




Our  
focus  
is  
you!



ACUITY 2021 ANNUAL REPORT



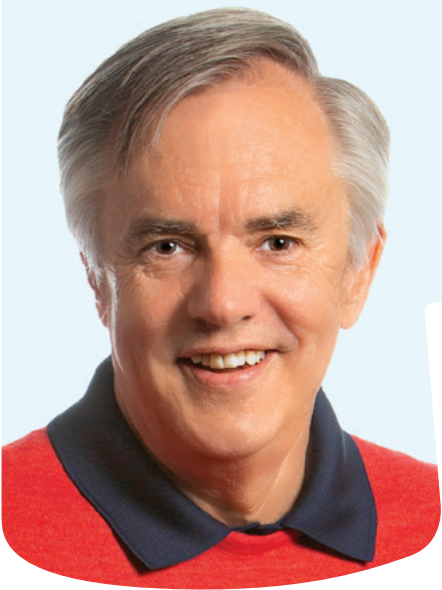
“Be open, be genuine, and be yourself!”

Focus  
on  
All of Us



**Focusing on an incredible year:**

In 2021, we reached nearly \$2 billion in written premium and surpassed \$3 billion in surplus and \$6 billion in assets for the first time ever in an overall record-setting performance. Again, our combined ratio was lower and both our sales and policyholders' surplus growth higher than the industry.



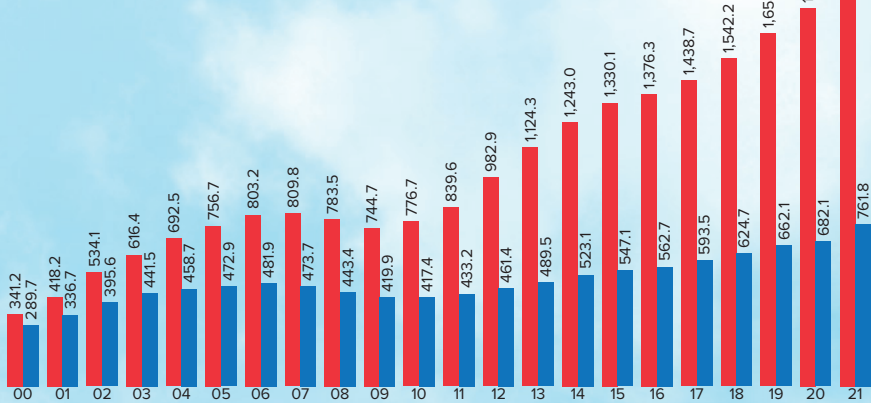
With **kind hearts,**  
**we dare to care**  
for **our family**  
of **employees, agents,**  
and **customers,**  
by **staring**  
**down risk.**

**Ben Salzmann**  
President and CEO

## 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 (Statutory)

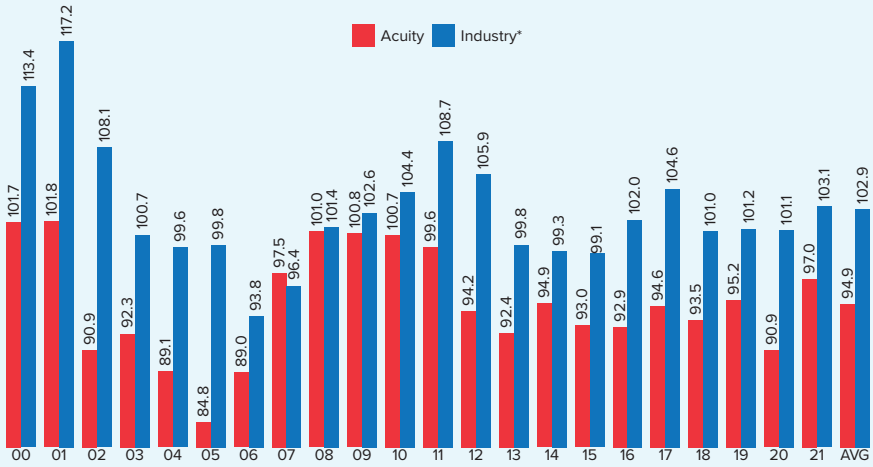
2021  
**FOCAL  
POINT**

Forbes America's  
Best Employers



# Combined Ratio

Acuity Industry\*

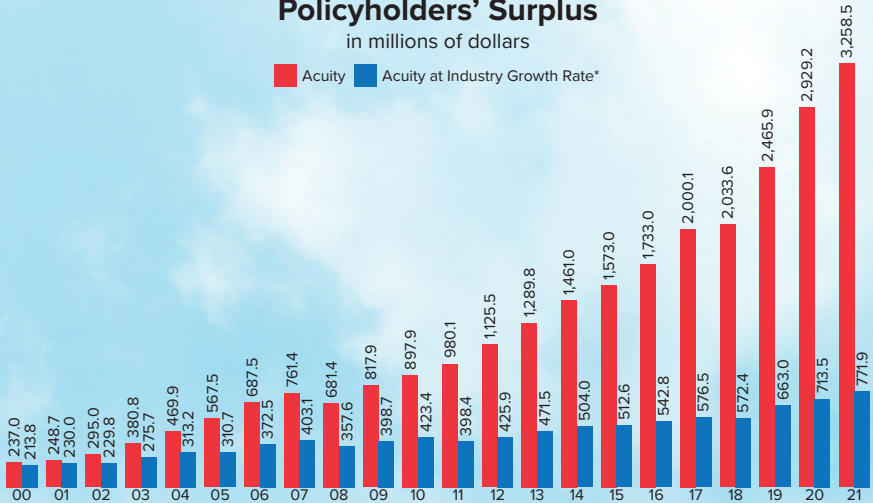


\*Based on industry averages from Conning Research & Consulting, weighted by Acuity's mix of business (Statutory)


## Policyholders' Surplus

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 (GAAP)



“What makes us unique is our attitude of caring about everything we do.”



