With 2010 behind us

The results are clear,

We all helped create

ACUTTY's storybook year!

[Graphs and charts are shown, indicating surplus and written premium growth with data for years 2000-2010.]
Record-setting growth

Is our 2010 theme,

ACUTITY and our agents

Make a powerful team!

Total New Business Written Premium:

- 2008: $135.2 million
- 2009: $140.9 million
- 2010: $156.1 million

Speaking Tour Attendance:

- 2000: 1,027
- 2001: 3,142
- 2002: 2,056
- 2003: 3,226
- 2004: 4,007
- 2005: 5,923
- 2006: 6,800
- 2007: 6,019
- 2008: 4,989
- 2009: 4,099
- 2010: 5,849
quotes and near business
We wrote even more,
With great products and pricing
Our business did soar!
in premiums and policies

New records are set,
Our personal lines team
Had its best year yet!

<table>
<thead>
<tr>
<th>Year</th>
<th>Personal Lines Written Premium (in millions of dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>150.0</td>
</tr>
<tr>
<td>2005</td>
<td>159.0</td>
</tr>
<tr>
<td>2006</td>
<td>165.0</td>
</tr>
<tr>
<td>2007</td>
<td>198.3</td>
</tr>
<tr>
<td>2008</td>
<td>211.8</td>
</tr>
<tr>
<td>2009</td>
<td>250.4</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Personal Lines Written Premium (in thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>487,121</td>
</tr>
<tr>
<td>2001</td>
<td>508,123</td>
</tr>
<tr>
<td>2002</td>
<td>548,122</td>
</tr>
<tr>
<td>2003</td>
<td>625,121</td>
</tr>
<tr>
<td>2004</td>
<td>667,121</td>
</tr>
<tr>
<td>2005</td>
<td>745,121</td>
</tr>
<tr>
<td>2006</td>
<td>800,121</td>
</tr>
<tr>
<td>2007</td>
<td>857,121</td>
</tr>
<tr>
<td>2008</td>
<td>930,121</td>
</tr>
<tr>
<td>2009</td>
<td>1,057,121</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Personal Lines Policies In Force (in billions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>122.9</td>
</tr>
<tr>
<td>2001</td>
<td>128.4</td>
</tr>
<tr>
<td>2002</td>
<td>135.7</td>
</tr>
<tr>
<td>2003</td>
<td>143.3</td>
</tr>
<tr>
<td>2004</td>
<td>157.5</td>
</tr>
<tr>
<td>2005</td>
<td>180.9</td>
</tr>
<tr>
<td>2006</td>
<td>196.3</td>
</tr>
</tbody>
</table>

Laddie Bo Peep
We grew our business

In old and new states,

By combining broad coverage

With really great rates.

<table>
<thead>
<tr>
<th>Units In Force</th>
<th>Personal Lines Retention</th>
</tr>
</thead>
<tbody>
<tr>
<td>05</td>
<td>06</td>
</tr>
<tr>
<td>693.4</td>
<td>737.2</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net Written Premium to Surplus Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year</td>
</tr>
<tr>
<td>03</td>
</tr>
<tr>
<td>04</td>
</tr>
<tr>
<td>05</td>
</tr>
<tr>
<td>06</td>
</tr>
<tr>
<td>07</td>
</tr>
<tr>
<td>08</td>
</tr>
<tr>
<td>09</td>
</tr>
<tr>
<td>10</td>
</tr>
</tbody>
</table>
Humpty Dumpty

Humpty Dumpty sat on a wall, 
Humpty Dumpty had a great fall.
All the king's horses and all the king's men
Couldn't put Humpty together again.

Humpty Dumpty sat on a wall, 
Humpty Dumpty had a great fall.
All the king's horses and all the king's men
Ran away they did, they did.

Humpty Dumpty sat on a wall, 
Humpty Dumpty had a great fall.
All the king's horses and all the king's men
Ran away they did, they did.

Humpty Dumpty sat on a wall, 
Humpty Dumpty had a great fall.
All the king's horses and all the king's men
Ran away they did, they did.

Humpty Dumpty sat on a wall, 
Humpty Dumpty had a great fall.
All the king's horses and all the king's men
Ran away they did, they did.

Humpty Dumpty sat on a wall, 
Humpty Dumpty had a great fall.
All the king's horses and all the king's men
Ran away they did, they did.

Humpty Dumpty sat on a wall, 
Humpty Dumpty had a great fall.
All the king's horses and all the king's men
Ran away they did, they did.

Humpty Dumpty sat on a wall, 
Humpty Dumpty had a great fall.
All the king's horses and all the king's men
Ran away they did, they did.

Humpty Dumpty sat on a wall, 
Humpty Dumpty had a great fall.
All the king's horses and all the king's men
Ran away they did, they did.

