



## *Turning the Page*

This will be the 12th and final message I'll offer in the annual report as CEO of Society Insurance. On June 30, 2023, I will retire after 18 years with the company and 43 years in the insurance industry. To complete our leadership transition, Heather Boyer, Society president, will also assume the CEO role at that time. I've worked very closely with Heather over the last 8 1/2 years and I'm excited to see her become our next leader.

It has been my distinct honor to work with Society's employees and agents over these years. Together we have consistently honored the obligations and promises to be there for our common customer, the policyholder. In the process, we have substantially grown the financial strength and profile of the company to ensure we can continue to meet those obligations and promises.

Too often, an organization's CEO is credited almost singularly with its success. I must humbly admit that I have not underwritten a policy, settled a claim, sold a policy or prepared a financial



statement during my time here. Any accolades I have ever received are a direct result of employees and agents who dedicate themselves to taking care of policyholders day in and day out. I will always be grateful for that dedication and support. If we all continue to maintain a focus on the policyholders, there is no limit to what the company can achieve.

I wish all of you the best and much success in the future!

*Rick W. Parks*

Rick Parks, CEO

## ***Focused on the Future***

In 2022, Society Insurance achieved several key milestones in geographic expansion and conversion onto a new technology platform. Most notably, we launched our restaurant and bar products in Texas—and beat first-year premium targets by a wide margin. We went live with a new policyholder portal and upgraded our agency portal. We conducted focus group sessions with agents in Tennessee and Minnesota as we prepared for conversion in these states. Our emphasis on ensuring a smooth conversion process earned positive feedback from agents.

### **Growth and Profitability**

With inflation at a 40-year high, significant weather events and a difficult reinsurance market, our industry is facing some headwinds. Society is not alone in seeing these trends. They affect the entire property and casualty insurance industry and are impacting financial results for all insurers.

Society's product and coverage differences allow agents to provide policyholders with unique solutions, and thanks to strong agency partnerships, we saw direct written premium increase by 19.3%. This exceptional growth was a result of strong policy retention and price increases, additional audit premium due to increases in workers compensation payroll, and gains in new business—with Georgia, Illinois, Minnesota, Texas and Wisconsin performing above plan.

Profitability metrics show we are at breakeven after including investment income, with an operating ratio of 98.6% and a combined ratio of 103.8%. These results were driven by a challenging combination of large losses, weather losses and loss-cost inflation. The general decline in the stock markets contributed to a 3.6% reduction in policyholder surplus.

### **Culture and Connections**

We support a healthy work culture in a hybrid world. In fact, 70% of Society's workforce is working in a hybrid mode. Again in 2022, Society was recognized as one of the Best Places to Work in Insurance by *Business Insurance*. At 85%, our employee engagement is best in class compared to the global norm.

We value strong relationships with agencies and policyholders. Net promoter scores (NPS) from agents (77), policyholders (56) and claimants (62) reflect positive feedback about their experiences with Society. In times of great need, Society is there for our policyholders and claimants—and it shows in the strong NPS numbers.

As we focus on the future, Society Insurance has a solid foundation in place. With growing influence as a leader in restaurant and bar insurance, passionate employees and a strong network of independent agents, we look forward to new opportunities in 2023.



**AS WE FOCUS ON THE FUTURE,  
SOCIETY INSURANCE HAS A  
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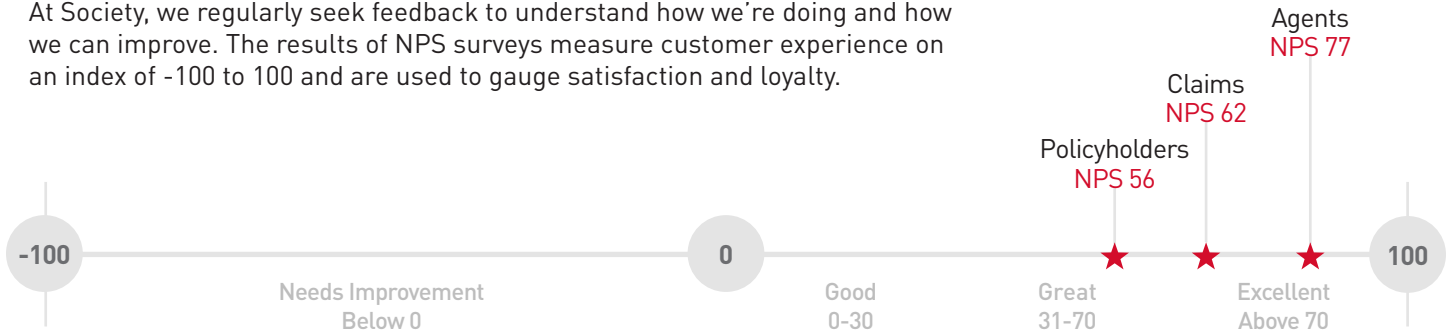


