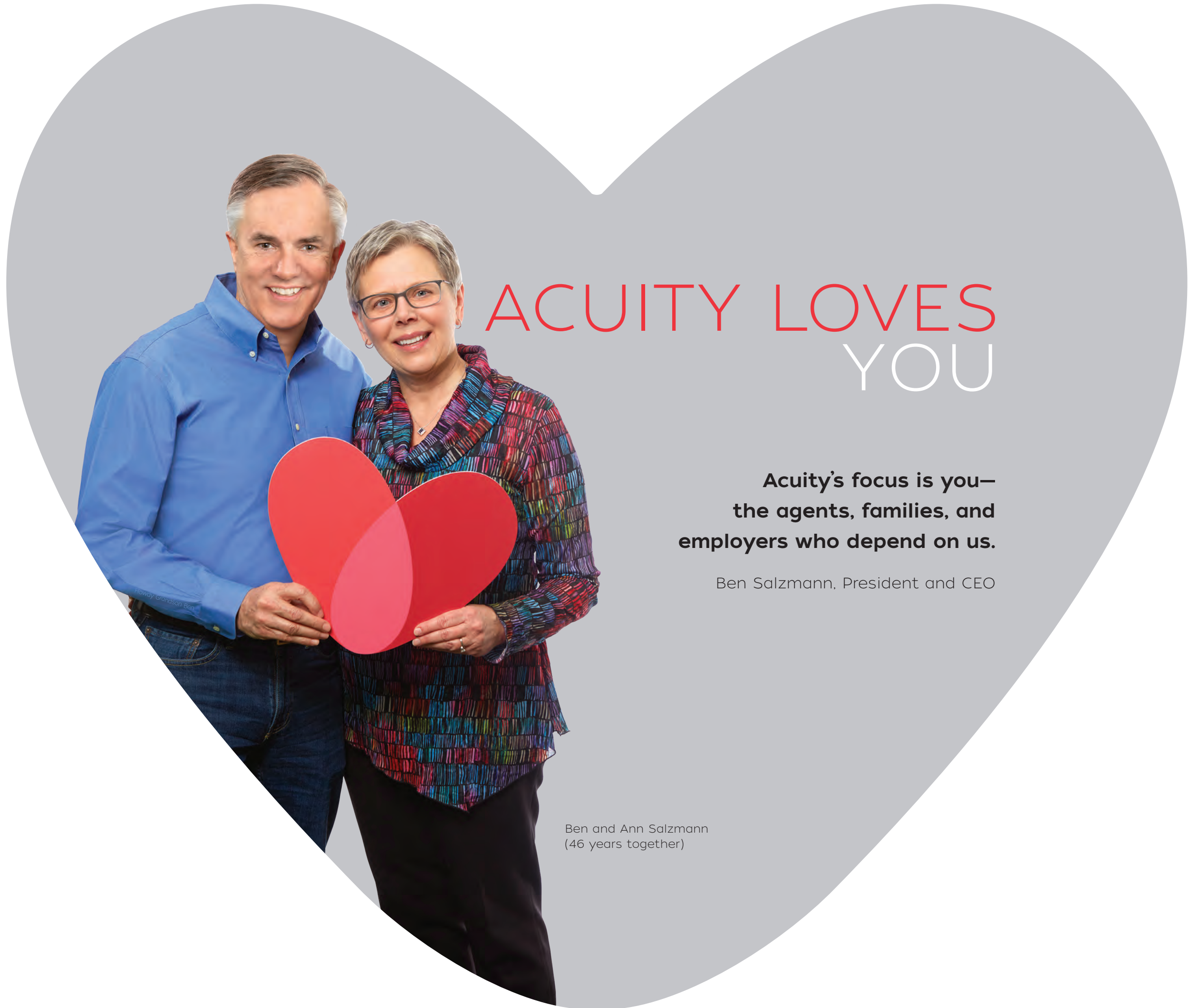




ACUITY LOVES

YOU

IN 2017 AND FOREVERMORE



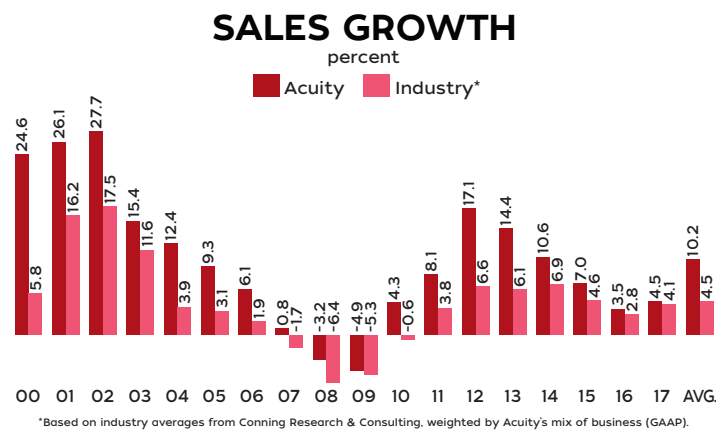
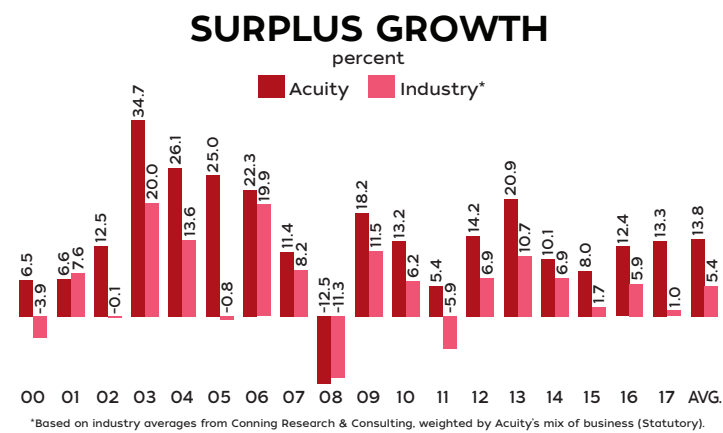
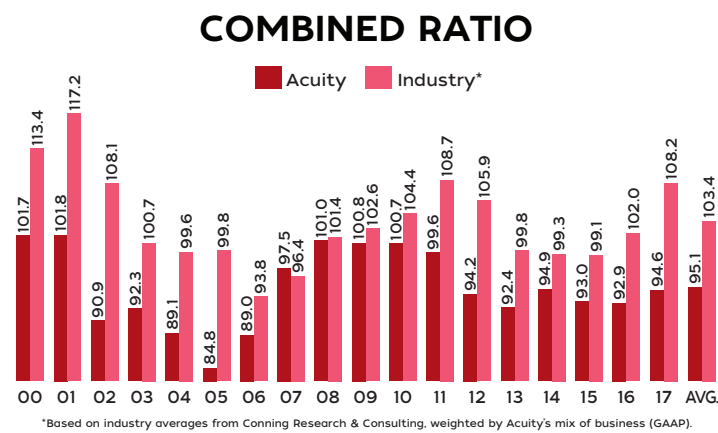
ACUITY LOVES YOU

**Acuity's focus is you—
the agents, families, and
employers who depend on us.**

Ben Salzmans, President and CEO

Ben and Ann Salzmans
(46 years together)

Agents and customers have come to expect more from Acuity, and for good reason. Over the past 18 years, our combined ratio has been 8.3 points more profitable than the industry, and gains in both sales and policyholders' surplus have been consistently higher. Year after year, Acuity outperforms.