Focus on  
Sales and  
Communications

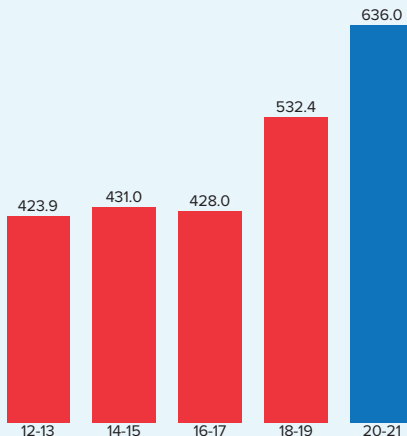


**Focusing on our amazing agents:** Acuity dares to care for our family of independent agents by making it easy for you to do business with us, providing the products and pricing you need, and elevating your knowledge through our free continuing education. Thank you for choosing us as your go-to company.



## Companywide New Business Premium

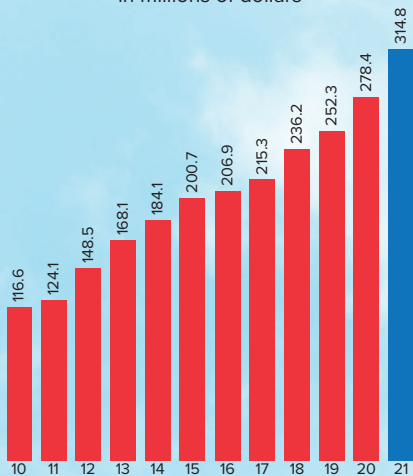
in millions of dollars



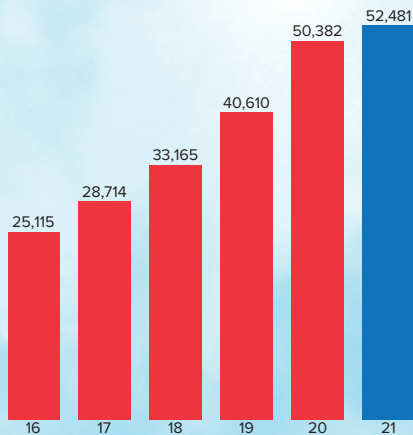
**Wally Waldhart**  
Vice President - Sales  
and Communications

## Total Commissions Paid

in millions of dollars




## CE Credits Earned by Agents from Acuity



2021  
**FOCAL  
POINT**

Hermes, MarCom,  
and AVA Digital  
Awards



The image features a light blue background with a white puzzle piece shape in the center. The puzzle piece is a standard interlocking shape, with a notch on the top and a bump on the bottom. The text is centered within the white puzzle piece.

“People are the key to our success.”

Focus on  
Commercial  
Insurance

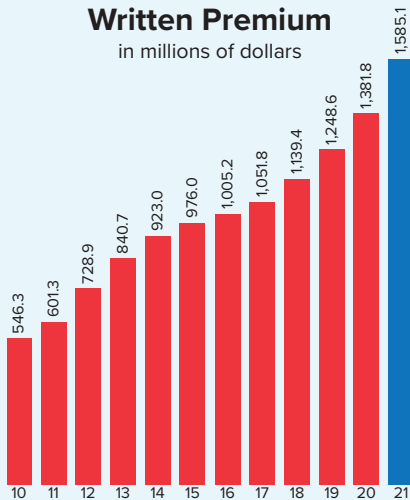


**Focusing on helping you write commercial business:** With a broad appetite for business that is constantly growing, competitive pricing, and products and coverages designed to help you write commercial insurance, Acuity reached new heights in written premium in 2021. Thank you for continuing to send Acuity your business.



