



2022 Annual Report

Workers' comp solutionists



President's Message

While much of the commercial Property and Casualty insurance market experienced some level of turmoil in recent years, the Workers' Compensation line of insurance performed well. Because of this positive performance, we have seen in rate decreases, expanded capacity, and fierce competition among insurance companies. All of this is good news for policyholders yet creates a challenging environment for service-oriented companies such as FFVA Mutual which specialize in Workers' Compensation insurance.

Why should an insurance agent and insurance buyer choose FFVA Mutual when there are other options with flashier marketing strategies available?

The answer is simple – because FFVA Mutual is singularly focused on Workers' Compensation, and we do it better! Our safety and loss prevention training and services are unmatched in the industry. Our proactive, claims-adjusting philosophy is designed to quickly and effectively respond when accidents happen and deliver the necessary medical care and other resources to meet the needs of injured workers. Our underwriting team is thoughtful in its evaluation of risk and strives to provide the most appropriate policy options. Each policyholder has a dedicated account service team that works together to give our agents, policyholders, and injured workers the best customer experience and results possible. Choosing a Workers' Compensation carrier is about securing these best-in-class services to achieve the most favorable outcomes possible.

Also, because we are a “mutual” company, our leadership avoids distractions like managing stock prices, quarterly earnings reports, or meeting revenue projections to satisfy stockholders. This allows all of us to focus on serving and benefiting our stakeholders, which include our policyholders, Solutionists, appointed agents, and the injured workers to whom we provide care and benefits.

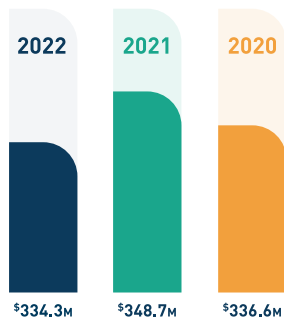
All of this is carefully woven into the Company's mission and vision statements and into the Strategic Plan that guides our Solutionists every day.

We are grateful for the support we have received over the years through our business relationships and look forward to growing together in the future!

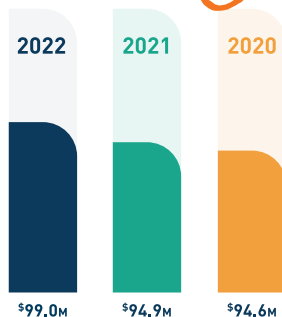
Sincerely,

Alan Hair
President & CEO

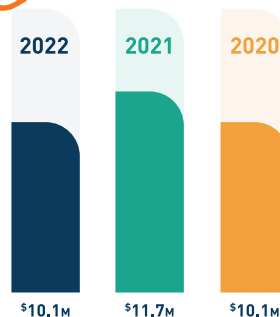
Financial Highlights



NET ADMITTED ASSETS

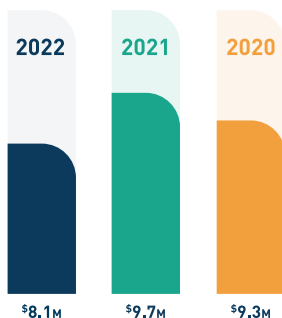


DIRECT WRITTEN PREMIUM

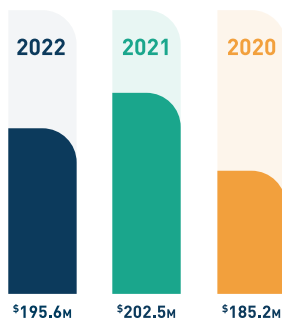


NET UNDERWRITING GAIN

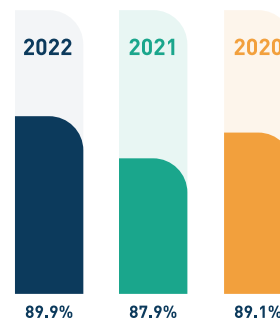
Combined FFVA Mutual and FFVA Select



NET INVESTMENT GAIN



POLICYHOLDER SURPLUS



COMBINED RATIO

Excluding dividends

\$11.0 million 2022 Dividend Payout*

*FFVA Mutual's Board of Directors has a 100% record of awarding dividends to policyholders based on terms of various plans since the company's inception.

