



EMC 2023 Annual Report

Keeping insurance human



Keeping insurance human

For more than a century, we've partnered with local insurance agents to help their communities thrive. Today, EMC is a national carrier, with that same local heart, committed to keeping insurance human.

As a mutual insurance company, our focus is on the well-being of our policyholders, agents and communities. With branch offices strategically placed across the country and team members spread across 46 states, our proximity is more than a geographical advantage—it's a commitment to understanding the challenges our customers face and delivering the expertise to protect them.

Keep reading to see how we delivered on our mission to improve lives in 2023.

→ Keeping insurance human is our new company tagline, which is debuting alongside a new logo as we amplify our brand and look to the future



A message from our CEO



In 2023, we made tremendous progress in aligning our operations with EMC's long-term strategic goals. This includes advancing our profitable growth strategies and continuing to invest in the critical enhancement of technology and business processes – all to prepare ourselves for future success.

New business production in 2023 exceeded all targets, and every property/casualty field operation reported growth. We also saw the **highest net investment income in company history**. We continue to make substantial progress in refining our underwriting book to improve underwriting profitability.

There is a lot to look forward to in 2024. With an even more strategic focus on niche markets and a clearly-defined underwriting appetite, we look forward to bringing our amplified brand to life in a way that helps us deepen relationships with our agents, policyholders and each other. We continue to make doing business with us easier, faster and more efficient by investing in data, technology and more responsive service. That's why we were one of only four property/casualty carriers who earned DCC Elite® certification in 2023 for ease of business experienced by our agents.

Through it all, we will never forget that insurance serves a human purpose: to improve the lives of all those who depend on us.

A handwritten signature in blue ink that reads "Scott R. Jean".

Scott R. Jean, President and CEO



Our corporate priorities

- Inspiration
- Operational excellence
- Customer experience
- Profitable growth



Our company values

- Integrity
- Trust
- Inclusion
- Relationships
- Resilience

2023 at a glance

113

year history, founded in 1911

Top 60

property/casualty company in the U.S. based on net written premium

7

years in a row EMC has been named Best Property/Casualty Company in Central Iowa by the *Business Record*

