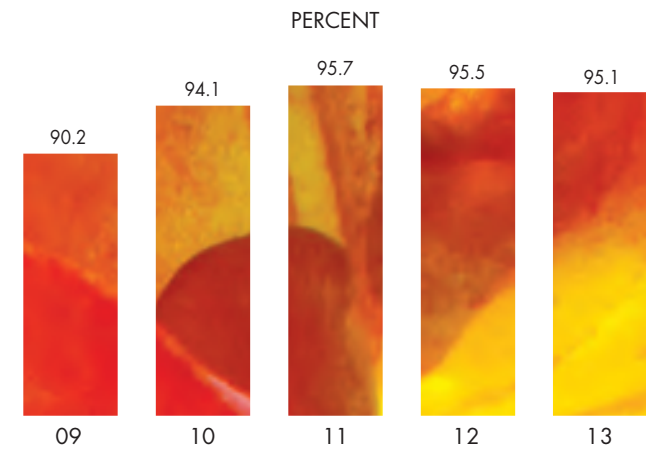


**SHERI MURPHY**  
VICE PRESIDENT - SERVICES AND  
ADMINISTRATION

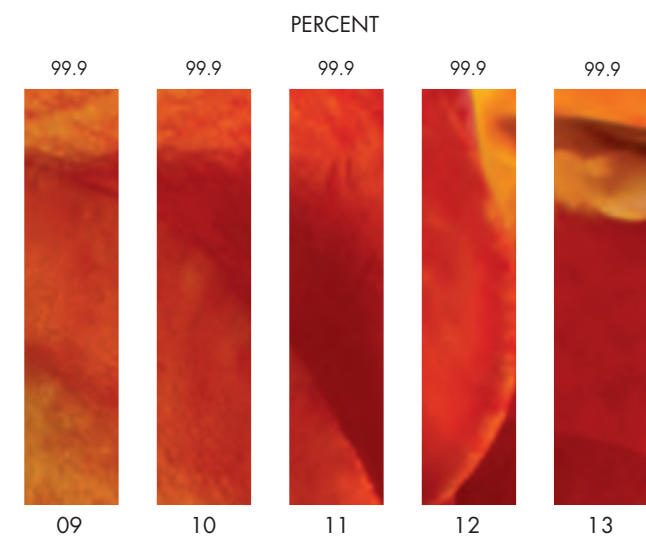
OPPOSITE: GERBERA DAISY



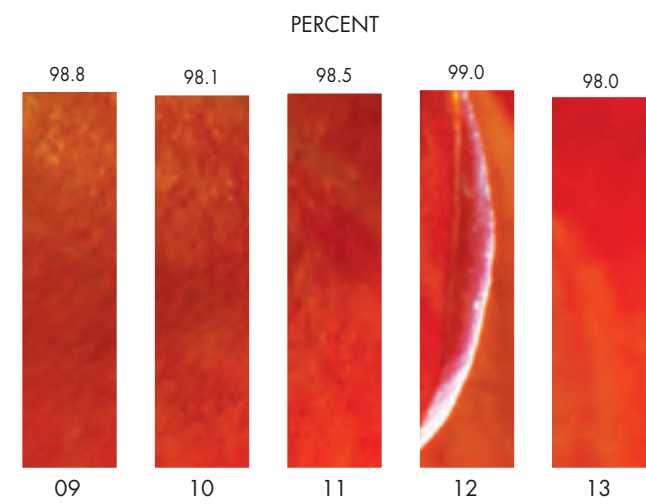
## INCOMING WORK PROCESSED SAME/NEXT DAY



## ACCURACY



## CALLS ANSWERED IN 16 SECONDS OR LESS





**ACUITY**  
NURTURES A  
**CULTURE**  
OF EDUCATION AND  
**QUALITY**  
TO ACHIEVE  
INDUSTRY-LEADING  
**RESULTS**  
IN EFFICIENCY AND  
**PRODUCTIVITY.**  
WE ALSO GREW  
**ACUITY U**  
TO EXPAND CONTINUING  
**EDUCATION**  
OPPORTUNITIES  
FOR **AGENTS!**