## Commercial Lines Written Premium

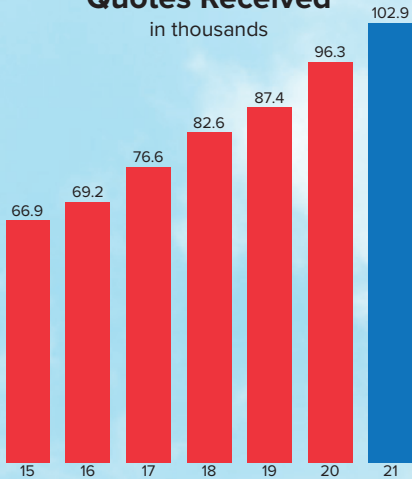
in millions of dollars



**Neil Argall**  
Vice President -  
Commercial Insurance

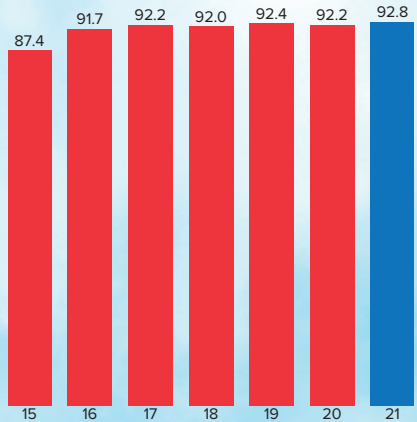
## Commercial Lines Quotes Received

in thousands



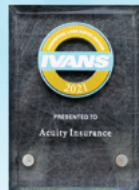
## Commercial Lines Renewal Rate

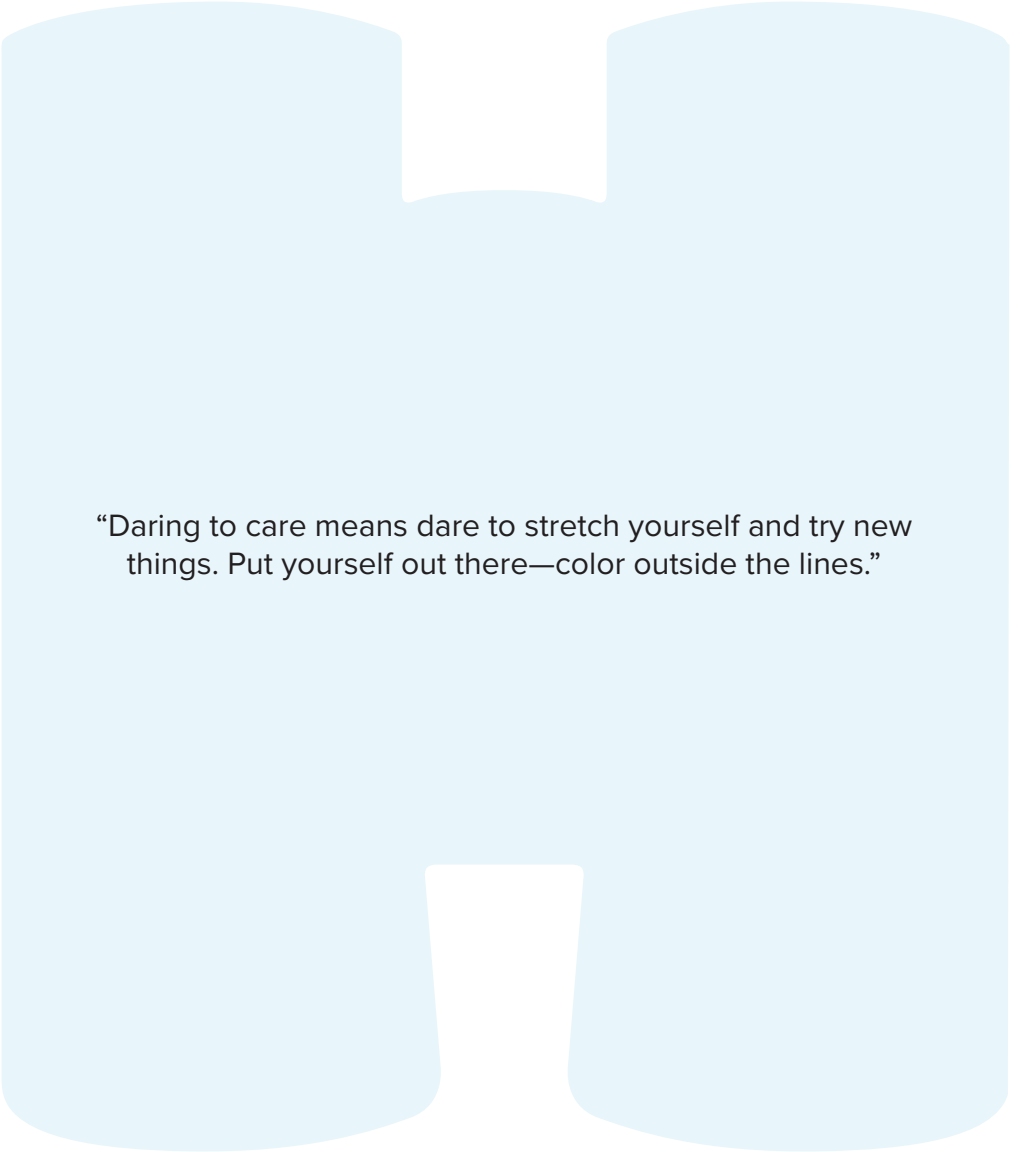
percent



2021  
**FOCAL  
POINT**

IVANS Gold Award  
in Commercial Lines





“Daring to care means dare to stretch yourself and try new things. Put yourself out there—color outside the lines.”



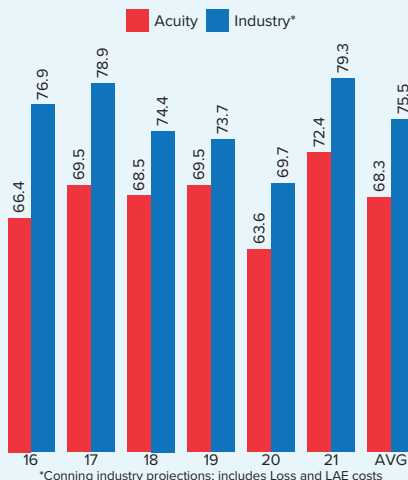
Focus on  
Personal Lines  
and Marketing



**Focusing on helping you write personal lines business:** In 2021, we set a new record for written premium in personal lines, propelled by growth in both new and existing states. Acuity also continued to outperform the industry in profitability while reaching an all-time high customer retention.



## Personal Lines Loss Ratio



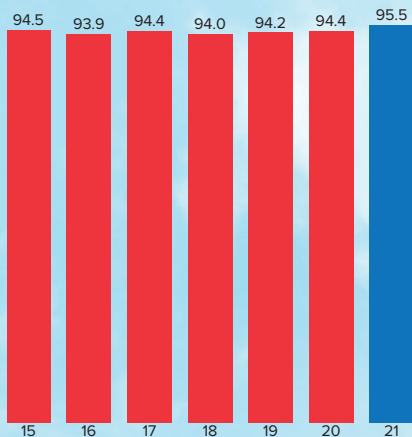
\*Conning industry projections; includes Loss and LAE costs

### Shane Paltzer

Vice President - Marketing  
and Personal Lines

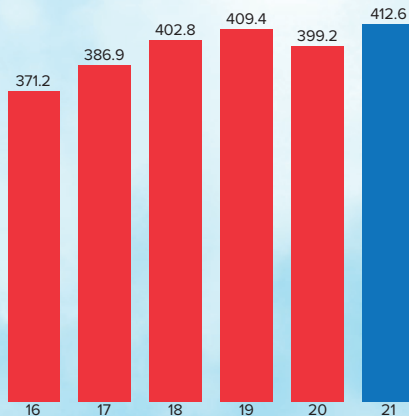
## Package Retention Rate

percent



## Personal Lines Written Premium


in millions of dollars



2021  
**FOCAL  
POINT**

IVANS Gold Award  
in Personal Lines





“We’re responsible for responding to our policyholders when they need us most.”