Humpty Dumpty sat on a wall, 
Humpty Dumpty had a great fall.
All the king's horses and all the king's men
Ran away they did, they did.

Humpty Dumpty sat on a wall, 
Humpty Dumpty had a great fall.
All the king's horses and all the king's men
Ran away they did, they did.

Humpty Dumpty sat on a wall, 
Humpty Dumpty had a great fall.
All the king's horses and all the king's men
Ran away they did, they did.

Humpty Dumpty sat on a wall, 
Humpty Dumpty had a great fall.
All the king's horses and all the king's men
Ran away they did, they did.

Humpty Dumpty sat on a wall, 
Humpty Dumpty had a great fall.
All the king's horses and all the king's men
Ran away they did, they did.

Humpty Dumpty sat on a wall, 
Humpty Dumpty had a great fall.
All the king's horses and all the king's men
Ran away they did, they did.

Humpty Dumpty sat on a wall, 
Humpty Dumpty had a great fall.
All the king's horses and all the king's men
Ran away they did, they did.

Humpty Dumpty sat on a wall, 
Humpty Dumpty had a great fall.
All the king's horses and all the king's men
Ran away they did, they did.

Humpty Dumpty sat on a wall, 
Humpty Dumpty had a great fall.
All the king's horses and all the king's men
Ran away they did, they did.

Humpty Dumpty sat on a wall, 
Humpty Dumpty had a great fall.
All the king's horses and all the king's men
Ran away they did, they did.

Humpty Dumpty sat on a wall, 
Humpty Dumpty had a great fall.
All the king's horses and all the king's men
Ran away they did, they did.

Humpty Dumpty sat on a wall, 
Humpty Dumpty had a great fall.
All the king's horses and all the king's men
Ran away they did, they did.

Humpty Dumpty sat on a wall, 
Humpty Dumpty had a great fall.
All the king's horses and all the king's men
Ran away they did, they did.

Humpty Dumpty sat on a wall, 
Humpty Dumpty had a great fall.
All the king's horses and all the king's men
Ran away they did, they did.

Humpty Dumpty sat on a wall, 
Humpty Dumpty had a great fall.
All the king's horses and all the king's men
Ran away they did, they did.

Humpty Dumpty sat on a wall, 
Humpty Dumpty had a great fall.
All the king's horses and all the king's men
Ran away they did, they did.

Humpty Dumpty sat on a wall, 
Humpty Dumpty had a great fall.
All the king's horses and all the king's men
Ran away they did, they did.

Humpty Dumpty sat on a wall, 
Humpty Dumpty had a great fall.
All the king's horses and all the king's men
Ran away they did, they did.

Humpty Dumpty sat on a wall, 
Humpty Dumpty had a great fall.
All the king's horses and all the king's men
Ran away they did, they did.

Humpty Dumpty sat on a wall, 
Humpty Dumpty had a great fall.
All the king's horses and all the king's men
Ran away they did, they did.

Humpty Dumpty sat on a wall, 
Humpty Dumpty had a great fall.
All the king's horses and all the king's men
Ran away they did, they did.

Humpty Dumpty sat on a wall, 
Humpty Dumpty had a great fall.
All the king's horses and all the king's men
Ran away they did, they did.

Humpty Dumpty sat on a wall, 
Humpty Dumpty had a great fall.
All the king's horses and all the king's men
Ran away they did, they did.

Humpty Dumpty sat on a wall, 
Humpty Dumpty had a great fall.
All the king's horses and all the king's men
Ran away they did, they did.

Humpty Dumpty sat on a wall, 
Humpty Dumpty had a great fall.
All the king's horses and all the king's men
Ran away they did, they did.

Humpty Dumpty sat on a wall, 
Humpty Dumpty had a great fall.
All the king's horses and all the king's men
Ran away they did, they did.

Humpty Dumpty sat on a wall, 
Humpty Dumpty had a great fall.
All the king's horses and all the king's men
Ran away they did, they did.

Humpty Dumpty sat on a wall, 
Humpty Dumpty had a great fall.
All the king's horses and all the king's men
Ran away they did, they did.

Humpty Dumpty sat on a wall, 
Humpty Dumpty had a great fall.
All the king's horses and all the king's men
Ran away they did, they did.

Humpty Dumpty sat on a wall, 
Humpty Dumpty had a great fall.
All the king's horses and all the king's men
Ran away they did, they did.

Humpty Dumpty sat on a wall, 
Humpty Dumpty had a great fall.
All the king's horses and all the king's men
Ran away they did, they did.

Humpty Dumpty sat on a wall, 
Humpty Dumpty had a great fall.
All the king's horses and all the king's men
Ran away they did, they did.

Humpty Dumpty sat on a wall, 
Humpty Dumpty had a great fall.
All the king's horses and all the king's men
Ran away they did, they did.