2,198

team members countrywide

46

states where team members live and work

100%

dedicated to independent agents

43

states actively writing business

3,824

independent agency locations

92 years

length of longest agency contract

500+

commercial classes of business written

4.63/5

claims service score based on 2023 data

11.4%

growth in second year of Manufacturing Program

\$15.7 billion

life insurance in force via EMC Life

13 years

of consecutive profitability for EMC Claims Solutions

11 years

of consecutive profitability for EMC Bond

27

systems modernized in digital transformation effort to date

16

branches converted to new policy admin and claims systems

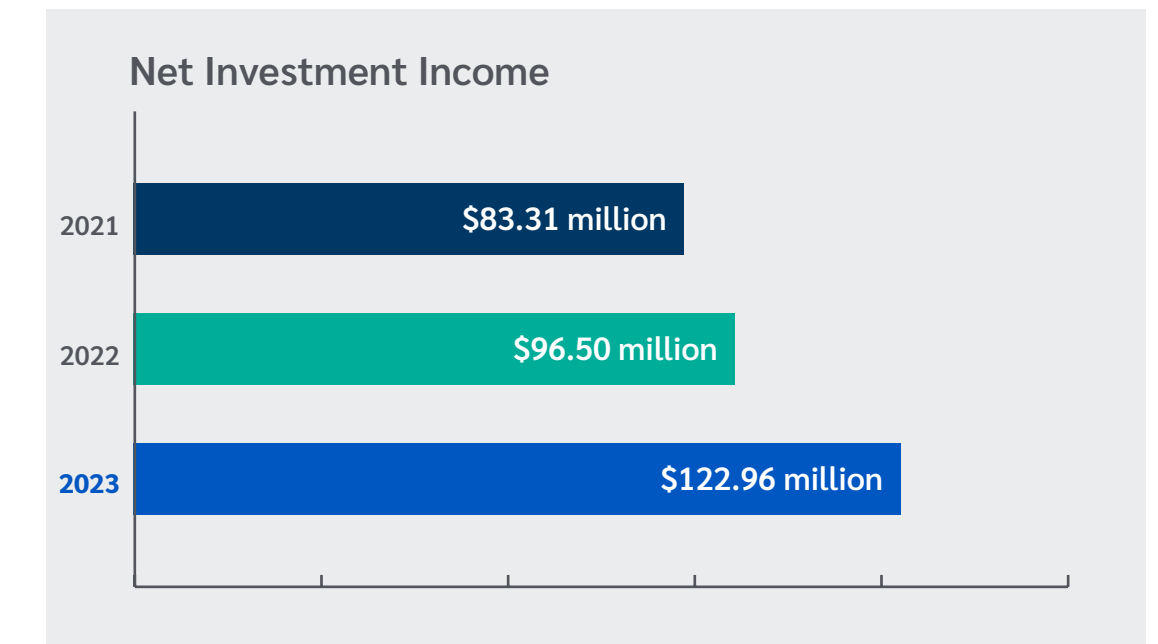
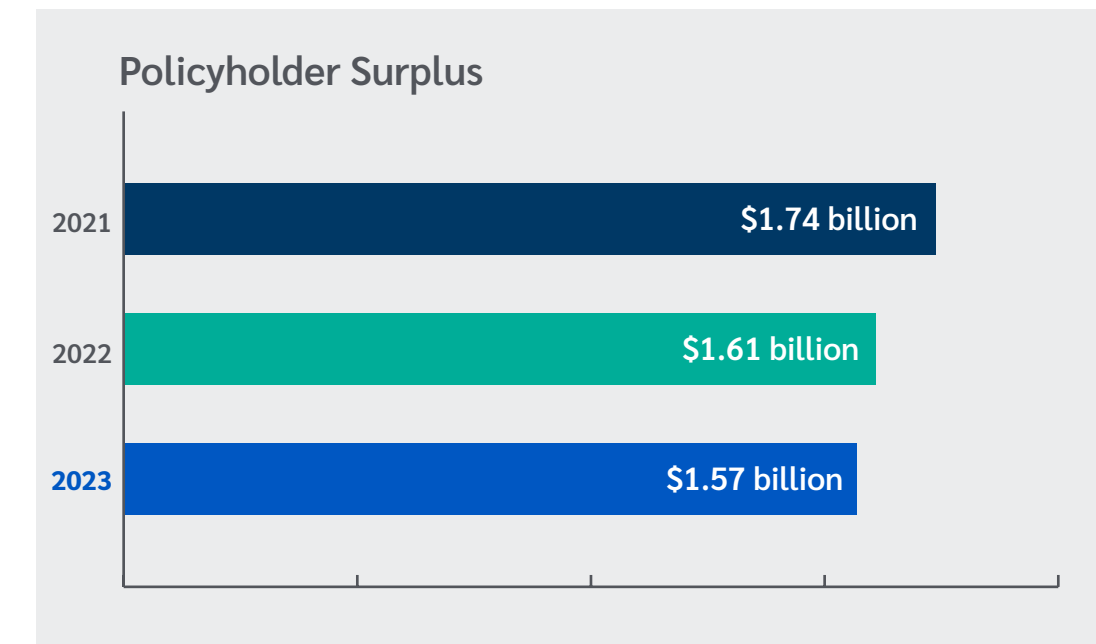
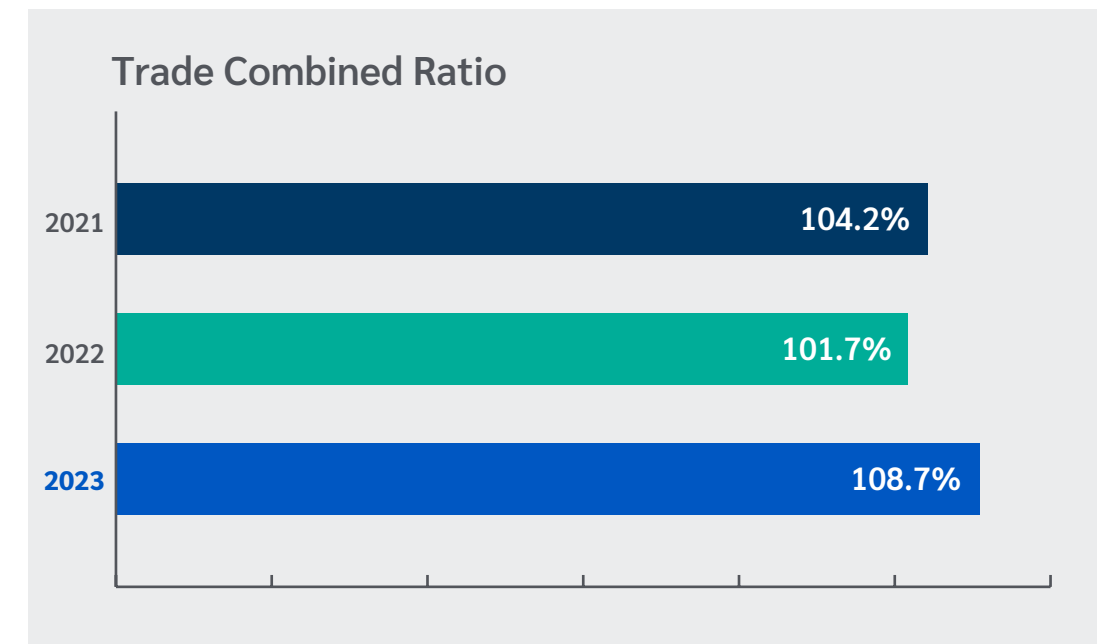
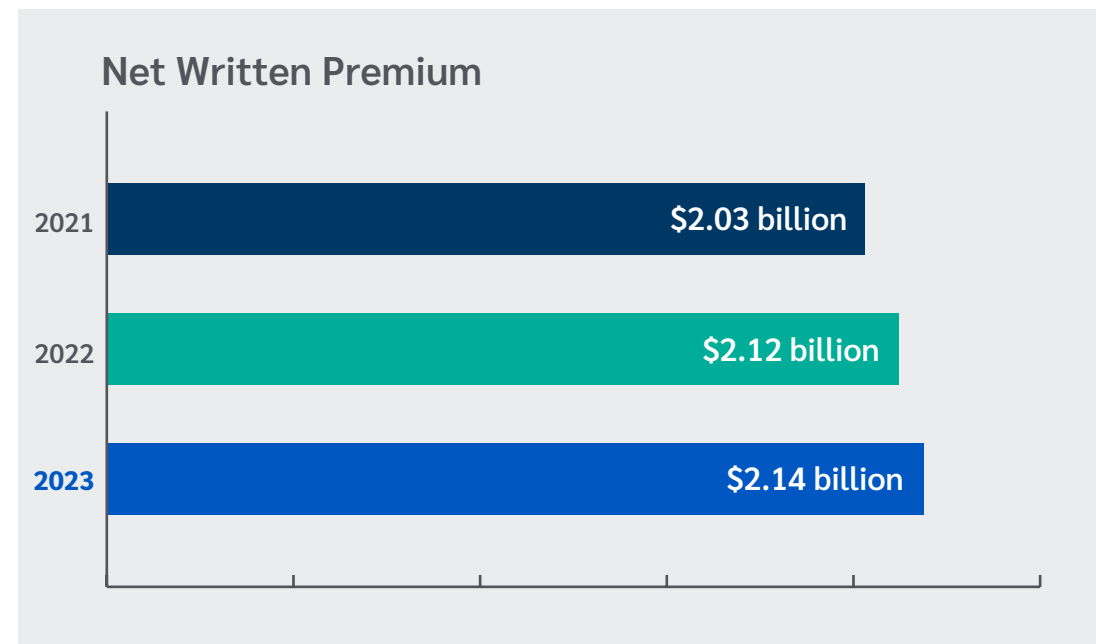
2023 results

