

WAYNETM
Insurance Group

ANNUAL REPORT

2022

WEATHERING THE

Storm

TO
REACH
OUR

PEAKS OF ACHIEVEMENT

“Despite an incredibly challenging year,
Wayne Insurance Group was able to
“weather the storm” and achieve
another successful year.”

Tim Suppes, President & CEO

\$100 Million

“A” Rating

FINYS

50 in 5

New Century
Program

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Insurance Group

A MESSAGE FROM OUR PRESIDENT & CEO

2022 was unlike any other in our company's long history; in fact, the insurance industry as a whole had a very challenging year. Large weather and natural disaster events, ongoing supply shortages, devaluation of the stock market, and a tremendous increase in inflation negatively impacted people's lives and our industry's success as well.

Our companies experienced the largest weather event in our history when a derecho swept through Ohio in June. The amount we paid to fix policyholders' property was twice as large as any other weather event in our history. Thankfully, no one was hurt during the storm and our Claims team did an excellent job of contacting our policyholders in a very timely manner. Larger weather events occurred in May and December as well. And, if this was not enough, COVID remained an issue in 2022 but, thankfully, to a much lesser degree.

Despite an incredibly challenging year, Wayne Insurance Group was able to "weather the storm" and achieve another profitable year. Very few Ohio-based property and casualty insurance carriers were profitable in 2022. From a financial standpoint, 2022 marked our twelfth straight year of underwriting profitability. Achieving twelve straight years of underwriting profit is a testimony to our agency partners working with our staff to provide excellent products at a fair value to our policyholders. We were able to achieve the following financial highlights despite the weather events, inflation, and supply shortages:

- **A combined loss ratio of 98.52%**
- **A 1.6% increase in our group surplus to \$73 million**
- **A 5.4% increase in our group assets to \$137.9 million**
- **A 9.6% increase in our earned premium and a 12.6% in our written premium**

We are extremely pleased that Wayne Mutual's financial strength was validated again when AM Best confirmed our "A" (Excellent) rating. This rating reflects the ability of Wayne to meet the needs of our policyholders when the unexpected happens. It also exemplifies the trust of our policyholders and agency partners, along with the hard work and dedication of the Wayne staff.

In 2020, we introduced our "Peaks of Achievement" theme, which highlights our major achievements over the previous 10 years, and points to our next significant goal of reaching \$100 million in written premiums.



For 2022 we topped \$82 million in written premiums as a group, so we are well on our way to reaching this objective. With the valued relationships of our agency partners and the trust of our policyholders, we anticipate reaching our next "Peak of Achievement" in 2025.

As in past years, Wayne Insurance Group continued to support numerous charitable and educational organizations. Not only do we financially support more than 60 organizations, but we also provide an opportunity for staff members to volunteer their time during the workday to assist various organizations. As a mutual insurance company, our purpose is to serve our policyholders, but we also recognize that we must aid others within our communities both financially and as volunteers.

Hopefully, in 2023, we will see relief from the pattern of weather events that have gripped Ohio over the past four years. Our reinsurance partners have struggled to achieve profitability for the past several years, so they are being forced to increase their pricing and retention limits for insurance carriers. Unfortunately, these increased costs will require primary carriers to increase premiums paid by their policyholders.

No matter what occurs, we stand ready to assist our policyholders, especially in the event of a claim. We thank our agency partners, and we appreciate the relationships we have established with each of you. A common message when I meet with our agency partners is that Wayne Insurance Group still provides the personal touch that some others seem to have lost. We are committed to maintaining that personal touch long into the future.

A handwritten signature in blue ink that reads "Tim Suppes".