Focus  
on  
Claims

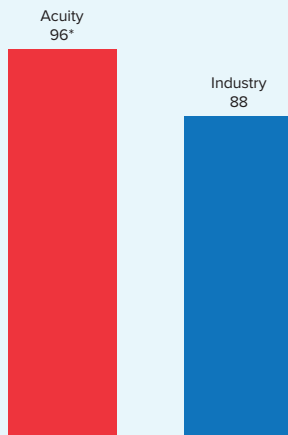


## Focusing on helping customers repair, rebuild, and recover:

Acuity dares to care for our family of customers, and that means being there when disaster strikes to deliver on our promise of protection. Our incredible claims satisfaction rating is a credit to our world-class service.

## Claims Satisfaction

percent



\*Based on surveys of claimants and insureds



**Jamie Loiacono**  
Vice President - Claims

## Acuity's Top Five Storm Events

YEAR	STORM EVENTS	LOSSES (MILLIONS)
2017	Minnesota/Wisconsin Wind & Hail (2,733 Claims)	<b>\$43.4</b>
2020	Midwest Derecho (1,859 Claims)	<b>\$41.3</b>
2020	SE WI Wind & Hail (1,657 Claims)	<b>\$25.3</b>
2019	Northern WI Tornadoes (1,699 Claims)	<b>\$23.8</b>
2018	Colorado Wind & Hail (883 Claims)	<b>\$21.1</b>


## \$1+ Million Storm Events

YEAR	CLAIMS	LOSSES (MILLIONS)
2017	19	<b>\$119.7</b>
2018	22	<b>\$96.8</b>
2019	24	<b>\$176.1</b>
2020	29	<b>\$185.4</b>
2021	31	<b>\$142.2</b>

2021  
**FOCAL  
POINT**

CRASH Network  
Insurer Report Card





“Honesty, integrity, and transparency matter,  
because people are depending on us.”

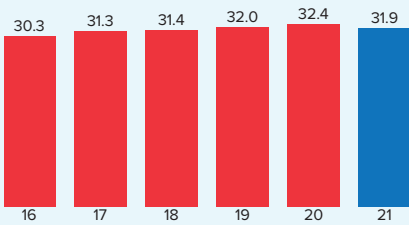


Focus  
on  
Finance



**Focusing on strength and stability:** Acuity's strategy of conservative investing, disciplined underwriting, and fair and reasonable reserving continues to deliver results that outperform the industry. Our consistent financial performance makes us a source of protection that agents and customers can depend on.

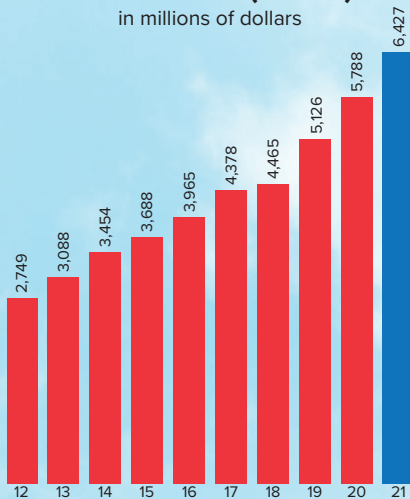
### Expense Ratio



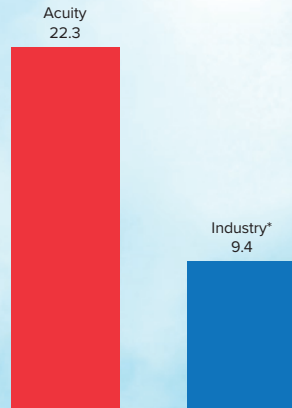
**Wendy Schuler**  
Vice President - Finance