ACUITY LOVES

HELPING YOU
SUCCEED IN SALES

**Acuity loves independent
agents and continues to grow
thanks to you who choose us as
your go-to company.**

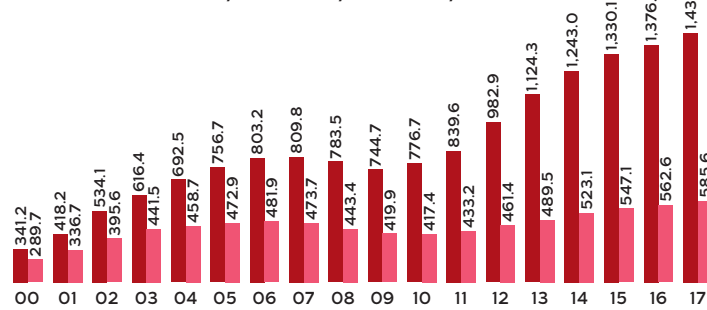
Wally Waldhart, Vice President -
Sales and Communications

Acuity's growth and success is a testament to having the best independent agency force in the industry. Recognized as one of the easiest companies to do business with, our consistent market appetite and strong partnerships with you continue to fuel our expansion.

COMPARATIVE WRITTEN PREMIUM

in millions of dollars

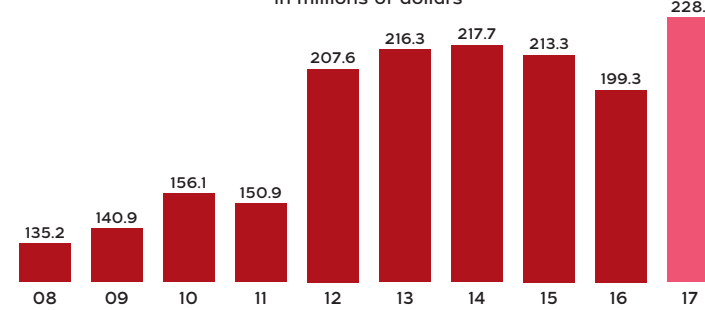
■ Acuity ■ Acuity at Industry Growth Rate*