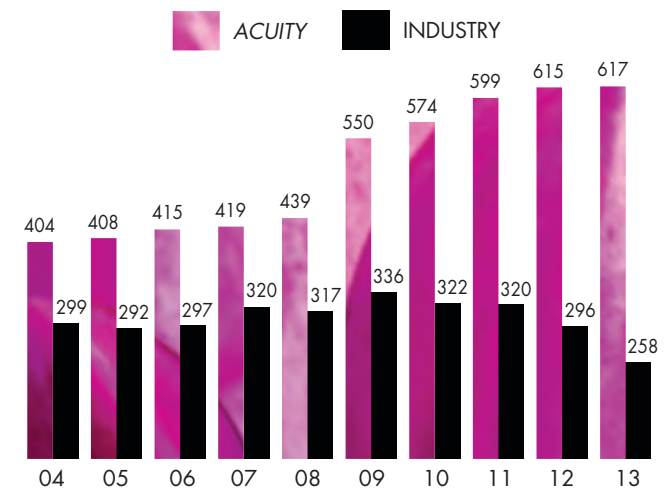


LAURA CONKLIN  
VICE PRESIDENT - BUSINESS CONSULTING

OPPOSITE: ALLIUM

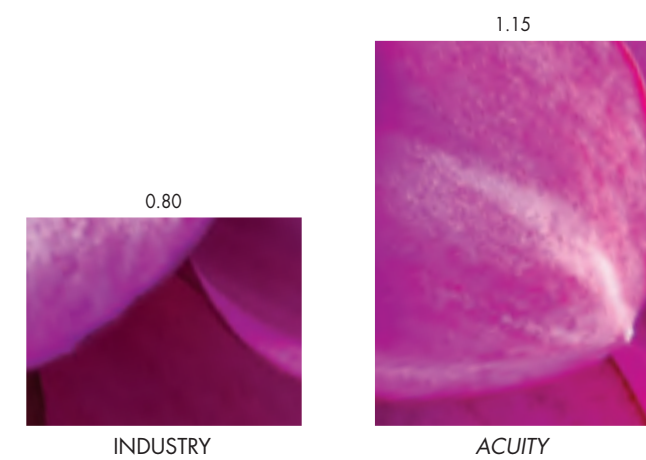


## POLICIES IN FORCE PER EMPLOYEE

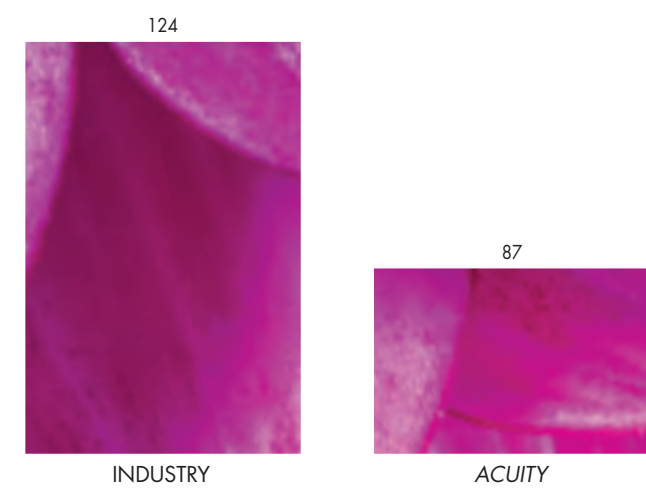


## PREMIUM PER EMPLOYEE

IN MILLIONS OF DOLLARS



## EMPLOYEES PER \$100 MILLION OF REVENUE





**IN A FIELD OF  
DIVERGENT  
TECHNOLOGY, OUR  
GOAL  
IS PROVIDING  
ANYTIME,  
ANYWHERE,  
AND ANY-DEVICE ACCESS.**

**ACUITY**  
CONTINUES TO WEED OUT  
**INEFFICIENCY**  
AND LEADS THE  
**INDUSTRY**  
IN TECHNOLOGY  
**AWARDS!**

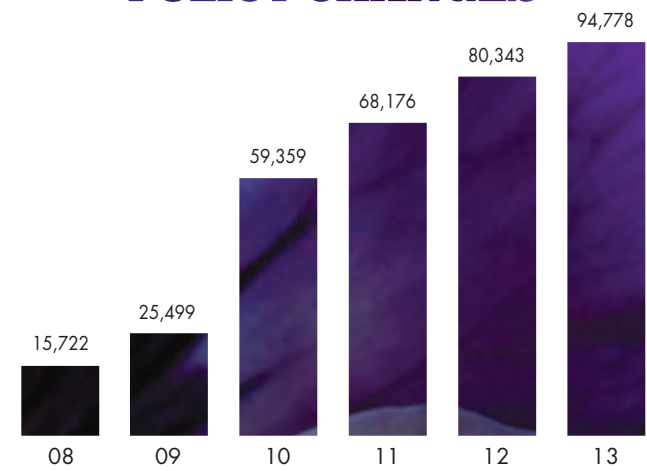


MARCUS KNUTH  
VICE PRESIDENT - ENTERPRISE TECHNOLOGY

OPPOSITE: CROCUS

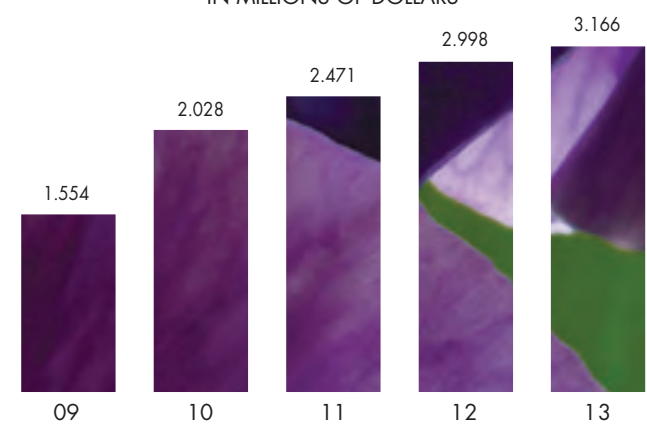


## **AUTOMATICALLY ISSUED PERSONAL LINES POLICY CHANGES**



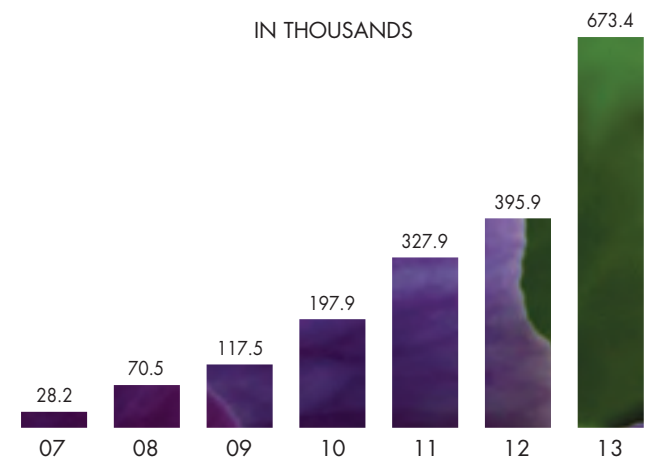
## **AGENTS' SAVINGS FROM USING COMMERCIAL LINES DOWNLOAD**

IN MILLIONS OF DOLLARS



## **PERSONAL LINES REAL-TIME QUOTES PROVIDED**

IN THOUSANDS





# STATEMENT OF INCOME

FOR THE YEAR ENDING DECEMBER 31, 2013

Underwriting income		\$1,014,982,965
Underwriting deductions		
Losses incurred	\$538,184,706	
Loss expenses incurred	89,661,380	
Underwriting expenses incurred	284,073,710	
Total underwriting deductions		911,919,796
Net underwriting gain		103,063,169
Investment income		
Net investment income earned	71,629,085	
Net realized capital gains	22,822,192	
Total net investment income		94,451,277
Other income		2,328,777
Net income (before dividends and taxes)		199,843,223
Policyholders' dividends		18,853,684
Net income (after dividends and before taxes)		180,989,539