## Total Assets (GAAP)

in millions of dollars



## Cash Flow as a Percentage of Net Written Premium (GAAP)

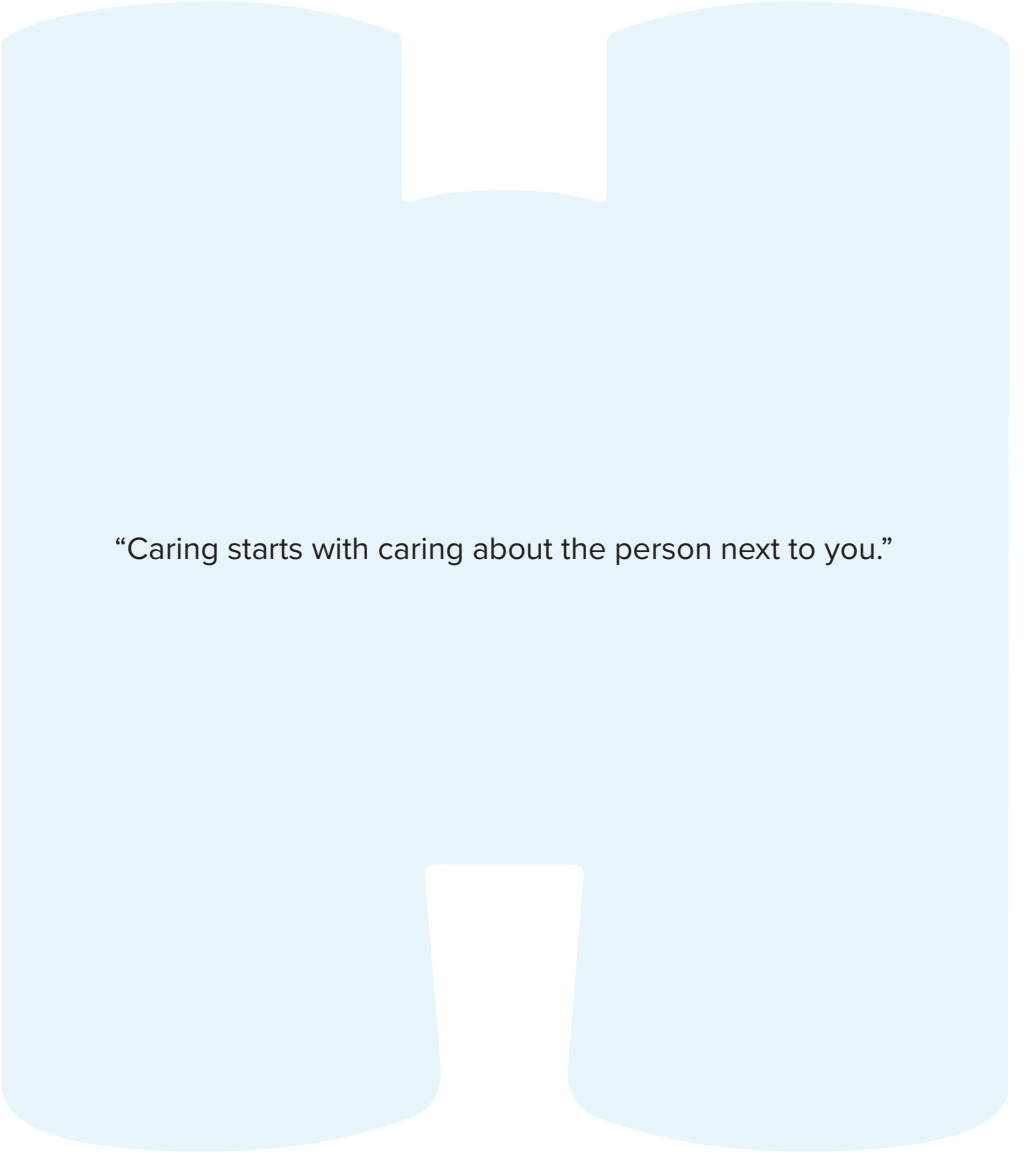


\*Based on industry averages from Conning Research & Consulting, weighted by Acuity's mix of business.

2021  
**FOCAL  
POINT**

Deloitte  
Wisconsin 75





“Caring starts with caring about the person next to you.”

Focus on  
Actuarial and  
Strategic  
Analytics



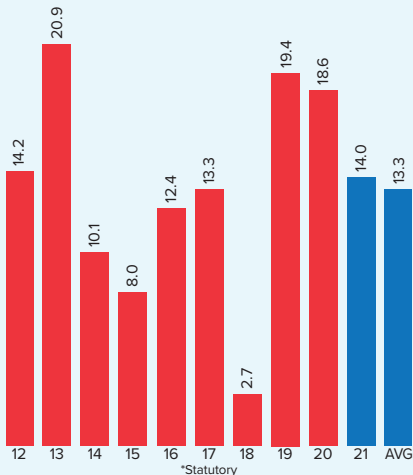
## Focusing on profitability:

Analytics are the key to our ability to select and price accounts for both profitability and long-term retention. In 2021, we again grew surplus faster and achieved a loss ratio lower than the industry, while attaining a premium to surplus ratio below 1:1 for an incredible 13th straight year.



## Surplus Growth\*

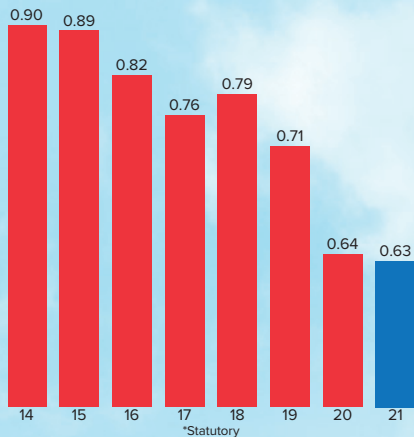
percent



### Pat Tures

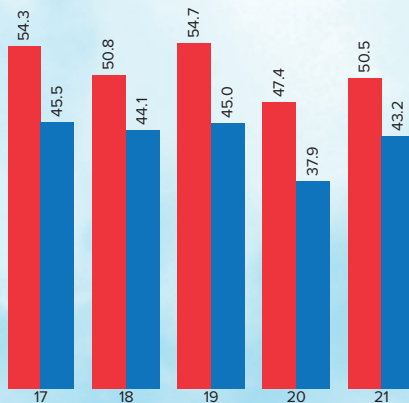
Vice President - Actuarial  
and Strategic Analytics

