



**ANNUAL  
REPORT  
2023**



## To Our Policyholders

Not long ago we were all introduced to the “new normal” affecting business practices, education, societal shifts, and more. Less clear, however, was whether it had any end point or staying power. At A.I.M. Mutual, we have always been very aware of what our “normal” looks like, and we are pleased to report it translates once again to a strong, successful year for our organization.

2023 was a year of stability for A.I.M. Mutual. Despite double digit rate reductions and heavy competition in our New England marketplace, we achieved excellent results.

Our balance sheet remains strong as acknowledged by AM Best, affirming our A (Excellent) rating with a stable outlook. Additionally, our 2023 results included earned premium of \$156.4 million, up over 6% over 2022, yielding an underwriting gain of \$8.5 million. A significant component of this excellent revenue result was the new business written, which totaled \$17.6 million. This reflects the tireless work of our sales, marketing, and underwriting teams as well as our internal support staff, our “Team behind the Team.”

Our bottom line shows a combined ratio of 94.4% with \$28.0 million added to surplus driven by net income of \$25.6 million, equaling what we achieved in 2022.

We credit our broker partners with having a hand in our consistent positive results. Their partnership is instrumental to our growth, policyholder retention, and profitability. In addition, it allows us to expedite services to policyholders and to their injured workers, bringing answers and assurances when they’re needed most.

The investments we continue to make in our team members are coming at a particularly crucial time. The insurance industry expects to lose 400,000 workers by 2026, and we have always understood that our success depends on experienced individuals working across disciplines. As we prioritize developing and attracting talent, we look to the values our company embodies to bring us the special dynamic we rely on.

*(continued)*

**CONSOLIDATED BALANCE SHEETS (CONDENSED)**

<i>December 31 (in thousands)</i>	2023	2022
<b>ASSETS</b>		
Bonds	\$647,227	\$603,554
Common and Preferred stocks	96,375	97,078
Cash and short-term investments	9,947	7,417
Premiums receivable	50,732	51,588
Federal income taxes recoverable	--	1,534
Deferred federal income taxes	8,882	8,247
Accrued investment income	5,587	4,833
Other assets	30,904	28,996
<b>TOTAL ASSETS</b>	<b>\$849,654</b>	<b>\$803,247</b>
<b>LIABILITIES AND POLICYHOLDERS' SURPLUS</b>		
Reserves for losses and loss adjustment expenses	\$334,194	\$319,376
Unearned premiums	62,133	60,973
Ceded reinsurance balances payable	8,489	12,318
Borrowed money	15,000	15,000
Federal income taxes payable	793	--
Other liabilities	30,749	25,302
<b>TOTAL LIABILITIES</b>	<b>451,358</b>	<b>432,969</b>
<b>POLICYHOLDERS' SURPLUS</b>	<b>398,296</b>	<b>370,278</b>
<b>TOTAL LIABILITIES AND POLICYHOLDERS' SURPLUS</b>	<b>\$849,654</b>	<b>\$803,247</b>

**CONSOLIDATED STATEMENTS OF INCOME (CONDENSED)**

<i>Year Ended December 31 (in thousands)</i>	2023	2022
Premiums earned	\$156,417	\$146,643
Net investment income	24,652	19,435
Net realized capital gains	1,235	1,582
Other (expenses)	(1,405)	(1,090)
<b>TOTAL REVENUES</b>	<b>180,899</b>	<b>166,570</b>
Loss and loss adjustment expenses incurred	109,773	103,196
Underwriting expenses and dividends declared to policyholders	38,301	34,183
<b>TOTAL LOSSES, EXPENSES AND DIVIDENDS</b>	<b>148,074</b>	<b>137,379</b>
<b>INCOME BEFORE FEDERAL INCOME TAXES</b>	<b>32,825</b>	<b>29,191</b>
Federal income taxes	7,208	3,613
<b>NET INCOME</b>	<b>\$25,617</b>	<b>\$25,578</b>

*Ernst & Young LLP has completed the audit of the 2023 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)

Planned succession is an integral part of that strategy. In 2017 we formalized a leadership development program to promote internal growth and mentorship. The majority of our current company leaders are graduates of the program known as PRIME (Performance Results Innovation Management Excellence), and a fourth cohort kicked off in 2023. Eight team members from various departments are currently participating in leadership development training, company projects, team building exercises and learning the history of A.I.M. Mutual. Our future leaders are tasked with bringing innovative ideas and strategies to fruition consistent with the traditions that define us.

Transitions occur and should be recognized. A longstanding member of our Board of Directors, Bill Blanker, retired in 2023. Bill, formerly of Esleek Manufacturing, retired as an active Board member at our annual meeting May 2. He has accepted the honor of “Board Member Emeritus,” and we are grateful for his guidance and support.

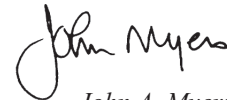
Glenn MacDonald, our Corporate Secretary since 2015, retired from active employment last May. Many thanks to Glenn and well wishes to him and his wife Cynthia in their retirements. Daniel Ilnicky, Director of Injury Prevention, Worksite Wellness and Business Relations, was elected Corporate Secretary to succeed Glenn, and we look forward to a smooth and seamless transition.

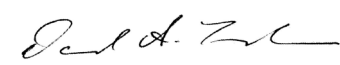
We are approaching 15 years as a Best Place to Work, first recognized in Massachusetts by *The Boston Globe*, and then nationally by *Business Insurance* starting in 2016. Both awards are based on employee survey responses. In addition, we earned a 2024 Best Place for Working Parents designation, awarded to employers with family-friendly policies and practices. Other positive trends over the past two years include a five percent increase in employee retention and eight new team members hired as a direct result of our employee referral program.

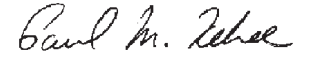
As we move forward into 2024, our commitment to you, our policyholders, is steadfast. Regardless of how you define the “new normal,” be assured that we, as your workers’ compensation carrier, are well positioned to navigate external events as they arise. Our presence in the New England marketplace as well as our “Excellence in Service” approach are lynchpins to our success.

(continued)

A.I.M. Mutual will continue to innovate and improve, never losing sight of the trajectory that has coursed 35 years. Your A.I.M. Mutual team is ready, prepared to provide the best care and services to you and your employees. Thank you for your partnership.

  
John A. Myers  
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Daniel A. Landers  
President & CEO

  
Paul M. Kehoe  
Vice President & CFO

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**Daniel F. Ilnicky**  
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