Net Written Premium in 2023 was \$2.14 billion, driven by strong new business production and better-than-anticipated retention levels. Every property/casualty field operation reported growth in 2023.

The Trade Combined Ratio of 108.7% was influenced by property losses, increasing severity of claims and adverse development.

Policyholder Surplus was \$1.57 billion at year-end, a decrease of 2.1% compared to the year prior, due to higher-than-anticipated underwriting losses. Notably, the decrease is less severe than the impact experienced in 2022 due to an increased investment contribution.

Net Investment Income contributed \$123 million (the highest in company history) to policyholder surplus.



Note: 2023 NWP and TCR are reflective of EMC's core property/casualty business and do not include EMC Reinsurance results. EMC exited the assumed reinsurance business in 2022 and continues to run off that book of business.

AM Best Ratings

EMC Insurance and its five property/casualty subsidiaries



Financial Strength Rating



Long-Term Issuer Credit Rating

EMC Life



Financial Strength Rating



Long-Term Issuer Credit Rating

Our offerings

We're niche industry specialists who know the unique challenges our customers face. That's why we're able to provide better, more targeted risk solutions. See our offerings below.

Coverages:

- Property
- Liability
- Workers' compensation
- Business owners
- Commercial auto
- Cyber
- Errors and omissions
- Commercial umbrella

Specialty segments:

- Manufacturers
- Contractors
- Municipalities
- Petroleum marketers
- Breweries
- Financial institutions
- Schools
- Wholesalers
- Telecommunications
- Printers
- Equipment dealers
- Boat dealers
- Manufactured homes

Loss control services:

- Slip and fall prevention
- Ergonomic evaluations
- Hazard control assessments
- Injury management programs*
- Online safety training

* Available where EMC provides workers' compensation coverage

EMC Life:

- Personal: term and permanent
- Commercial: workplace term and workplace whole life

EMC Bond:

- Surety
- Fidelity
- Bond types: contract, rapid, court, license and permit, public official, miscellaneous

EMC Claims Solutions:

- Claims management for self-insured programs or loss sensitive policies
- Multiline third-party administration (TPA) services



Our community impact

At the heart of EMC, there's a story that goes beyond policies and claims. It's a story of community, compassion and improving lives.

We're deeply invested in the wellbeing of the people and businesses we serve. So, we work with organizations of all kinds to find ways to better those communities. Whether it's charitable contributions, volunteer efforts, sponsorships or partnering with professional trade organizations, the role we play has one common theme: to help our communities thrive.

The EMC Downtown Park

represents a partnership between EMC and Des Moines Parks and Recreation, and serves over 2,400 downtown residents living within a 10-minute walk. The park, which opened in May 2023, includes the City of Des Moines' first dedicated pickleball court, providing a unique, free place to play the rapidly-growing sport.



In November 2023, the **EMC Insurance Companies Plaza** opened at **Hoyt Sherman Place**, a historic theater and gallery near downtown Des Moines. The accessible outdoor performance space will be used for concerts and community events, and as a place for neighbors to relax and play.

EMC supports UNI@DMACC, a unique higher education partnership that offers a quality and affordable four-year degree opportunity through a convenient urban campus. The new Student Life & STEM Center opened in April 2023 and houses all UNI@DMACC programs.



As presenting sponsor of **Girls on the Run Central Iowa**, EMC helped 1,518 girls from 19 Iowa counties set big goals and recognize their limitless potential. The fun, evidence-based programs and 5K races build confidence, lifelong healthy habits, leadership skills and supportive relationships.



Community impact

by the numbers



45

number of team members who built the walls of a home in just one day with Greater Des Moines Habitat for Humanity



\$585,925

total impact of our 2023 United Way Campaign



400+

gift donations to the Orchard Place Holiday Drive to provide a happier holiday season to 100 local families

\$1.61 million

granted from the EMC Insurance Foundation to improve lives in our communities

6,242

total volunteer time off (VTO) hours used by EMC team members, more than double the year prior

