



# 2021

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## ANNUAL REPORT



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

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## *From the Chairman:*

At the 33rd Annual Meeting of the Members of A.I.M. Mutual Insurance Company, our Board of Directors announced the election of Daniel A. Landers to President & Chief Executive Officer effective May 1.

Dan brings 30 years of workers' compensation experience to the role. He has been with A.I.M. Mutual since 2002, holding executive positions in operations, underwriting, sales, and marketing.

This appointment comes following a thoughtful, in-depth process conducted by our Board of Directors, and we are grateful for their work and ongoing guidance. We are confident, under Dan's leadership, A.I.M. Mutual will maintain its stronghold as an industry leader and be a responsive partner to the constituents we are privileged to serve.

--*John A. Myers, Chairman of the Board*

## **To Our Policyholders**

*"Always focus on the front windshield and not the rearview mirror."*

--*Colin Powell, former National Security Adviser,  
Chairman of the Joint Chiefs of Staff, and Secretary of State*

On October 27, 2021, Michael E. Standing, President & CEO of A.I.M. Mutual, passed away after battling a long illness. Colin Powell had died just nine days earlier.

Mike had a habit of using inspirational quotes to illustrate our approach to business. For this 2021 Annual Report, we continue the tradition in Mike's spirit. Choosing Colin Powell's words was not due to the timing of when the men passed; rather, it was because of how much Mike admired General Powell and the forward-looking philosophy they both subscribed to.

We are pleased to report our 2021 financial results reflect our strength and steady progress as an organization. 2021 was a challenging year for all, and any company should be proud of a positive result during this time.

At A.I.M. Mutual, our results were not just positive, but improved over the prior year in many areas. Pre-tax income increased from \$29.1 million to \$32.6 million, including an underwriting gain of \$11.8 million. Direct written premium increased from \$168.5 million to \$170.3 million with a reten-

*(continued)*

**CONSOLIDATED BALANCE SHEETS (CONDENSED)**

<i>December 31 (in thousands)</i>	2021	2020
<b>ASSETS</b>		
Bonds	\$595,118	\$568,514
Common stocks	106,345	82,817
Cash and short-term investments	6,692	16,780
Premiums receivable	46,488	43,177
Deferred federal income taxes	7,022	8,895
Accrued investment income	4,281	4,225
Other assets	9,804	9,176
<b>TOTAL ASSETS</b>	<b>\$775,750</b>	<b>733,584</b>
<b>LIABILITIES AND POLICYHOLDERS' SURPLUS</b>		
Reserves for losses and loss adjustment expenses	\$307,335	\$308,193
Unearned premiums	59,972	57,393
Ceded reinsurance balances payable	9,504	8,177
Borrowed money	15,000	15,000
Federal income taxes payable	508	2,190
Other liabilities	26,776	23,811
<b>TOTAL LIABILITIES</b>	<b>419,095</b>	<b>414,764</b>
<b>POLICYHOLDERS' SURPLUS</b>	<b>356,655</b>	<b>318,820</b>
<b>TOTAL LIABILITIES AND POLICYHOLDERS' SURPLUS</b>	<b>\$775,750</b>	<b>\$733,584</b>

**CONSOLIDATED STATEMENTS OF INCOME (CONDENSED)**

<i>Year Ended December 31 (in thousands)</i>	2021	2020
Premiums earned	\$140,214	\$136,351
Net investment income	17,415	16,847
Net realized capital gains	4,380	4,519
Other (expenses)	(843)	(879)
<b>TOTAL REVENUES</b>	<b>161,166</b>	<b>156,838</b>
Loss and loss adjustment expenses incurred	94,631	96,294
Underwriting expenses and dividends declared to policyholders	33,919	31,405
<b>TOTAL LOSSES, EXPENSES AND DIVIDENDS</b>	<b>128,550</b>	<b>127,699</b>
<b>INCOME BEFORE FEDERAL INCOME TAXES</b>	<b>32,616</b>	<b>29,139</b>
Federal income taxes	5,803	6,462
<b>NET INCOME</b>	<b>\$26,813</b>	<b>\$22,677</b>
<i>Ernst &amp; Young LLP has completed the audit of the 2021 financial statements of the Companies. A copy of the audited financial statements can be obtained by contacting A.I.M. Mutual.</i>		

## To Our Policyholders (continued)

tion rate over 90%. More than \$16 million came in new written premium, significant in a challenging marketplace.

Our bottom line resulted in a combined ratio of 91.4% (a 2-point improvement), with \$37.8 million added to surplus and a net income of \$26.8 million. AM Best acknowledged our continued consistent results by affirming our A (Excellent) rating with a stable outlook.

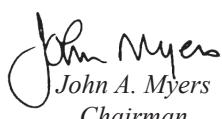
Our teams functioned at a high level in 2021, as demonstrated by the results achieved. They were responsive, innovative, and hard-working, utilizing our A.I.M. Vantage suite of services to protect and care for your valuable employees during these extraordinary times. We are confident our service standards will match expectations as we move forward to 2022 and beyond, with a focus on “back to basics.” Our ability to deliver services virtually during the past two years has been invaluable; our commitment to partner with you, our policyholders, and provide an “in person” experience is unmatched.

We are proud of our history here at A.I.M. Mutual and take pride in the people, programs and efforts that have built our great company. As we look ahead, through that windshield, we know past leaders and team members have left an amazing legacy for our current group to build on. The foundation is strong, and the future is bright.

Our long-time team member Abi Troy is retiring after 25 years with our company, most recently serving as Vice President of Operations. We wish Abi and her husband Tom the best in a well-deserved retirement.

For our business and yours, it's "back to normal." At A.I.M. Mutual, that means we are prepared and ready to go. Mike Standing left behind a strong company, one he led as President & CEO since 2015. His amazing family, his wife Maureen and sons, Andrew and Nathaniel, will always be part of our A.I.M. Mutual family.

Be assured that our teams, guided by our Mission, Vision, and Values, will continue to provide the excellence in service that A.I.M. Mutual policyholders are accustomed to. At the same time, we look to innovate and be a leader in the ever-changing workers' compensation industry throughout New England. On behalf of the Board of Directors and all our team members, we thank you for placing your trust in us.



John A. Myers  
Chairman



Daniel A. Landers  
President & CEO



Paul M. Kehoe  
Vice President & CFO

## Board of Directors

**John A. Myers**  
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A.I.M. Mutual Insurance Cos.  
Burlington

**Leslie E. Greis**  
Owner & Manager  
Perennial Capital Advisors, LLC  
Boston

**William C. Blanker**  
Chairman, *retired*  
Esleec Manufacturing Co., Inc.  
Turners Falls

**Richard C. Lord**  
President & CEO, *retired*  
Associated Industries  
of Massachusetts, Inc., Boston

**Peter R. Chase**  
Executive Chairman  
Chase Corporation  
Westwood

**Wells A. Sampson**  
President  
American Alarm and  
Communications, Arlington

**Michael G. Faucher**  
Kaffmandu, LLC  
Danvers

**Ralph P. Schlenker**  
President  
R.P. Schlenker, Inc., Plainville

## Officers

**Daniel A. Landers**  
President & CEO

**Glenn S. MacDonald**  
Corporate Secretary

**Paul M. Kehoe**  
Vice President & CFO