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

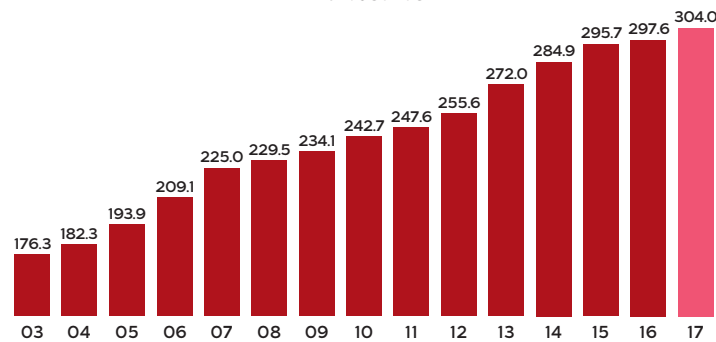
COMPANYWIDE NEW BUSINESS WRITTEN PREMIUM

in millions of dollars



POLICIES IN FORCE

in thousands





ACUITY LOVES

YOUR COMMERCIAL
LINES BUSINESS

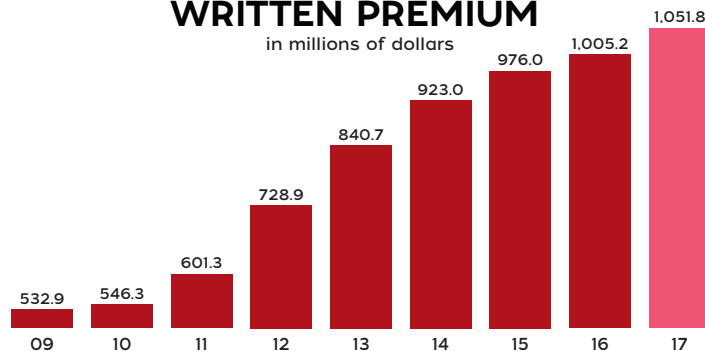
**Acuity's broad appetite
for a wide range of classes
makes us your powerful
partner in commercial lines.**

Ed Warren, Vice President -
Commercial Lines

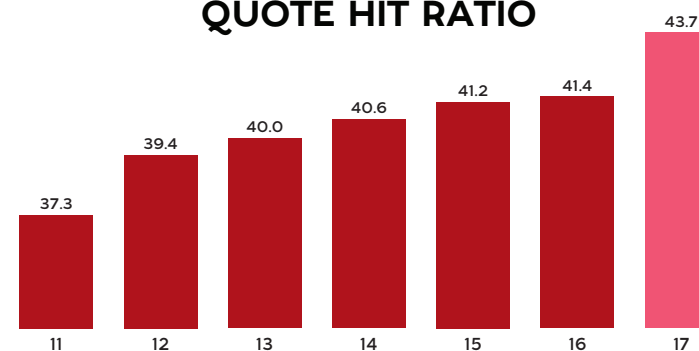
Our stable appetite in commercial lines led to our highest-ever quote hit ratio in 2017. You can depend on Acuity to be a competitive, consistent market in commercial lines, with products and coverages designed to help you write business.

COMMERCIAL LINES WRITTEN PREMIUM

in millions of dollars



COMMERCIAL LINES QUOTE HIT RATIO



COMMERCIAL LINES QUOTES RECEIVED

in thousands





ACUITY LOVES

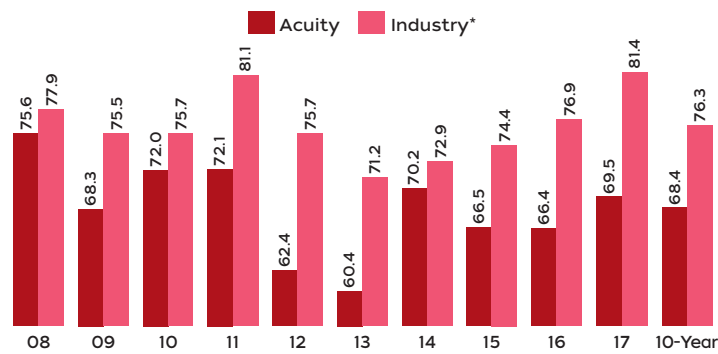
YOUR PERSONAL
LINES BUSINESS

Acuity's products, pricing, and service in personal lines create a combination that can't be beat.

Shane Paltzer, Vice President -
Marketing and Personal Lines

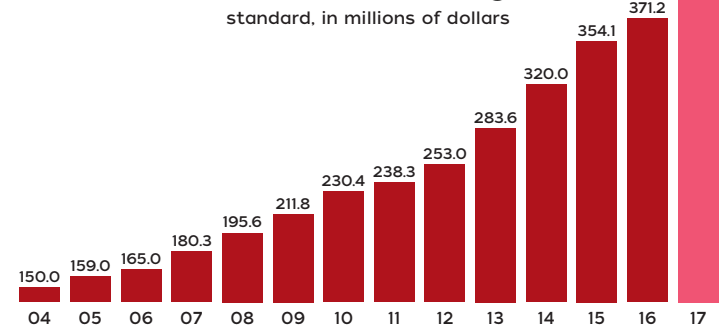
In 2017, Acuity protected more individuals and families than ever before. We increased our new business premium from 2016 and set a record for total written premium, achieving positive premium growth for an astounding 21st consecutive year in personal lines.