278

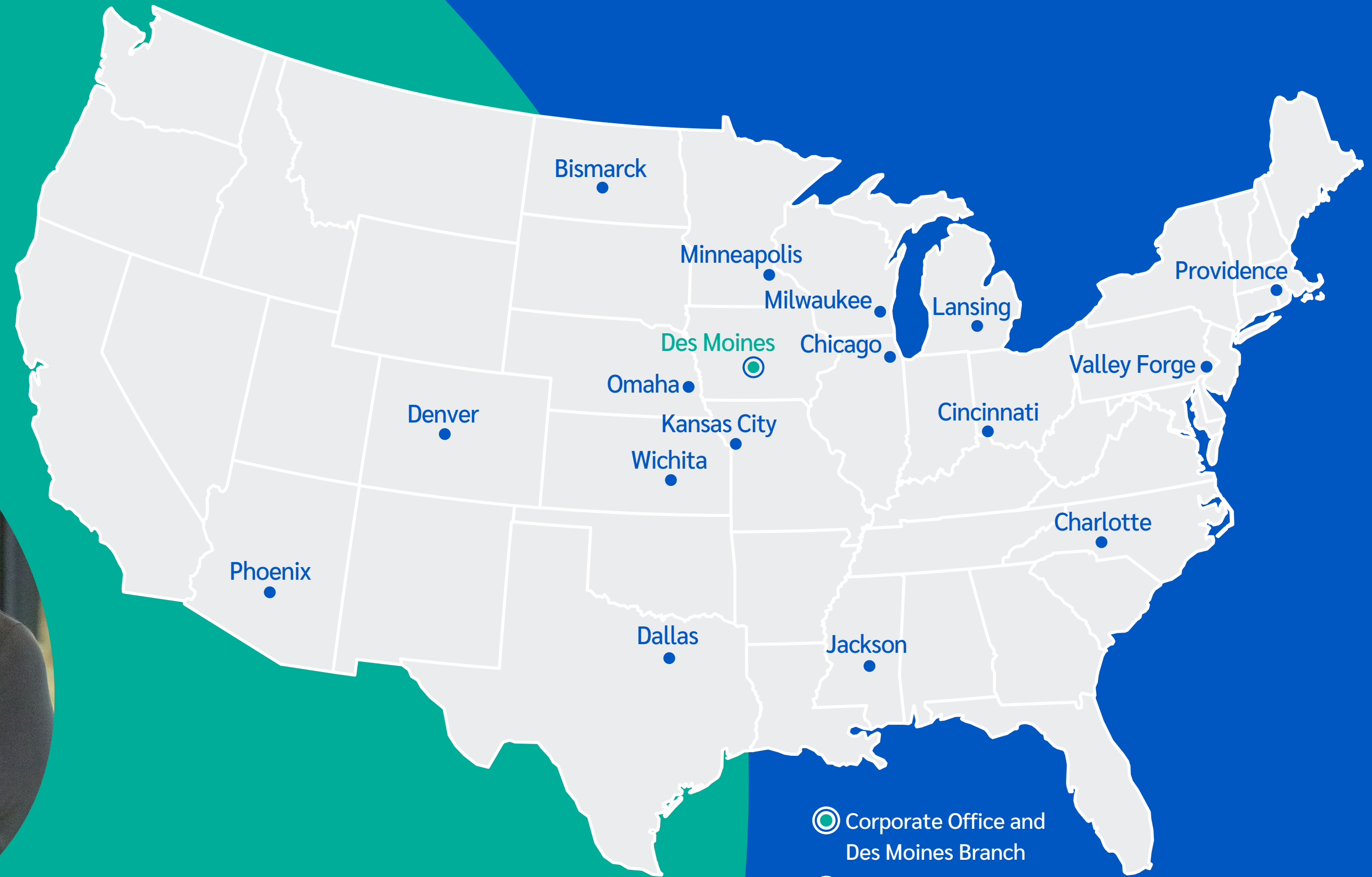
number of team members who participated in our five business resource groups, which provide a sense of community and belonging and help advance our DEI vision

Leadership and reach

Together with our agency partners and team members located across the country, we're a team. That closeness and presence is a powerful thing: it helps us to better understand and meet local needs so the solutions we deliver are the right ones.



Our Executive Leadership Team (left to right):
Beth Nigut, Executive Vice President; Todd Strother,
Executive Vice President; Scott Jean, President & CEO;
Ann Collins, Executive Vice President



- Corporate Office and Des Moines Branch
- Branch Offices

[Strategic Leadership Team](#)

[Board of Directors](#)



Employers Mutual Casualty Company
Dakota Fire Insurance Company
Union Insurance Company of Providence

EMC Reinsurance Company
EMCASCO Insurance Company
Illinois EMCASCO Insurance Company

EMC Property & Casualty Company
EMC Risk Services, LLC
EMC National Life Company (affiliate)

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