## Net Written Premium to Surplus Ratio\*



## Companywide Accident Year Loss Ratio

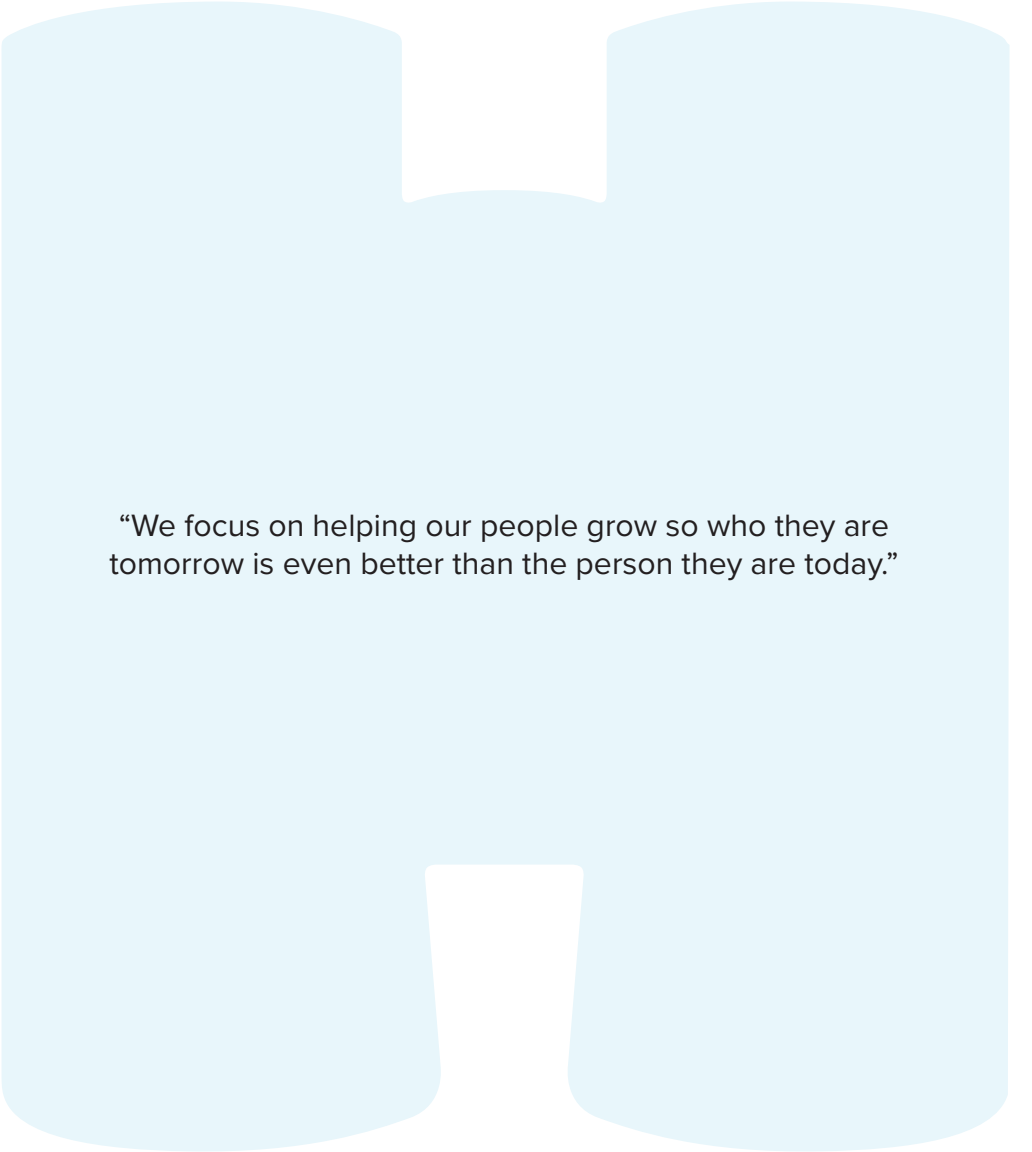
■ With Storms ■ Without Storms



2021  
**FOCAL  
POINT**

Insurance Journal  
Super Regional





“We focus on helping our people grow so who they are tomorrow is even better than the person they are today.”



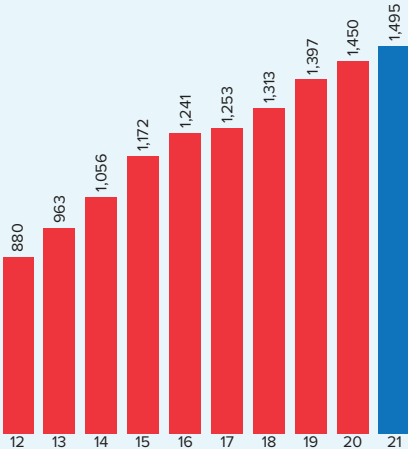
Focus on  
Human  
Resources



**Focusing on our people:** Daring to care for our family of employees means doing more as an employer. Our people-focused corporate culture, outstanding benefits, and shared common purpose define who we are and have made us the employer of choice in the insurance industry.



## Staff Size

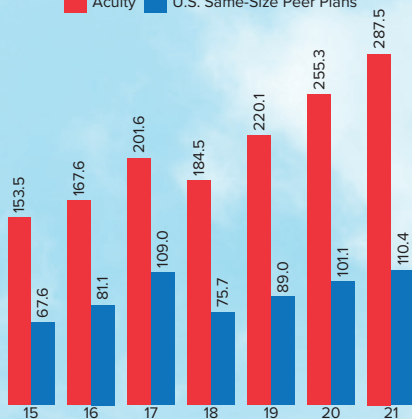


**Joan Ravanelli Miller**  
General Counsel and  
Vice President -  
Human Resources

## Average 401(k) Account Balance

in thousands of dollars

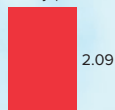
■ Acuity ■ U.S. Same-Size Peer Plans



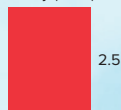
## Voluntary Turnover

percent

Acuity (15-Year Average)



Acuity (2021)