PERSONAL LINES LOSS RATIO

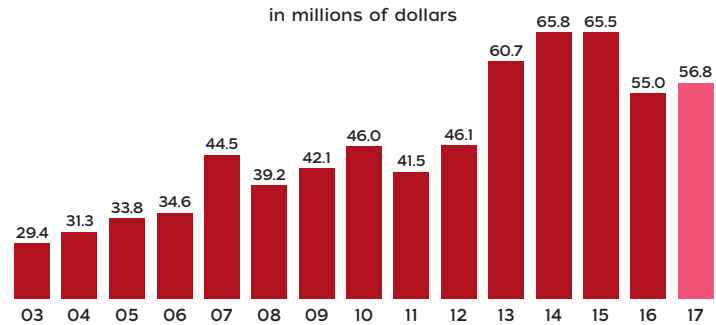


*Ceding industry projections; includes loss and LAE costs.

PERSONAL LINES WRITTEN PREMIUM



PERSONAL LINES NEW BUSINESS WRITTEN PREMIUM





ACUITY LOVES

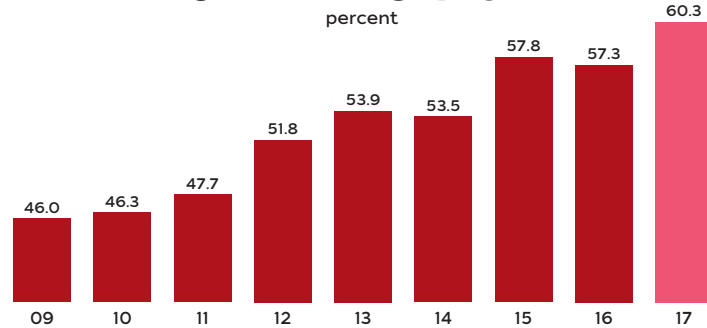
GIVING YOU
PEACE OF MIND

When disaster strikes, Acuity is immediately there for you, helping our customers in their time of need.

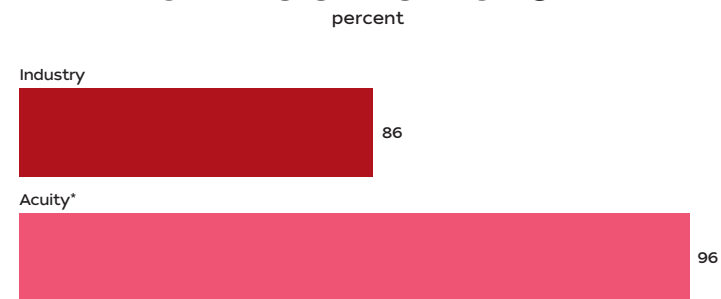
Jamie Loiacono, Vice President - Claims

Despite handling more storm claims this past year than ever before, Acuity maintained our world-class service standards and high levels of customer satisfaction in 2017. People can count on Acuity to help rebuild, repair, and recover after a loss.

SAVINGS ON MEDICAL CHARGES FROM MANAGED CARE



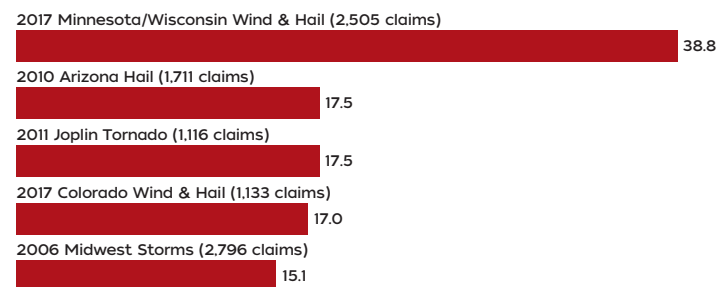
CLAIMS SATISFACTION



*Based on surveys of claimants and insureds.

ACUITY'S TOP 5 STORM EVENTS

incurred loss in millions of dollars





ACUITY LOVES

SUPPORTING YOU WITH
FINANCIAL STRENGTH

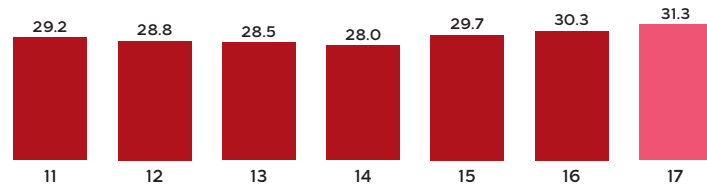
Acuity provides our agents and customers consistent financial performance they can depend on.

Wendy Schuler, Vice President - Finance

Wendy and her dog, Gracie.

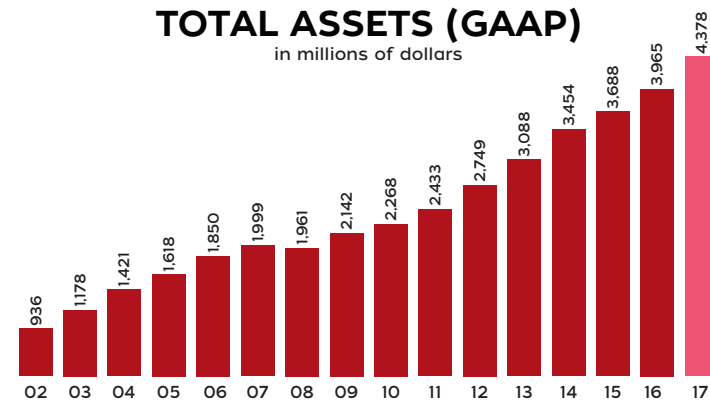
In finance, there's no substitute for strength and stability. With a strategy of conservative investing, disciplined underwriting, and fair and reasonable reserving, Acuity continues to operate at peak performance and outperform the industry in key categories of measurement.