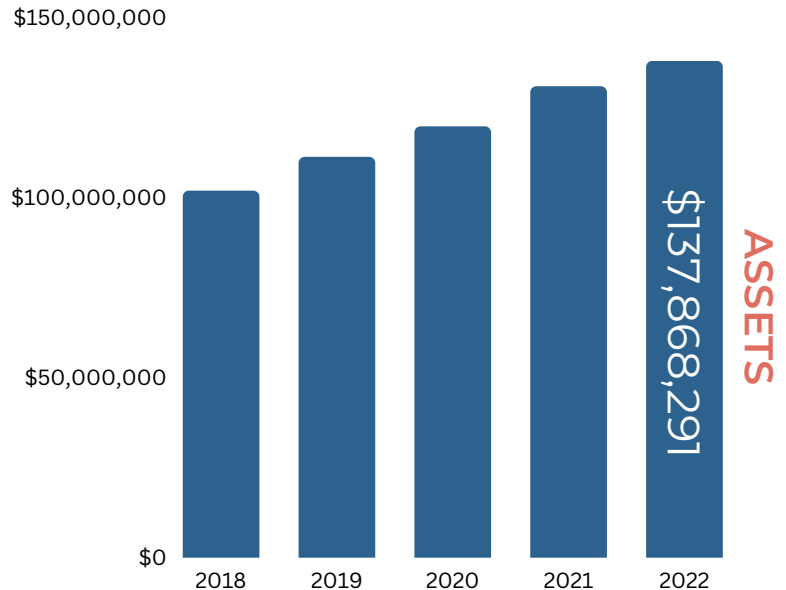
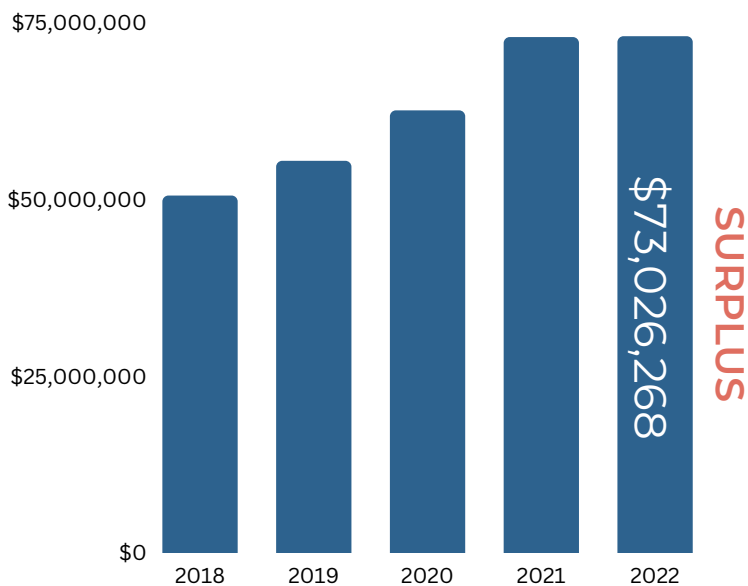
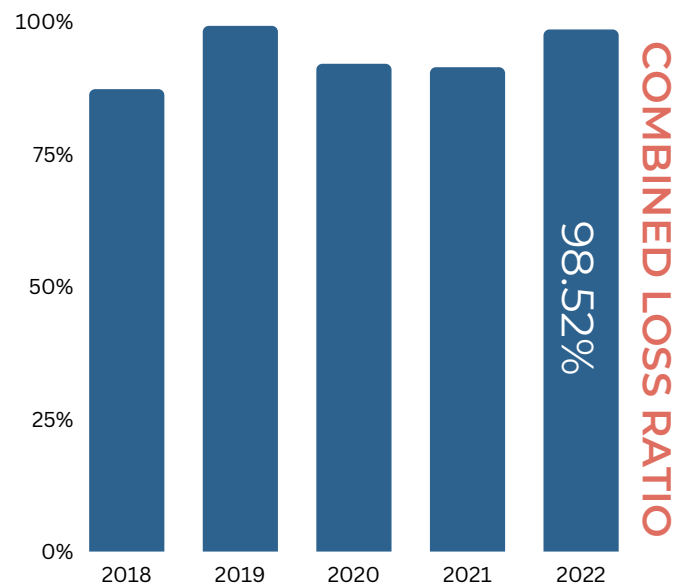
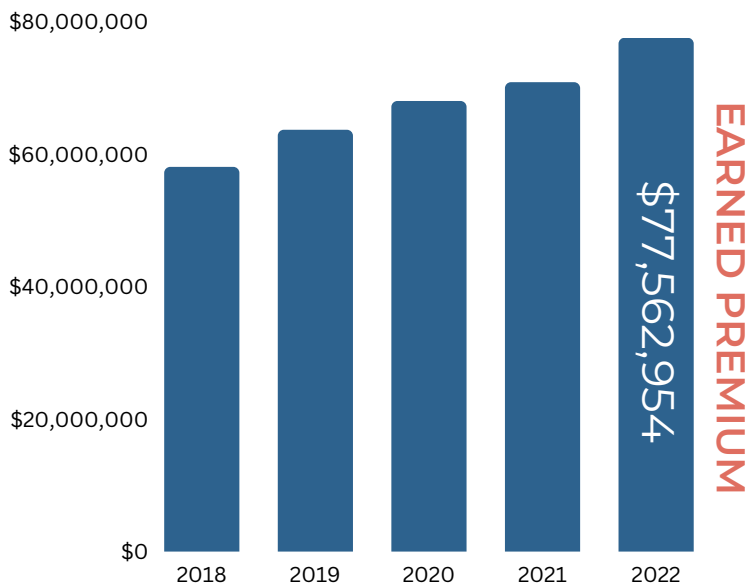
Tim Suppes, President & CEO



“The stable outlook reflects the expectation that the company will maintain its overall very strong balance sheet assessment, supported by risk-adjusted capitalization at the strongest level...while maintaining strong operating performance relative to other companies assessed at that level.”