Income taxes (including deferred)		54,866,567
<b>NET INCOME</b>		<b>\$126,122,972</b>

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



## COMPARATIVE STATEMENT OF CONDITION

DECEMBER 31,	2013	2012
<b>ASSETS</b>		
Bonds	\$1,681,378,904	\$1,575,749,057
Stocks	738,537,339	565,560,447
Premiums receivable	330,016,813	287,954,648
Cash and short term investments	45,449,789	65,505,355
Accrued interest and dividends	22,191,697	19,965,736
Property and equipment, net	61,605,027	58,212,304
Reinsurance recoverables	97,085,266	81,369,159
Deferred acquisition costs	94,884,510	84,580,600
Other miscellaneous assets	17,169,063	10,405,863
<b>Total Assets</b>	<b>\$3,088,318,408</b>	<b>\$2,749,303,169</b>
<b>LIABILITIES AND SURPLUS</b>		
Loss reserves	\$ 878,925,335	\$ 807,248,877
Unearned premium reserves	519,268,159	457,251,999
Loss adjustment expense reserves	209,550,443	199,054,881
Accrued expenses	117,930,350	102,838,109
Deferred income tax liability	68,849,941	48,664,060
Other miscellaneous liabilities	4,017,343	8,770,814
<b>Total liabilities</b>	<b>1,798,541,571</b>	<b>1,623,828,740</b>
<b>Policyholders' surplus</b>	<b>1,289,776,837</b>	<b>1,125,474,429</b>
<b>Total Liabilities and Surplus</b>	<b>\$3,088,318,408</b>	<b>\$2,749,303,169</b>

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

OPPOSITE: SPIDER MUM  
NEXT PAGE: DELPHINIUM

**A.M. BEST  
AND  
S&P  
A+  
RATINGS**

**ACUITY**

*For All That Matters*

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800.242.7666

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FEATURE PHOTOS BY AMALIA ELENA VERALLI