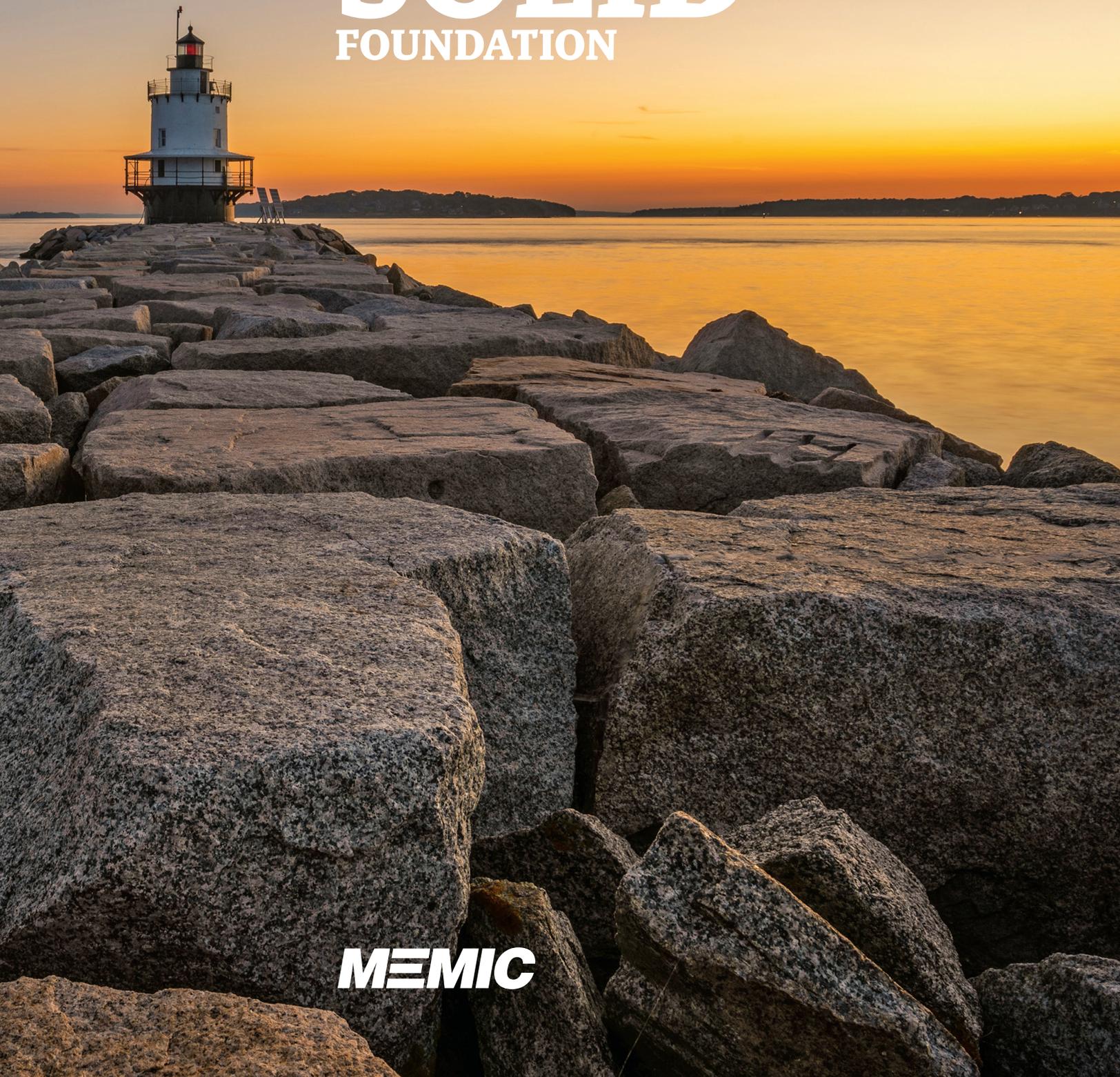


BUILDING ON A  
**ROCK  
SOLID**  
FOUNDATION



**MEMIC**

# Dear Policyholder

As I write to you, we are in the middle of the global pandemic caused by the COVID-19 virus. While this report reflects the 2019 work of The MEMIC Group, it would be strange to ignore all that has changed since the end of last year and that we're in the midst of a new and different world. Not that we won't recover as a country and a planet, but because some fundamental beliefs about business and our civil society have changed.