EXPENSE RATIO

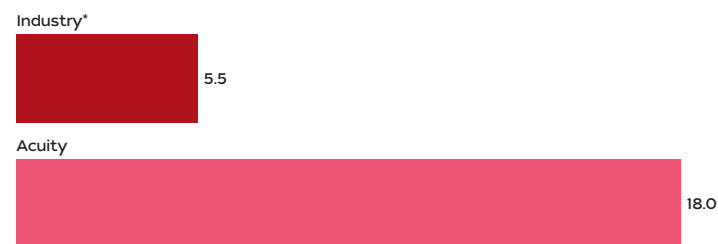


TOTAL ASSETS (GAAP)

in millions of dollars



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



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



ACUITY LOVES

PROVIDING YOU FAIR AND
ACCURATE PRICING

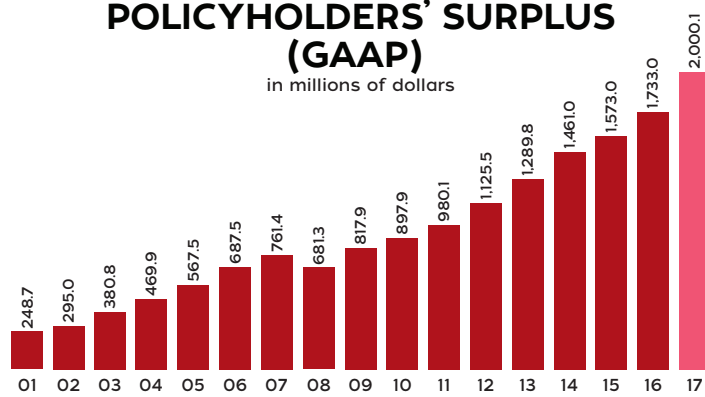
**Analytics power Acuity's ability
to select and price accounts
for long-term retention.**

Pat Tures, Vice President - Actuarial
and Strategic Information

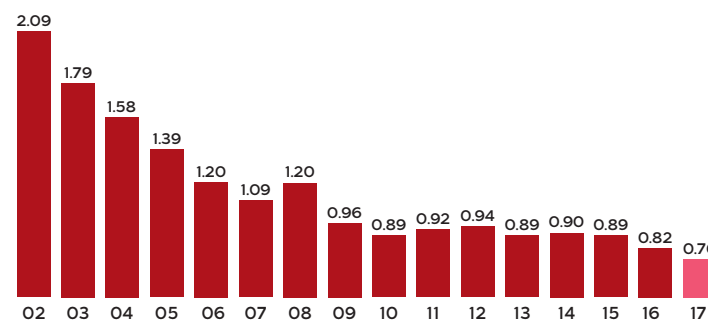
Being data-driven is essential in today's insurance industry. Acuity's analytic capabilities and proven processes that turn data into actionable information continue to lead to strong growth and high retention in both personal and commercial lines and across our 26-state operating territory.

POLICYHOLDERS' SURPLUS (GAAP)

in millions of dollars

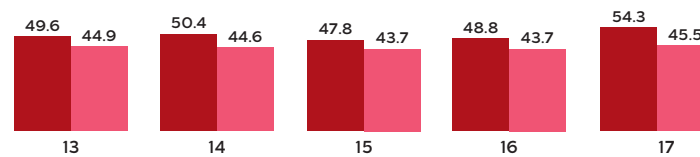


NET WRITTEN PREMIUM TO SURPLUS RATIO



COMPANYWIDE ACCIDENT YEAR LOSS RATIO*

■ With Storms ■ Without Storms



*All years as of December 31.



ACUITY LOVES

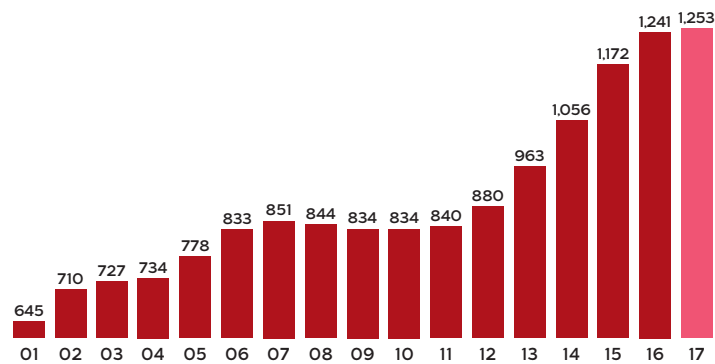
DOING MORE AS
AN EMPLOYER

**Our unique corporate culture,
great benefits, and shared mission
define Acuity as an employer.**

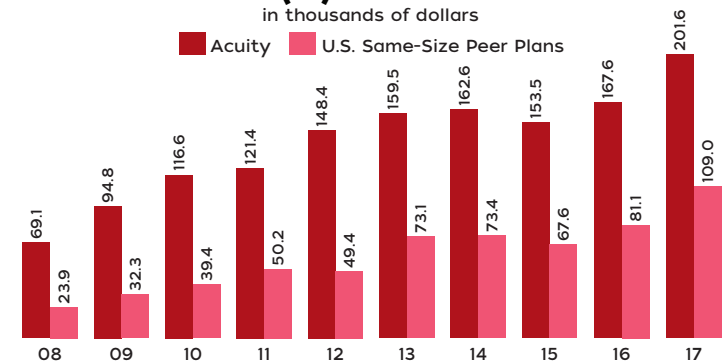
Joan Ravanelli Miller, General Counsel and
Vice President - Human Resources