Humpty Dumpty sat on a wall, 
Humpty Dumpty had a great fall.
All the king's horses and all the king's men
Ran away they did, they did.

Humpty Dumpty sat on a wall, 
Humpty Dumpty had a great fall.
All the king's horses and all the king's men
Ran away they did, they did.

Humpty Dumpty sat on a wall, 
Humpty Dumpty had a great fall.
All the king's horses and all the king's men
Ran away they did, they did.

Humpty Dumpty sat on a wall, 
Humpty Dumpty had a great fall.
All the king's horses and all the king's men
Ran away they did, they did.

Humpty Dumpty sat on a wall, 
Humpty Dumpty had a great fall.
All the king's horses and all the king's men
Ran away they did, they did.

Humpty Dumpty sat on a wall, 
Humpty Dumpty had a great fall.
All the king's horses and all the king's men
Ran away they did, they did.

Humpty Dumpty sat on a wall, 
Humpty Dumpty had a great fall.
All the king's horses and all the king's men
Ran away they did, they did.

Humpty Dumpty sat on a wall, 
Humpty Dumpty had a great fall.
All the king's horses and all the king's men
Ran away they did, they did.

Humpty Dumpty sat on a wall, 
Humpty Dumpty had a great fall.
All the king's horses and all the king's men
Ran away they did, they did.

Humpty Dumpty sat on a wall, 
Humpty Dumpty had a great fall.
All the king's horses and all the king's men
Ran away they did, they did.

Humpty Dumpty sat on a wall, 
Humpty Dumpty had a great fall.
All the king's horses and all the king's men
Ran away they did, they did.

Humpty Dumpty sat on a wall, 
Humpty Dumpty had a great fall.
All the king's horses and all the king's men
Ran away they did, they did.

Humpty Dumpty sat on a wall, 
Humpty Dumpty had a great fall.
All the king's horses and all the king's men
Ran away they did, they did.

Humpty Dumpty sat on a wall, 
Humpty Dumpty had a great fall.
All the king's horses and all the king's men
Ran away they did, they did.

Humpty Dumpty sat on a wall, 
Humpty Dumpty had a great fall.
All the king's horses and all the king's men
Ran away they did, they did.

Humpty Dumpty sat on a wall, 
Humpty Dumpty had a great fall.
All the king's horses and all the king's men
Ran away they did, they did.

Humpty Dumpty sat on a wall, 
Humpty Dumpty had a great fall.
All the king's horses and all the king's men
Ran away they did, they did.

Humpty Dumpty sat on a wall, 
Humpty Dumpty had a great fall.
All the king's horses and all the king's men
Ran away they did, they did.

Humpty Dumpty sat on a wall, 
Humpty Dumpty had a great fall.
All the king's horses and all the king's men
Ran away they did, they did.

Humpty Dumpty sat on a wall, 
Humpty Dumpty had a great fall.
All the king's horses and all the king's men
Ran away they did, they did.

Humpty Dumpty sat on a wall, 
Humpty Dumpty had a great fall.
All the king's horses and all the king's men
Ran away they did, they did.

Humpty Dumpty sat on a wall, 
Humpty Dumpty had a great fall.
All the king's horses and all the king's men
Ran away they did, they did.
Out premium, assets,
And surplus all great,
And our underwriting
Income did also accrue.

Expense Ratio

<table>
<thead>
<tr>
<th>Year</th>
<th>Expense Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>04</td>
<td>25.1</td>
</tr>
<tr>
<td>05</td>
<td>27.6</td>
</tr>
<tr>
<td>06</td>
<td>29.3</td>
</tr>
<tr>
<td>07</td>
<td>28.8</td>
</tr>
<tr>
<td>08</td>
<td>30.8</td>
</tr>
<tr>
<td>09</td>
<td>30.1</td>
</tr>
<tr>
<td>10</td>
<td>30.3</td>
</tr>
</tbody>
</table>

Cash Flow as Percent of Net Written Premium - 2010

HUMPTY HUMpty

Humpty Dumpty sat on a wall,
Humpty Dumpty had a great fall.
All the king's horses and all the king's men
Couldn't put Humpty together again.

Humpty Dumpty had a great fall,
All the king's horses and all the king's men
Blew the top hats off the top hats of them.

Alas, poor Humpty, I knew him well,
Humpty Dumpty had a great fall.
All the king's horses and all the king's men
Could not put Humpty together again.

At least he made Whimsy, though,
And the king thought that was very good.

He was a fine cheese, Humpty,
And the king bought him with a great deal of money.
Efficient, productive
We're one of the best,
Our employees' efforts
Outclass the rest!