The good news for me, as the leader of this great company, is that this emergency proves that MEMIC was built to withstand times like these, and indeed, these are times when our efforts and particular skills are needed more than ever. And we're answering the call even better than before.

Even as I write, hundreds of policyholders participate in a webinar led by our team of safety professionals to learn how to safely re-open their workplaces in a pandemic time.

Our claims team is responding to more than 1000 reports of potential work-related COVID-19 exposures and illnesses. They are also coaching and reassuring injured workers whose medical appointments or return-to-work have been interrupted or curtailed by the pandemic. Our audit and billing teams are responding to desperate employers by granting forbearance on payments while helping to re-structure future payments so that they can get their businesses back on level footing.

None of these actions will resolve this pandemic, but in small ways, they will help you and your employees cope and create a future where we all can thrive once again.

The MEMIC Group has been prepared for this moment because we have a solid foundation, both financially and culturally. Our purpose is about more than profit. We believe in helping employers thrive by keeping their people safe and taking care of their employees when they need our help. We believe in doing business in a way that creates mutually beneficial partnerships. We believe winning is something that only happens when we do it together.

So, yes, we finished 2019 with good numbers, indicative of hard work and working together. We ended the year with a record level of **\$470 million** in surplus, which helped us to maintain an A (Excellent) rating with A.M. Best. Our assets grew to more than **\$1.4 billion**, and we increased written premium to **\$410 million**, also a record number. All of that grounds us with confidence to deal with sudden and unexpected challenges such as the pandemic.

We're continuing to invest in people and technology to make us even better. We're engaging in a strategic planning process to ensure we're all aligned about how to be the best company we can. All of that, infused with the dynamics of our mutual company roots, keeps us focused on what matters most.

None of this happens or matters without you, our policyholders, who support us and challenge us to respond to your partnership needs. Thank you for placing your trust in us and pledge that we will always be the partner who gets even better when you need us most.



Michael P. Bourque, President and CEO



# Financial Highlights

in thousands 2019 2018

## Assets

Invested	\$ 1,290,596	\$ 1,229,130
Other	174,718	172,127
<b>Total Assets</b>	<b>\$ 1,465,314</b>	<b>\$ 1,401,257</b>

## Liabilities

Loss & LAE Reserves	\$ 750,540	\$ 726,618
Other	244,823	250,909
<b>Total Liabilities</b>	<b>\$ 995,363</b>	<b>\$ 977,527</b>

**Policyholders' Surplus** **\$ 469,951** **\$ 423,730**

## Key Statistics

Dividends	\$ 31,888	\$ 27,872
Direct Written Premium	\$ 410,853	\$ 402,706
Premium to Surplus Ratio, Direct	.87:1	.95:1
Premium to Surplus Ratio, Net	.73:1	.95:1
Number of Policyholders	21,340	21,196
Direct Combined Ratio before Dividends	100.60%	96.94%
Net Operating Ratio	97.41%	95.72%
Change in Asset Base Year over Year	\$ 64,057	\$ 71,233

To view the complete 2019 Annual Report  
please visit [www.memic.com/annualreport](http://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*

**Daniel J. McGarvey, CPCU, WCP®**  
*Senior Vice President, Chief Financial Officer and Treasurer*

**Edward L. Austin III, CPCU, WCP®**  
*President, Atlantic Region*

**Jeffrey D. Funk, CPCU, WCP®**  
*President, Northeast Region*

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

**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*

**Karl V. Siegfried, WCP®**  
*Senior Vice President, Loss Control and Safety Services*

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





**OFFICE LOCATIONS**

Glastonbury, CT  
Tampa, FL  
Manchester, NH  
Weehawken, NJ  
Albany, NY  
West Conshohocken, PA  
Tysons Corner, VA

**CORPORATE HEADQUARTERS**

261 Commercial Street  
Portland, ME 04101  
1-800-660-1306  
[www.memic.com](http://www.memic.com)