

The MEMIC logo is displayed in a bold, white, sans-serif font against a dark blue background. The background of the entire page is a scenic photograph of a rocky coastline at sunset. The foreground is filled with smooth, dark grey boulders partially submerged in shallow, white foam from the waves. In the middle ground, a rugged cliff face made of layered rock formations extends into the sea. The background is a dense forest of tall evergreen trees on a hillside. The sky is a clear, pale blue, and the sun is low on the horizon, casting a warm, golden glow over the scene.

MEMIC

2 0 2 3 A N N U A L R E P O R T

DEAR POLICYHOLDER

In 2023, The MEMIC Group accelerated our momentum in the competitive workers' compensation market. Despite ongoing rate pressures across our service territory, [the group grew at a rate of nearly 5 percent, to a record level of premium with more than \\$420 million](#). That was the strongest growth for the company since 2018.

This success, driven by strong agency relationships, strategic product development and high-quality claims and safety services, also produced stronger profitability group-wide. [The Group's surplus grew at a rate of nearly 12 percent for the year, reaching a record of \\$586 million, with assets of more than \\$1.7 billion](#).

The MEMIC Group's combination of strong financial results, clear growth strategies, and operational investments were validated by A.M. Best's reaffirmation of the Group's "A" (Excellent) rating. Better yet, the results over the past two years led AM Best to restore our outlook to Stable.

An annual highlight is always the announcement of our policyholder dividend. In 2023, the MEMIC Board of Directors voted to increase the dividend by \$1 million and issued an [\\$18 million dividend to more than 14,000 policyholders](#) of our mutual company in Maine. Since 1998, MEMIC's Maine policyholders have received dividends totaling more than \$351 million.

Also in 2023, [Hilary A. Rapkin, Chief Legal Officer at WEX, Inc. was elected as MEMIC's newest board chair](#). Rapkin leads a female-majority board, which also instated its newest board member, Kevin Raye, who is a co-owner of Raye's Mustard Mill in Eastport, Maine.

In close partnership with independent agents and brokers, MEMIC grew on a strong foundation of middle market policies with diversified product offerings in small business (which we call MEMIC Express) as well as loss sensitive products for larger employers who can share in the risk. Increased focus on scalable, sustainable operations has led to the inception of [MEMIC's single biggest technology investment to date: a new policy administration and billing system](#). This project is set to kick off across the organization in 2024.

As our policyholders experience a tight labor market, MEMIC continues to uphold and refine a charitable giving strategy that seeks to remove barriers for those ready and willing to join the workforce. In pursuit of that mission, MEMIC has focused its partnership with organizations delivering direct services to populations of people experiencing barriers, such as new Americans, veterans, people in recovery, and people previously incarcerated.

As we look to 2024, we know that we can count on the pace of change to challenge well-laid plans and assumptions that we make about the future. We also know that despite the rapidly changing environment, what is most important to us remains the same: taking care of workers and keeping them safe.



Michael P. Bourque, President and CEO



FINANCIAL HIGHLIGHTS

IN THOUSANDS 2023 2022

ASSETS

| | | |
|---------------------|---------------------|---------------------|
| Invested | \$ 1,545,800 | \$ 1,466,444 |
| Other | 186,022 | 178,160 |
| Total Assets | \$ 1,731,822 | \$ 1,644,604 |

LIABILITIES

| | | |
|--------------------------|---------------------|---------------------|
| Loss & LAE Reserves | \$ 862,279 | \$ 793,274 |
| Other | 283,951 | 327,474 |
| Total Liabilities | \$ 1,146,230 | \$ 1,120,748 |

Policyholders' Surplus \$ 585,592 \$ 523,856

KEY STATISTICS

| | | |
|--|------------------|------------------|
| Dividends | \$ 23,411 | \$ 24,281 |
| Direct Written Premium | \$ 420,738 | \$ 401,492 |
| Premium to Surplus Ratio, Direct | .72:1 | .77:1 |
| Premium to Surplus Ratio, Net | .71:1 | .77:1 |
| Number of Policyholders | 20,633 | 20,786 |
| Direct Combined Ratio before Dividends | 95.82% | 94.99% |
| Net Operating Ratio | 90.90% | 93.73% |
| Change in Asset Base Year over Year | \$ 87,218 | \$ 19,361 |

To view the complete 2023 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 (Chair)
Kevin L. Raye
Jean P. Wilson

LEADERSHIP

Michelle Y. Allen, MBA, SPHR, SHRM-SCP,
CEBS, WCP®

Senior Vice President, Chief Human Resources Officer

Michael P. Bourque, WCP®

President and Chief Executive Officer

Eileen M. Fongemie, CPA, CPCU, WCP®

*Senior Vice President, Chief Financial Officer
and Treasurer*

Jeffrey D. Funk, CPCU, WCP®

President, Eastern Region

Lily Hanstein

Senior Vice President, Strategy and Communications

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

John R. Yao, WCP®

Senior Vice President and Chief Information Officer

The MEMIC logo is displayed in white, bold, uppercase letters on a blue background. The letters are spaced out, with the 'M' and 'I' being significantly larger than the other letters.

MEMIC

**CORPORATE
HEADQUARTERS**

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