

The MEMIC logo is displayed in a bold, white, sans-serif font. The letters 'M', 'E', and 'I' are connected, as are 'M', 'I', and 'C'. The 'C' has a distinctive shape with a small gap at the bottom. The logo is positioned on the left side of a dark blue horizontal banner that spans the top of the page.

MEMIC

2022 ANNUAL REPORT

30 YEARS OF **MAKING WORKERS' COMP WORK BETTER**



DEAR POLICYHOLDER

In 2022, MEMIC made strides in a very competitive workers' compensation market that also was challenged by continued rate decreases across our service territory. With particular emphasis on our marketing through independent agents and brokers, our reputation for [effective loss control and safety services continued to be a differentiator](#). In addition, we continued to exhibit tremendous discipline in reducing the duration and cost of claims while still rendering compassionate care for injured workers.

The net result allowed our board of directors to authorize a [policyholder dividend of \\$17 million for more than 14,000 eligible policyholders](#) of the mutual company bringing the total of dividends and return of capital contributions to more than \$333 million since 1998.

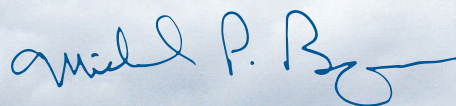
With strong financial results, operational excellence and a clear strategic plan for growth and profitability, The MEMIC Group also had its "A" [\(excellent\) rating affirmed by A.M. Best](#).

Additional performance highlights of 2022 include refinement of our product offerings for small business (MEMIC Express), middle market and expanded appetite for loss sensitive accounts committed to [workforce safety and effective, compassionate injury management](#). The response to these market opportunities from our agent and broker partners has been very promising which is why we are employing technology innovations to scale these products across our service footprint.

In the past year, the company also continued its commitment to strategic giving and sponsorships of organizations that deliver direct services to new Americans, veterans, women, LGBTQ+, people in recovery and people previously incarcerated. In this very tight labor market, we recognize our policyholders are challenged to find qualified workers in every market sector. That's why we are [doing our best to help replenish the talent pipeline with people who are ready and willing to work](#). Our strategic giving also complements our commitment to diversity, equity and inclusion.

As we look ahead, we will continue to grow in business segments in which our safety and injury management practices can deliver favorable results. We also will explore marketing in states in which we can confidently write and service new accounts while also developing and deploying systems and procedures that contribute to [further efficiency and profitability](#).

In 2023, we celebrate our 30th year in business and are confident we are well positioned for continued success for the next 30 years.



Michael P. Bourque, President and CEO



FINANCIAL HIGHLIGHTS

IN THOUSANDS

2022

2021

ASSETS

| | | |
|---------------------|---------------------|---------------------|
| Invested | \$ 1,466,444 | \$ 1,453,844 |
| Other | 178,160 | 171,399 |
| Total Assets | \$ 1,644,604 | \$ 1,625,243 |

LIABILITIES

| | | |
|-------------------------------|---------------------|---------------------|
| Loss & LAE Reserves | \$ 793,274 | \$ 819,903 |
| Other | 327,474 | 278,432 |
| Total Liabilities | \$ 1,120,748 | \$ 1,098,335 |
| Policyholders' Surplus | \$ 523,856 | \$ 526,908 |

KEY STATISTICS

| | | |
|--|------------------|------------------|
| Dividends | \$ 24,281 | \$ 28,004 |
| Direct Written Premium | \$ 401,492 | \$ 389,082 |
| Premium to Surplus Ratio, Direct | .77:1 | .74:1 |
| Premium to Surplus Ratio, Net | .77:1 | .68:1 |
| Number of Policyholders | 20,786 | 21,031 |
| Direct Combined Ratio before Dividends | 94.99% | 100.65% |
| Net Operating Ratio | 93.73% | 83.11% |
| Change in Asset Base Year over Year | \$ 19,361 | \$ 84,786 |

To view the complete 2022 Annual Report
please visit www.memic.com/annualreport.

BOARD OF DIRECTORS

Gregory W. Boulos
Michael P. Bourque
Meredith Strang Burgess
Craig N. Denekas
Jeanne A. Hulit
Laurie G. Lachance
Hilary A. Rapkin
Lance A. Smith (Chair)
Jean P. Wilson

LEADERSHIP

Michael P. Bourque, WCP®
President and Chief Executive Officer

Eileen M. Fongemie, CPCU, WCP®
*Senior Vice President, Chief Financial Officer
and Treasurer*

Jeffrey D. Funk, CPCU, WCP®
President, Eastern Region

Lily Hanstein
Vice President, Strategy

Matthew H. Harmon, WCP®
Senior Vice President, Claims

Maryann S. Hoff
*Vice President, Loss Control
and Safety Services*

Gregory G. Jamison, CPCU, WCP®
Senior Vice President, Underwriting

Catherine F. Lamson, WCP®
*Senior Vice President
and Chief Administrative Officer*

Anthony M. Payne
Senior Vice President, External Affairs

John R. Yao, WCP®
Senior Vice President and Chief Information Officer

MEMIC



**CORPORATE
HEADQUARTERS**

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