Acuity was named a top 10 company to work for across all industries and also received a Gold Stevie® Award for Great Employers, earning us the distinction of Employer of the Year - Insurance. We provided rewarding career opportunities to more people than ever in 2017.

STAFF SIZE



AVERAGE 401(K) ACCOUNT BALANCE



EMPLOYER OF THE YEAR

Acuity was named Employer of the Year - Insurance by the Stevie Awards





ACUITY LOVES

SERVING YOU

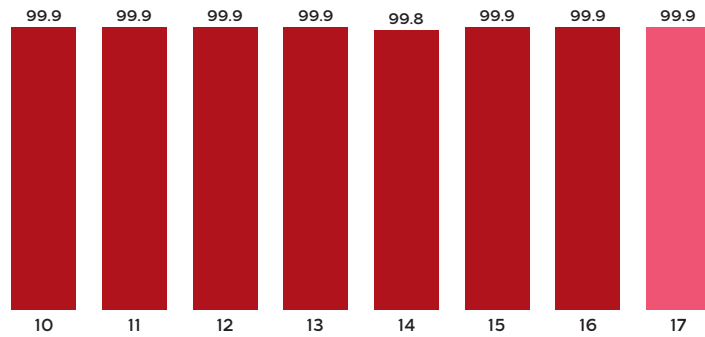
**Getting things done fast
and right is what Acuity
is known for in service.**

Sheri Murphy, Vice President -
Services and Administration

When agents and customers call, they get fast, accurate service with Acuity. Our newly completed expansion project gives Acuity plenty of room to grow in the coming years and shows our faith in a bright future.

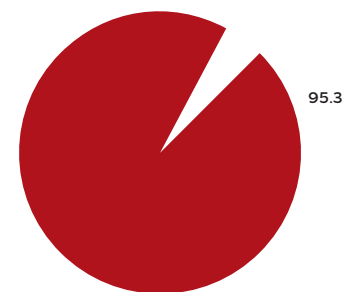
ACCURACY

percent



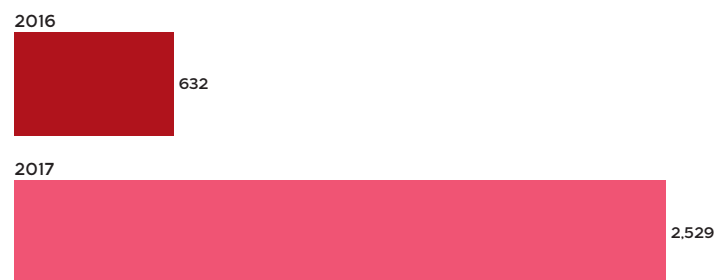
CALLS ANSWERED IN 16 SECONDS OR LESS

percent



CHAT & CO-BROWSE BILLING USAGE

number of chats





ACUITY LOVES

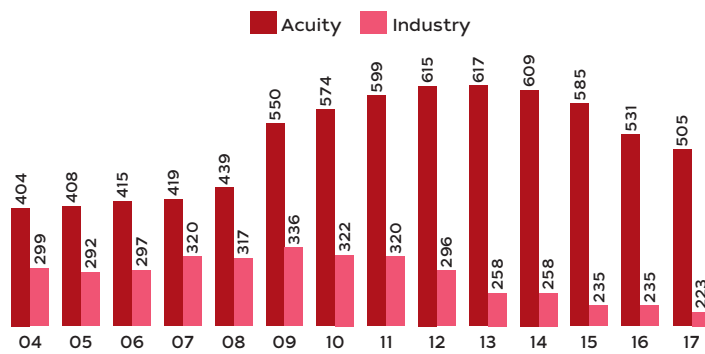
DELIVERING QUALITY
FOR YOU

**Acuity continues to excel in
efficiency, productivity,
and quality.**

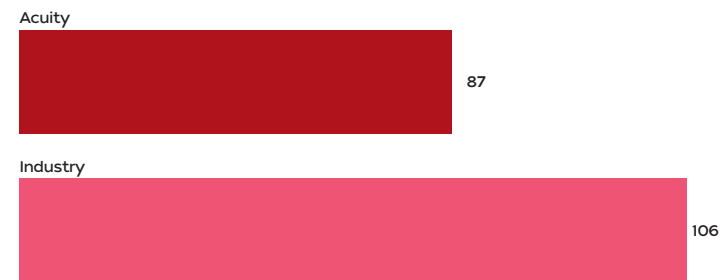
Melissa Winter, Vice President -
Business Consulting

In 2017, Acuity earned a 2017 STAR Award from Demotech for exceeding performance criteria and maintaining outstanding financial strength and stability. We are one of only three carriers to make the Ward's 50 list of top-performing property-casualty companies for an incredible 18th straight year.