Results of operations

FFVA Mutual has posted a net underwriting profit for 10 consecutive years and has achieved net underwriting profits for 21 of the previous 23 years.

FFVA Mutual's **operating results and ratios continued profitable trends during 2022** while the balance sheet and capitalization declined slightly compared to prior 2021 due to a reduction in the market value of equity securities during 2022. The Company's 2022 net written premium to policyholder surplus ratio was 49% compared to 45% in 2021. The ratio of liquid assets to adjusted liabilities is 258%, indicating that liquidity is more than adequate to meet all financial obligations. The Company's IBNR to total reserves ratio of 51% indicates management is committed to making sure the Company's carried reserves are adequate; and the **ratio of policyholder surplus to loss and LAE reserves** was 197% indicating that for every dollar recorded in loss reserves there is another \$1.97 available in surplus. The key indicators and trends regularly monitored by management indicate **FFVA Mutual is working steadily to improve already favorable profitable operating results that will compare favorably with its peers and with the overall industry.**

In 2022, FFVA Mutual's **reported net income** of \$4.7M was a result of continued consistent underwriting results during 2022 combined with solid investment income and capital gains. The **net underwriting gain** for 2022 of \$10.1M decreased 13.5% from \$11.7M in 2021. The Company's **net investment gain** decreased \$1.6M (16%) to \$8.1M for 2022 from \$9.7M for 2021. This was a result of decreased realized capital gains.

The Company's **combined ratio**, a recognized industry measure of underwriting performance, (including dividends and other income/expense) increased from 97% in 2021 to 103% for 2022 as the Company's **loss, underwriting and dividend and other expense ratios increased while the LAE ratio decreased** slightly compared to prior year levels.

Premiums earned of \$97M for 2022 are up \$3.6M from \$93.4M for 2021. This 3.9% increase is due to a concerted effort to develop new business while continuing to navigate year-over-year rate reductions combined with an increasingly competitive environment. In addition to new business efforts, the growth in the economy post-COVID increased overall exposure and ultimately improved premiums earned during 2022.

Net investment income earned increased 7.4% to \$6.7 M in 2022 as a result of investment in bonds earning more attractive yields. Net realized capital gains decreased from \$3.5M in 2021 to \$1.4M in 2022 as a result of turbulence in the equity markets. The net result was an overall decrease in net investment gain from \$9.7M in 2021 to \$8.1M in 2022.

These **positive trends are expected to continue well into the future** as FFVA Mutual builds on its strong reputation for its broad underwriting approach, proactive safety services and responsive claims management.



Mission and vision

Trusted Solutions. Personalized Experiences.

MISSION


Our mission is to deliver trusted Workers' Compensation solutions and personalized customer experiences to our agency partners and policyholders through respected underwriting, expert safety services, and positive claim results.

VISION

To be the Workers' Compensation insurance company of choice recognized for unparalleled service, strategic growth, and financial strength.

OUR COMMITMENT, OUR PROMISE

As a Mutual company we are committed to serving our policyholders and providing an inclusive, productive, and positive culture. Our Solutionists are committed to exceeding the expectations of our customers every day by providing Workers' Compensation solutions with a passion and dedication unmatched in our industry.



Top 5 WORKERS' COMP SOLUTIONS WE OFFER EVERY EMPLOYER

At FFVA Mutual our expert underwriting, safety and claim services help businesses thrive. These 5 solutions are what makes us different and why employers renew with us year after year:



HANDS-ON ACCOUNT SERVICE TEAMS

We take a 360° approach to improve workplace safety and manage claims. Every employer insured by FFVA Mutual has a dedicated underwriter, safety consultant and claims adjuster.



PROACTIVE SAFETY SERVICES

Our safety team has a reputation for being one of the best when it comes to identifying workplace exposures and offering guidance to keep employees safe.