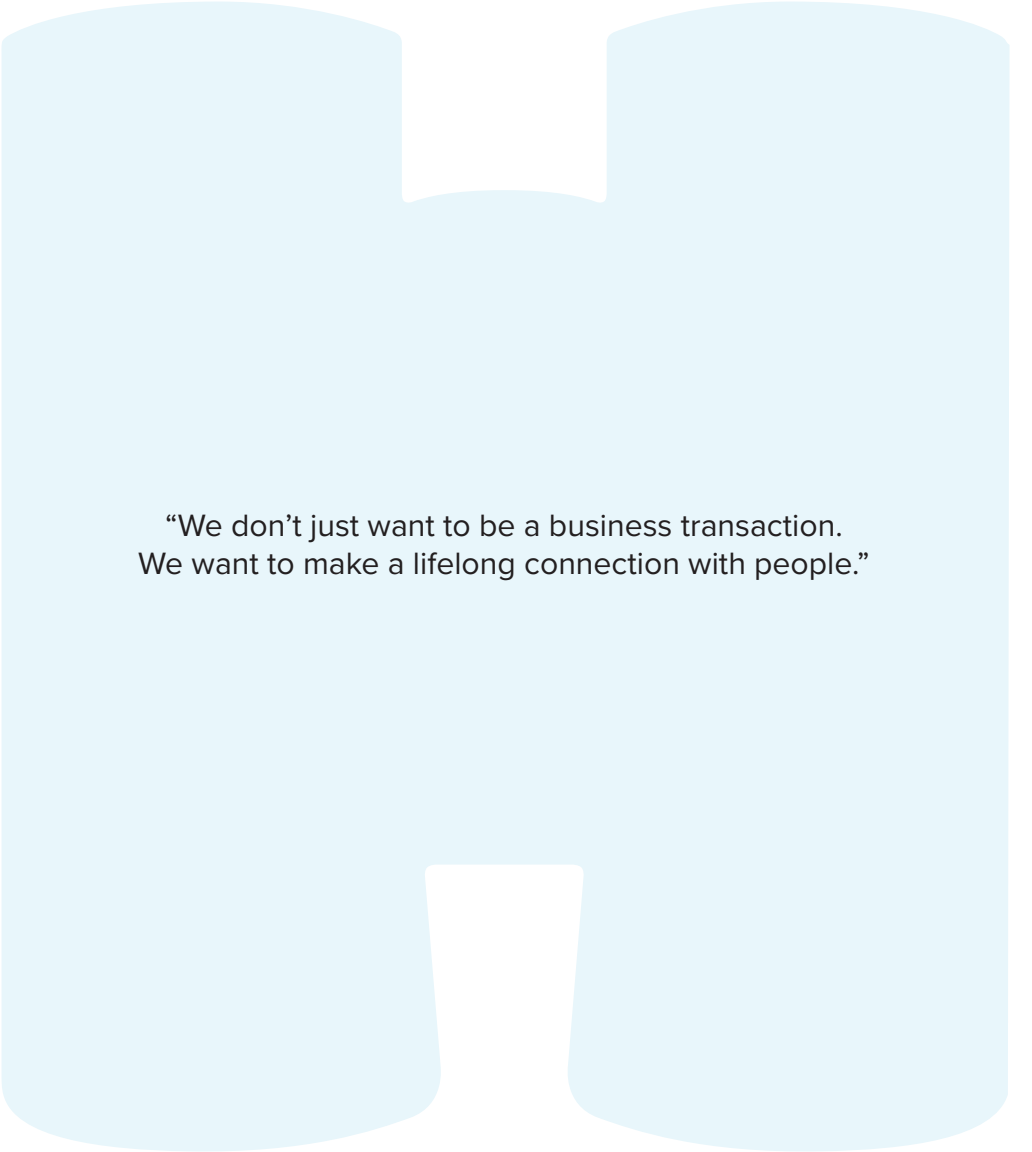
P & C Carriers (2021)



2021  
**FOCAL  
POINT**

Glassdoor  
Work-Life Balance





“We don’t just want to be a business transaction.  
We want to make a lifelong connection with people.”

Focus  
on  
Services

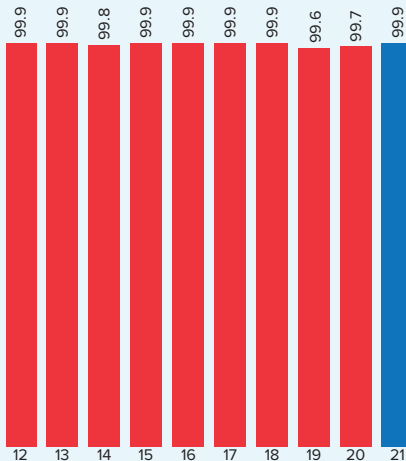


**Focusing on serving our customers and agents:** When you and your customers call Acuity, you get fast, accurate service. Our outstanding productivity, commitment to quality, and empathy for the challenges people face in their lives help us deliver service that's above and beyond.



## Accuracy

percent

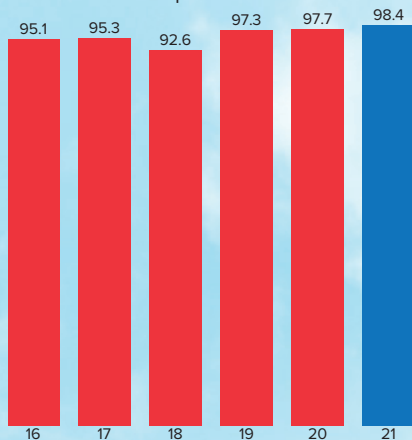


### Sheri Murphy

Vice President - Services  
and Administration

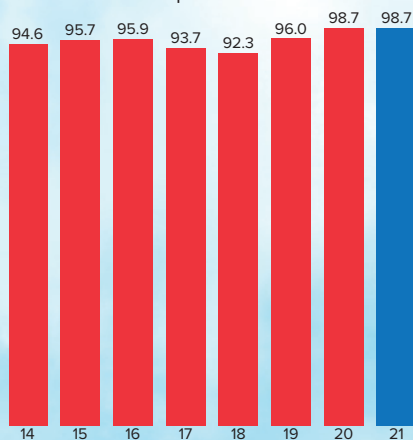
## Calls Answered in 16 Seconds or Less

percent



## Turnaround Within 16 Hours


percent



2021  
**FOCAL  
POINT**

ACORD Women's  
Insurance  
Advancement  
Award





“We really do have a passion for caring for our agents, employees, and customers.”



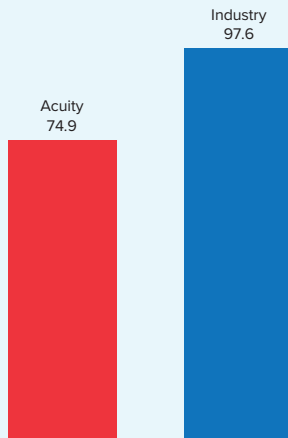
Focus on  
Business  
Consulting



## Focusing on excellence, efficiency, and innovation:

Acuity's strategy continues to propel innovative approaches to exceeding the expectations of our family of customers and agents. Our industry-leading results landed us on the Ward's 50 list of top-performing property-casualty companies for an incredible 22nd straight year.