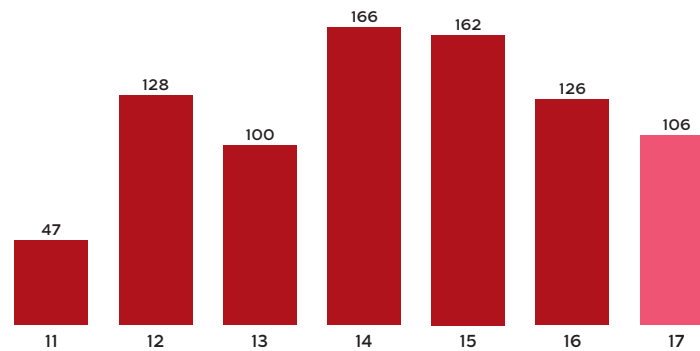
POLICIES IN FORCE PER EMPLOYEE



EMPLOYEES PER \$100 MILLION OF REVENUE



NEW HIRES





ACUITY LOVES

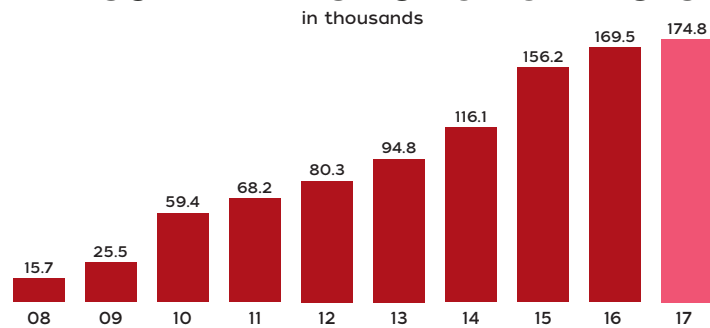
DEVELOPING THE
TOOLS YOU NEED

**Acuity continues to set the
standard in technology that
helps you do business.**

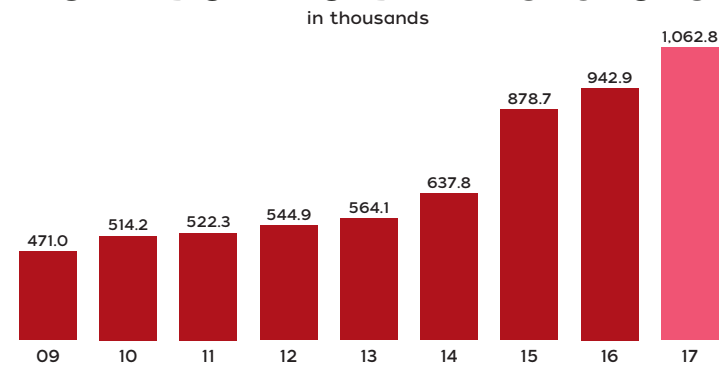
Marcus Knuth, Vice President -
Enterprise Technology

Acuity's goal in technology is to provide you, customers, and staff anytime, anywhere access to tools and information needed to do business. Recognized as an innovator in agent connectivity, we continue to lead the industry in ease-of-business technology.

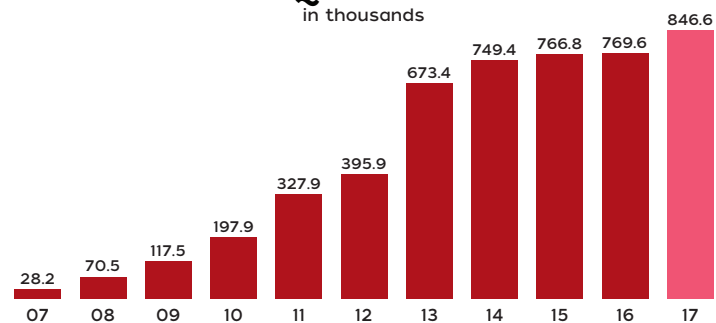
AUTOMATICALLY ISSUED PERSONAL LINES POLICY CHANGES



AGENT DOWNLOAD TRANSACTIONS



PERSONAL LINES REAL-TIME QUOTES PROVIDED



STATEMENT OF INCOME

For the Year Ending December 31, 2017

Underwriting income		\$1,334,331,748
Underwriting deductions		
Losses incurred	\$695,795,902	
Loss expenses incurred	125,882,343	
Underwriting expenses incurred	403,660,581	
Total underwriting deductions		1,225,338,826
Net underwriting gain		108,992,922
Investment income		
Net investment income earned	95,178,233	
Net realized capital gains	25,039,583	
Total net investment income		120,217,816
Other income		1,767,641
Net income (before dividends and taxes)		230,978,379
Policyholders' dividends		18,365,837
Net income (after dividends and before taxes)		212,612,542
Income taxes (including deferred)		25,170,767
NET INCOME		\$187,441,775

Statements reflect the consolidated operations of non-insurance subsidiaries and are presented on the basis of consolidated generally accepted accounting principles (GAAP).