NO-COST SAFETY TRAINING

Knowledge is priceless. All of our safety events, in-person training, and online resources are provided at no additional cost.



DESIGNATED CLAIMS ADJUSTERS

Our policyholders have a one-to-one relationship with their claims adjuster regardless of the number of locations or claim count.



PERSONALIZED RETURN TO WORK

After an accident or injury happens, we work closely with the employer and injured worker to transition them back to work as soon as possible.



A Mission Rooted in History

Our story: Supporting workers every step of the way.

FFVA Mutual's story – our history – is different from other insurance carriers because our company is rooted in the history of agriculture. Since 1956, we have supported an industry that produces fresh fruit and vegetables for families across America.

Our journey started more than 65 years ago, and a lot has changed since then. At the start, our sole focus was to provide workers' compensation insurance for agricultural workers whose employers were members of our sister organization, the Florida Fruit & Vegetable Association (FFVA).

From our foundation as the FFVA Self-Insurers' Fund in the 1950s through our reorganization as a mutual company in 1996, FFVA Mutual has always backed FFVA's mission by financially doing our part to help farmers provide healthy produce to consumers across the nation and even internationally. It's the backbone of everything we do and what makes us unique.

Now, six decades later, we insure businesses across hundreds of different industries in 10 states across the Southeast. Even as our scope has grown and evolved, our commitment to providing policyholders with trusted solutions and personalized experiences has remained the same.

More than a policy: Our policyholders are part of this mission.

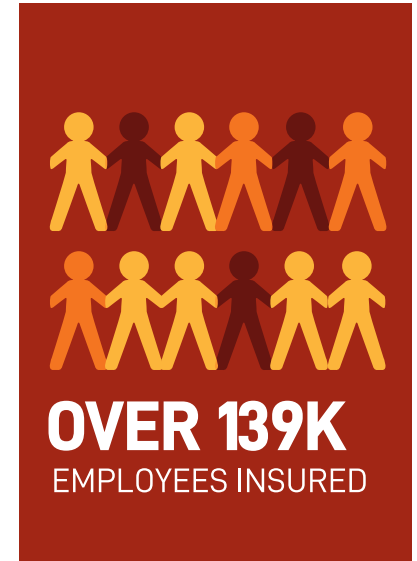
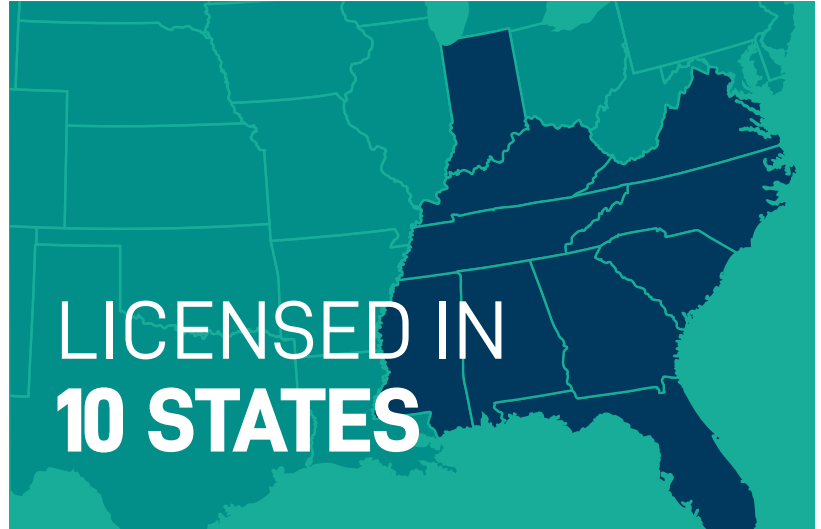
When employers in all of our licensed states choose FFVA Mutual as their Workers' Compensation carrier, they not only receive industry-leading coverage but also contribute to a larger cause - the growth and distribution of fresh fruits and vegetables from farmers to family tables nationwide.