FINANCIAL OVERVIEW



SOLID PROTECTION. PEACE OF MIND.

Wayne Insurance Group has more than a century of experience in delivering financial security and peace of mind for Ohio's families, farms, and businesses. As mutual insurance companies, we exist to serve the insurance needs of our policyholders. We have partnered with a network of independent agents to offer a full line of insurance programs backed by prompt, fair claims service and support.

HISTORY

From our roots as small mutual protective associations supporting local farmers, Wayne Mutual Insurance Company and Washington Mutual Insurance Association have grown and combined our efforts to offer a full line of personal, farm, and business insurance products to meet a wide range of needs. While retaining our small-town values and personalized service, we continue to improve our products, enhance our staff and agent training, and adopt new technology tools. Our dedicated customer service team further enables the company to provide prompt, effective support to our agents and policyholders.



A RELIABLE NETWORK OF INDEPENDENT AGENTS

Headquartered in Wooster, Ohio, Wayne Insurance Group offers policies exclusively through a network of more than 150 independent insurance agencies located throughout the state. We believe that a qualified, dedicated professional agent can provide the best possible advice to protect your home, autos, farm, or business. Independent agents can review multiple options and present you with more choices, preparing an insurance package that provides the ideal coverage for you at a competitive price.

BOARD OF DIRECTORS

Tod Carmony

Chairman. Former President & CEO of Wayne Insurance Group. Also a retired Major General of the U.S. Army National Guard.

Scott Preising

CPA and recently retired principal, Walthall, LLP.

Don Ramseyer

Vice Chairman. Owner of DD Ramseyer Farms LLC.

Morris Stutzman

Partner: Logee, Hostetler, Stutzman & Lehman Law Firm. Retained by Wayne Insurance Group as General Counsel.

Metta McCoy

Former Director of Fixed Income Sales with Banc One Capital Markets (JP Morgan). Current Partner/Leasing Agent of MMZ-T LLC, a real estate investment management firm, and Administrator for Zettler Hardware.

Ben Maibach

President of The Wooster Brush Company.

Tim Suppes

President & CEO of Wayne Insurance Group.

We are grateful for these agents who volunteered to participate in our advisory councils and assist us in strengthening the partnership we have with our independent agents.

Advisory Council

Joe Short
Tim Vaughan
Becky Bowman
Jay Martin
Jennifer Conley
Steve Watts
Rod Mayhill
Ben Nelson

CSR/Producer Council

Courtney Hamlin
Shelly Lawton
Blake Lansing
Corey Showman
Ryan Lamm
Tasha Pruitt
Rachel Ford
Corey Harrmann

ASK OUR POLICYHOLDERS

JENNIFER F. ★★★★★

"MY CONCERNS WERE ADDRESSED"

Every time I called I felt like my concerns were addressed. My claims rep was very thorough, thoughtful, and professional.

CRAIG G. ★★★★★

"THANK YOU SO MUCH"

They worked fast to pay and complete a claim without any hassle. Thank you so much.

MARCUS W. ★★★★★

"WAYNE STEPPED UP"

I was involved in an automobile accident where the other driver ran a stop sign causing my vehicle to be totaled. While waiting for his insurance Wayne stepped up and covered my truck so I could begin the process of getting a new one rather than me waiting.

RAY L. ★★★★★

"WAS GREAT TO WORK WITH"

A storm came through our area and did significant damage to many houses including ours. Wayne Insurance Group was great to work with; some of my neighbors are complaining that they are fighting with their insurance companies to get damages fixed.



IN THE COMMUNITY

Wayne Insurance Group and its employees are dedicated to giving back to our local communities. From charitable giving to volunteer participation, we are actively involved with a variety of nonprofit organizations and educational institutions that are working to improve the quality of life where we work and live. We believe that, in this era of ever-expanding technology, building relationships and inspiring excellence within our communities remains vitally important.



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