Projects Delivered

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>07</td>
<td>290</td>
</tr>
<tr>
<td>08</td>
<td>299</td>
</tr>
<tr>
<td>09</td>
<td>360</td>
</tr>
<tr>
<td>10</td>
<td>445</td>
</tr>
</tbody>
</table>

Employees Per $100 Million of Revenue

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>04</td>
<td>404</td>
</tr>
<tr>
<td>05</td>
<td>404</td>
</tr>
<tr>
<td>06</td>
<td>403</td>
</tr>
<tr>
<td>07</td>
<td>409</td>
</tr>
<tr>
<td>08</td>
<td>482</td>
</tr>
<tr>
<td>09</td>
<td>596</td>
</tr>
<tr>
<td>10</td>
<td>672</td>
</tr>
</tbody>
</table>

AUSTY  |  | Industry Benchmark
ACUTY's technology continues to lead,
with tools easy to use,
and blazing fast speed!

Quotas Received Online

<table>
<thead>
<tr>
<th>Year</th>
<th>Quotas</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>176.1</td>
</tr>
<tr>
<td>2006</td>
<td>188.7</td>
</tr>
<tr>
<td>2007</td>
<td>218.0</td>
</tr>
<tr>
<td>2008</td>
<td>261.9</td>
</tr>
<tr>
<td>2009</td>
<td>319.2</td>
</tr>
<tr>
<td>2010</td>
<td>374.7</td>
</tr>
</tbody>
</table>

Paper Savings

<table>
<thead>
<tr>
<th>Year</th>
<th>Savings (in millions of sheets)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>3</td>
</tr>
<tr>
<td>2004</td>
<td>12</td>
</tr>
<tr>
<td>2005</td>
<td>22</td>
</tr>
<tr>
<td>2006</td>
<td>33</td>
</tr>
<tr>
<td>2007</td>
<td>44</td>
</tr>
<tr>
<td>2008</td>
<td>59</td>
</tr>
<tr>
<td>2009</td>
<td>77</td>
</tr>
<tr>
<td>2010</td>
<td>96</td>
</tr>
</tbody>
</table>

Automatically Issued Policy Changes (in percent)

<table>
<thead>
<tr>
<th>Year</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>3</td>
</tr>
<tr>
<td>2008</td>
<td>24</td>
</tr>
<tr>
<td>2009</td>
<td>34</td>
</tr>
<tr>
<td>2010</td>
<td>71</td>
</tr>
</tbody>
</table>
### Statement of Income

For the Year Ending December 31, 2019

<table>
<thead>
<tr>
<th>Income</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subscriptions</td>
<td>$1,853,597</td>
<td>$1,740,000</td>
</tr>
<tr>
<td>Products</td>
<td>73,452,927</td>
<td>68,142,927</td>
</tr>
<tr>
<td>Member benefits</td>
<td>12,953,597</td>
<td>12,572,927</td>
</tr>
<tr>
<td>Bad debt loss</td>
<td>15,452,927</td>
<td>15,072,927</td>
</tr>
<tr>
<td>Net income</td>
<td>$22,053,927</td>
<td>$21,372,927</td>
</tr>
</tbody>
</table>

### Comparative Statement of Condition

December 31, 2019 vs. 2018

<table>
<thead>
<tr>
<th>Assets</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Member benefit receivables</td>
<td>$1,853,000</td>
<td>$1,740,000</td>
</tr>
<tr>
<td>Member benefit receivables</td>
<td>45,927,927</td>
<td>40,072,927</td>
</tr>
<tr>
<td>Other receivables</td>
<td>45,927,927</td>
<td>40,072,927</td>
</tr>
<tr>
<td>Total assets</td>
<td>$59,633,927</td>
<td>$51,872,927</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subscriptions</td>
<td>$1,853,597</td>
<td>$1,740,000</td>
</tr>
<tr>
<td>Products</td>
<td>73,452,927</td>
<td>68,142,927</td>
</tr>
<tr>
<td>Member benefits</td>
<td>12,953,597</td>
<td>12,572,927</td>
</tr>
<tr>
<td>Bad debt loss</td>
<td>15,452,927</td>
<td>15,072,927</td>
</tr>
<tr>
<td>Net income</td>
<td>$22,053,927</td>
<td>$21,372,927</td>
</tr>
</tbody>
</table>

**A Note from the Director**

We would like to thank all our members for their support this year. We achieved a net income of $22,053,927, up from $21,372,927 last year. This success is a testament to the hard work and dedication of our members.

**Chairperson's Note**

I am pleased to report that our membership has grown significantly this year, with a total of 12,953,597 members. This growth is a reflection of the high quality of our products and services.

**Secretary's Report**

The board has approved the budget for the coming year, which includes a number of initiatives aimed at improving our services and products. We look forward to working with our members to achieve these goals.

*Date: December 31, 2019*