



2022

ANNUAL REPORT



Rated A (Excellent) by A.M. Best Company



To Our Policyholders

In the months since our last “Letter to Policyholders,” A.I.M. Mutual has experienced significant events, some unique to us, and some still unfolding in the financial and economic sectors that impact us all. Our company has new leadership in place and welcomed a cultural renaissance among our team members, transitions that have served to bolster our mission and reaffirm our commitments to you.

Against a backdrop of inflation, a Wall Street downturn, and most recently, several bank failures, A.I.M. Mutual has stayed the course, embraced positive change, and achieved excellent results once again, thanks, in large part, to you, our policyholders.

We ended 2022 with a strong balance sheet, including pre-tax income of \$29.2 million. Direct written premium was \$182.8 million, up 7% compared to 2021, which yielded an underwriting gain of \$9.4 million.

Our bottom line resulted in a combined ratio of 93.4% with \$13.6 million added to surplus and a net income of \$25.6 million. AM Best, the industry’s national rating agency, affirmed our A (Excellent) rating with a stable outlook based on our consistent results.

As we noted last year, 2022 was a year of “Back to Basics” for A.I.M. Mutual. In-person meetings returned as the working norm, and we increased communication via multiple company meetings during the year, inviting follow-up questions and dialogue. We also rolled out new, interactive training programs for team members in most departments. These efforts led to a significantly improved employee retention rate in 2022. Another enhancement for 2022 included our employee referral program which resulted in five new hires. In addition, three former team members re-joined our company, a great indicator of the dynamic culture here at A.I.M. Mutual.

Earlier this year, Heather Kortenkaemper was elected Controller by the Companies’ Board of Directors. Heather joined A.I.M. Mutual in 2015 and has been Finance Manager since 2021.

(continued)

CONSOLIDATED BALANCE SHEETS (CONDENSED)

<i>December 31 (in thousands)</i>	2022	2021
ASSETS		
Bonds	\$603,554	\$595,118
Common and Preferred stocks	97,078	106,345
Cash and short-term investments	7,417	6,692
Premiums receivable	51,588	46,488
Federal income taxes recoverable	1,534	--
Deferred federal income taxes	8,247	7,022
Accrued investment income	4,833	4,281
Other assets	28,996	9,804
TOTAL ASSETS	\$803,247	775,750
LIABILITIES AND POLICYHOLDERS' SURPLUS		
Reserves for losses and loss adjustment expenses	\$319,376	\$307,335
Unearned premiums	60,973	59,972
Ceded reinsurance balances payable	12,318	9,504
Borrowed money	15,000	15,000
Federal income taxes payable	--	508
Other liabilities	25,302	26,776
TOTAL LIABILITIES	432,969	419,095
POLICYHOLDERS' SURPLUS	370,278	356,655
TOTAL LIABILITIES AND POLICYHOLDERS' SURPLUS	\$803,247	\$775,750

CONSOLIDATED STATEMENTS OF INCOME (CONDENSED)

<i>Year Ended December 31 (in thousands)</i>	2022	2021
Premiums earned	\$146,643	\$140,214
Net investment income	19,435	17,415
Net realized capital gains	1,582	4,380
Other (expenses)	(1,090)	(843)
TOTAL REVENUES	166,570	161,166
Loss and loss adjustment expenses incurred	103,196	94,631
Underwriting expenses and dividends declared to policyholders	34,183	33,919
TOTAL LOSSES, EXPENSES AND DIVIDENDS	137,379	128,550
INCOME BEFORE FEDERAL INCOME TAXES	29,191	32,616
Federal income taxes	3,613	5,803
NET INCOME	\$25,578	\$26,813

Ernst & Young LLP has completed the audit of the 2022 financial statements of the Companies. A copy of the audited financial statements can be obtained by contacting A.I.M. Mutual.

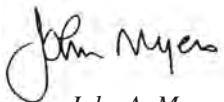
To Our Policyholders (continued)

As our country and the world at large face financial turmoil, be assured that A.I.M. Mutual is staying well ahead of the curve. Our investment policy, multiple advisors and our experienced Board of Directors have been instrumental in achieving positive overall financial performance through these crises. We are here for the long-term and are equipped to navigate this situation for the duration.

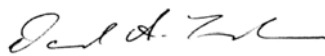
As we move forward into 2023 and beyond, we remain focused on our constituents in the New England marketplace. Our coverage expansion to all six New England states over the past few years has been a success due to our controlled growth and our adherence to exceptional service standards regardless of your location. As we continue to invest in technology, cyber security remains a top priority. Our commitment to protect your valuable information is second to none.

Our commitment to Diversity, Equity and Inclusion continues, with many thanks to our DEI Committee. This is a critically important issue for us, not only as an employer, but as a leading provider of workers' compensation in the region. DEI is intrinsically linked to how we do business every day. Our evolving culture, in tandem with our philanthropic efforts, brings to life our Mission, Vision and Values here at A.I.M. Mutual.

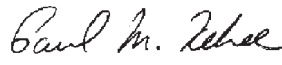
We thank you for being part of the A.I.M. Mutual family.



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President & CEO



Paul M. Kehoe
Vice President & CFO

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