FFVA Mutual's work goes beyond providing great Workers' Compensation insurance - our company and policyholders financially support an agricultural association that fosters the production of fresh fruits and vegetables.

WHY FFVA MUTUAL?

Discover
the Difference

FFVA Mutual's Solutionists work alongside employers and agency partners to build proactive relationships that last. Our hands-on approach to workers' compensation helps us understand the unique needs of our customers, allowing us to deliver personalized underwriting, safety and claim services every business and employee deserves.





271
ELIGIBLE
CLASS CODES
IN ALL LICENSED
STATES



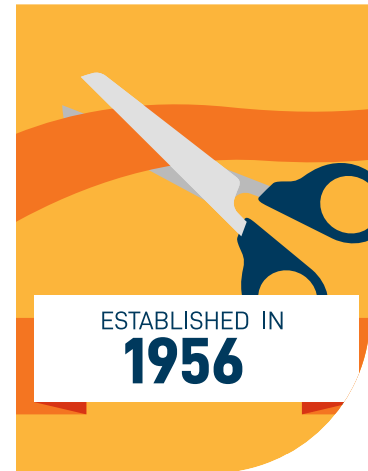
EXCEPTIONAL
SERVICE
+
PRODUCTS
=
HIGH POLICY
RETENTION



\$1,000
TO
\$600,000
PREMIUM
RANGE



**COMPETITIVE
PRODUCTS**



ESTABLISHED IN
1956

TRUSTED SOLUTIONS. PERSONALIZED EXPERIENCES.



Corporate Giving

FFVA Mutual is proud to be a mission-driven organization.

Caring is Mutual, FFVA Mutual's employee volunteer program, provides impactful opportunities throughout the year to serve local nonprofit organizations that benefit **3 Areas of Giving: Health, Community and Youth/Education.**

Our **5th Golf Invitational** held November 14, 2022, **raised \$34,000** to benefit **Orlando Sports Foundation**, an organization dedicated to raising funds and awareness to find a cure for cancer. **To date, this annual event has raised over \$132,000 to support this mission to find a cure.**

FFVA Mutual also supports **Kids' Chance of Florida** as an associate partner and funds the annual **Craig Menzl Scholarship** that awards need-based scholarships to families of injured workers.



The background of the slide is a blurred office scene. On the left, a woman with dark hair is seated at a desk, looking down at her work. In the center and right, a large, leafy indoor plant is visible. The overall lighting is warm and professional.

Planning for the Future

In 2022, our teams began executing a multi-year strategic plan that consists of five strategic goals: growth; marketing, brand recognition and visibility; improving internal communication; innovation; and talent acquisition, development and retention.

Through this process, the overarching goals are for FFVA Mutual to:

- Identify and pursue unique ways to profitably grow our company.
- Expand brand visibility and recognition in our 10 licensed states.
- Discover innovative ways to operate and communicate.
- Attract and retain expert Solutionists.

We're excited to see the progress these initiatives have made in the above areas and look forward to further enhancing our services, outpacing competitors, and providing unmatched value to our agents and policyholders.



Board and Executive Staff

Shown left to right

Halston Fernandez

Secretary/Vice President, Finance & Accounting

Fred Allen

Vice President, IT

Jose Ramos

Vice President, Safety & Loss Control

Melissa Hide

Vice President, Marketing

Alonzo Williams

Director

Peter S. Harllee, Jr.

Director

Alan Hair

President & CEO, Director

Les W. Dunson, III

Chairman, Director

Juan Castro-Anzola

Director

Sandra Riding

Vice President, Claims

Glenn R. Rogers

Vice Chairman, Director

Bob Lehnem

Treasurer/Vice President, Underwriting

Michael Stuart

Director

James Warmus

Director

Not pictured

Morgan H. Roe

Director



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Tel: 321-214-5300

ffvamutual.com

Customer Service
800-346-4825

Claims Support
800-226-0666

Thank you to the FFVA Mutual employees, agents, and policyholders featured in this Annual Report.