COMPARATIVE

STATEMENT OF CONDITION

December 31,	2017	2016
ASSETS		
Bonds	\$2,274,387,349	\$2,085,880,163
Stocks	1,008,125,887	844,831,959
Premiums receivable	443,606,033	413,657,962
Cash and short term investments	41,578,859	50,673,909
Accrued interest and dividends	25,659,377	24,119,059
Property and equipment, net	279,787,699	270,054,186
Reinsurance recoverables	163,111,294	142,262,350
Deferred acquisition costs	123,927,103	117,657,007
Other miscellaneous assets	18,220,823	15,934,513
Total Assets	\$4,378,404,424	\$3,965,071,108
LIABILITIES AND SURPLUS		
Loss reserves	\$1,186,716,356	\$1,108,289,610
Unearned premium reserves	681,456,421	640,552,591
Loss adjustment expense reserves	269,077,143	255,361,319
Accrued expenses	169,336,651	164,612,247
Deferred income tax liability	67,874,261	56,520,208
Other miscellaneous liabilities	3,851,060	6,756,000
Total liabilities	2,378,311,892	2,232,091,975
Policyholders' surplus	2,000,092,532	1,732,979,133
Total Liabilities and Surplus	\$4,378,404,424	\$3,965,071,108

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

Statements reflect the consolidated operations of non-insurance subsidiaries and are presented on the basis of consolidated generally accepted accounting principles (GAAP).



ACUITY LOVES THE COMMUNITY

We're proud to be part of the communities where we live and work. Through contributions to local, state, and national organizations and charitable events held at our headquarters, Acuity helps make a difference.

- In 2017, Acuity contributed nearly \$1.3 million to worthy organizations.
- The 2017 Acuity Health Challenge raised funds to help improve access to quality health care in the Sheboygan County Area through efforts of the Aurora Health Care Foundation.
- Acuity supports efforts that make a difference in community health care. Our contributions have helped fund the creation of an intensive and intermediate care unit, a new emergency dispatch service, a neonatal intensive care unit, a medical and dental provider for the underserved, a hospice facility, and more. Acuity also supports Conquer Cancer Foundation, Mental Health America, and Ronald McDonald House.
- Acuity's headquarters is host to community events throughout the year, including many educational activities and competitions.
- The 65-foot Acuity Charity Wheel is used for special events and community fundraising.

ACUITY LOVES

BEING A TOP EMPLOYER



Thanks to the efforts of all our staff to build a great culture, Acuity has become more than just a place to work. Our employee-focused, fun-loving environment makes us unique among insurers and one of the best places to work in any industry.

- In 2017, Acuity completed an expansion of our corporate headquarters in Sheboygan, doubling the amount of building space to over 1.2 million square feet—and enough infrastructure to eventually support 4,000 employees.
- We more than doubled the size of our on-site fitness facility.
- Numerous events throughout the year help build teamwork and camaraderie and have defined Acuity as a fun company to be part of.
- Acuity's headquarters includes a 2,000 person theater-in-the round for companywide meetings, where no seat is more than 66 feet from stage.
- The *Seven Sisters* glass sculpture installation is an iconic part of Acuity's workspace and can be seen by tens of thousands of motorists who pass by each day on Interstate 43.





ACUITY LOVES

EMPOWERING PEOPLE

Acuity believes in equal opportunity because we know that our strength comes from everyone working together.

- Ben Salzmann, President and CEO

Melissa Winter, Vice President - Business Consulting, and her newborn daughter, Leia, 2017.

Yesterday as well as today.
women at Acuity lead the way.



Above: Sheri Murphy, Vice President - Services and Administration, and son Michael, pictured in the 1999 Acuity Annual Report.

Right: Sheri and son Michael today!



Candy Key

- A. Milk Chocolate Meltaway
- B. Dark Chocolate Meltaway
- C. English Toffee
- D. Raspberry Cream
- E. Dark Sea Salt Caramel
- F. Caramel
- G. Toasted Coconut
- H. Vanilla Cream
- I. Peanut Butter Pixie
- J. Peanut Cluster
- K. Almond Cluster
- L. Pecan Snappie
- M. Filbert
- N. Cashew Snappie



Ingredients

Chocolate (Sugar, Milk, Cocoa Butter, Chocolate Liquor processed with Alkali, Soy Lecithin-an Emulsifier, Milk Fat, Vanillin-an Artificial Flavor, and Salt), White Coating (Whole Milk Solids, Cocoa Butter, and Vanillin), Peanut Butter (Peanuts, Hydrogenated Rapeseed, and Cottonseed Oil), Almonds, Cashews, Filberts, Pecans, Peanuts, Coconut, Sugar, Corn Syrup, Butter, Cocoa, Skim Milk Powder, Condensed Milk, Invert Sugar, Sucrovert (Glycerine, Aqueous Extract of Invertase from Yeast, and Sodium Citrate), Potato Starch, Coconut Oil, Hydrogenated Palm Kernel Oil, Salt, Natural and Artificial Flavors, Citric Acid, Propylene Glycol, Sodium Meta-Bisulfite, and Artificial Colors.

Allergy Information

Products have been produced on shared equipment with peanuts, tree nuts, milk, eggs, and soybeans.

WE LOVE YOU