## Employees per \$100 Million of Revenue

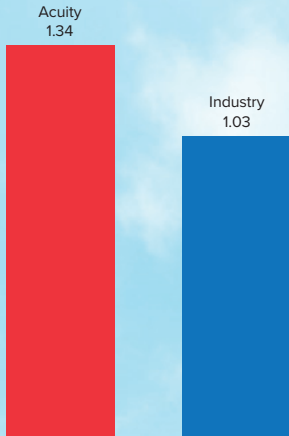


**Melissa Winter**  
Vice President -  
Business Consulting



## Revenue per Employee

in millions of dollars



## Training Hours

Total Hours  
of Staff Training

**34,251**


Training per  
New Hire

**45.7 DAYS**

2021  
**FOCAL  
POINT**

Ward's Top 50  
Property-Casualty  
Insurance





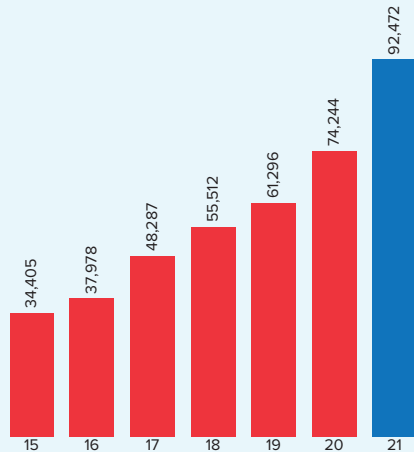
“Communication is the key to success—not just to a particular project, but to Acuity as a whole.”

Focus on  
Enterprise  
Technology



**Focusing on delivering the tools you need to succeed:** Acuity is committed to developing and providing anytime, anywhere access to solutions you need to do business. We are leaders in technology and have earned more ACORD awards than any other insurer in the nation.

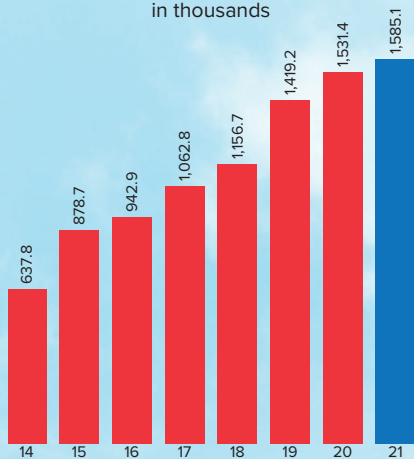
## Policyholders Registered for Online Account Access



**Marcus Knuth**  
Vice President -  
Enterprise Technology

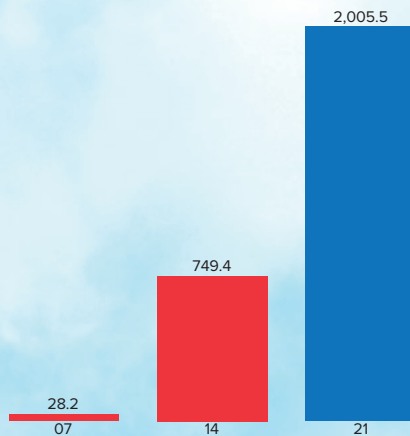
## Agent Download Transactions

in thousands



## Real-Time Quotes Provided

in thousands



2021  
**FOCAL  
POINT**

ACORD  
Case Study  
Awards



# STATEMENT OF INCOME

*For the year ending December 31, 2021*

Underwriting income		\$1,795,587,622
Underwriting deductions		
Losses incurred	\$972,417,008	
Loss expenses incurred	173,493,827	
Underwriting expenses incurred	558,565,193	
Total underwriting deductions		1,704,476,028
Net underwriting gain		91,111,594
Investment income		
Net investment income earned	182,223,544	
Net realized capital gains	152,111,936	
Total net investment income		334,335,480
Other income		2,787,747
Net income (before dividends and taxes)		428,234,821
Policyholders' dividends		15,666,382
Net income (after dividends and before taxes)		412,568,439
Income taxes (including deferred)		87,311,343
NET INCOME		\$325,257,096

AM Best Rated A+, Superior  
Standard & Poor's Rated A+

Statements are presented on the basis of consolidated generally accepted accounting principles (GAAP). However, changes in unrealized gains/losses on equity securities, net of tax, are not included in net income but are reflected directly in policyholders' surplus.



## COMPARATIVE STATEMENT OF CONDITION

<i>December 31,</i>	<i>2021</i>	<i>2020</i>
<b>ASSETS</b>		
Bonds	\$3,155,669,361	\$2,776,112,018
Stocks	1,845,191,217	1,670,032,977
Premiums receivable	604,391,704	548,112,715
Cash and short term investments	47,188,558	60,301,117
Accrued interest and dividends	26,638,169	25,943,406
Property and equipment, net	298,829,982	302,670,591
Reinsurance recoverables	236,759,882	221,733,978
Deferred acquisition costs	181,798,710	162,567,292
Other miscellaneous assets	30,818,512	20,939,755
 Total Assets	 \$6,427,286,095	 \$5,788,413,849
<b>LIABILITIES AND SURPLUS</b>		
Loss reserves	\$1,495,023,772	\$1,317,285,024
Unearned premium reserves	953,340,767	859,229,403
Loss adjustment expense reserves	326,784,902	296,702,390
Accrued expenses	238,479,314	222,730,780
Deferred income tax liability	145,112,831	148,784,811
Other miscellaneous liabilities	10,077,027	14,511,104
Total Liabilities	3,168,818,613	2,859,243,512
 Policyholders' Surplus	 3,258,467,482	 2,929,170,337
 Total Liabilities and Surplus	 \$6,427,286,095	 \$5,788,413,849

**“Daring to care and staring down risk  
require consistent, profitable growth, and  
that consistency comes from the unrelenting  
collective effort of everyone. Thank you!”**

*– Acuity Board of Directors*

*Back row (left to right):*

Ben Salzmann, Steve Jaberg, Bob Willis, and Jack Schwalbach

*Middle row (left to right):*

Dick Riley, Paul Hoffman, Mike Duckett, Gaylon Greenhill, and Kurt Olson

*Front row (left to right):*

Hal Trescott, Margaret Farrow, Rhonda Kirkwood, and Lisa Mauer



Our  
focus  
is  
you!