*Heather I. Boyer*

Heather I. Boyer, President

# Net Promoter Score (NPS)

At Society, we regularly seek feedback to understand how we're doing and how we can improve. The results of NPS surveys measure customer experience on an index of -100 to 100 and are used to gauge satisfaction and loyalty.



## Q: What does Society do well?

**S**imply outstanding pricing and coverages.

**E**asy to work with and personal service.

**R**isk management is based on years of experience, which is very helpful to my clients.

**O**ur underwriter is the best that I have encountered in 23 years of business—always responsive and open for discussion.

**I**'ve always been committed to doing what is best for my clients and Society excels in coverage, pricing and service.

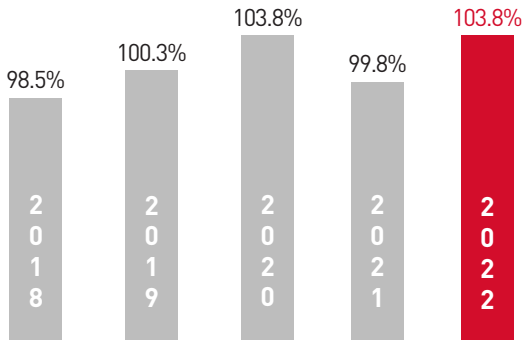
**E**xcellent coverage offerings specific to the industry.

**O**ur field rep is outstanding and does his best to supply me with the tools to be successful.

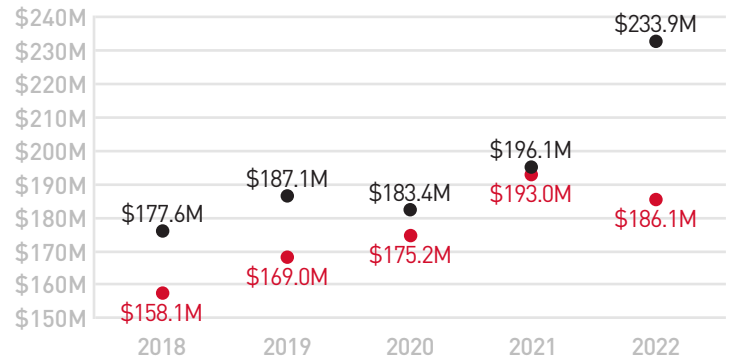
**A** lot of extras at a fair premium.

*Responses from 2022 Agent NPS Survey*

## Combined Ratio



## Direct Written Premium and Policyholder Surplus



## Senior Officers

Rick W. Parks, CPCU  
*CEO*

Heather I. Boyer, MBA  
*President*

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Nancy Hernandez  
Linda L. Newberry-Ferguson  
Rick W. Parks, CPCU  
Kim M. Sponem, *Chair of the Board*

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*Vice President-Human Resources & Administration*

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*Vice President-Information Technology*

Ryan M. McClone, CRM, CIC  
*Vice President-Sales & Marketing*

Douglas R. Nation, FCAS  
*Vice President-Actuary*

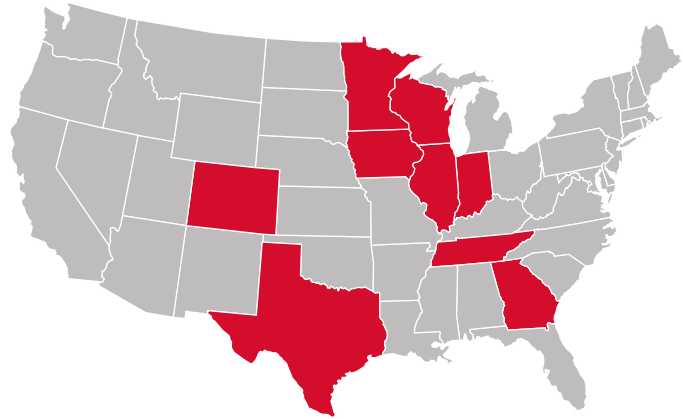
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*Vice President-Finance & Treasurer*

Patrick M. Shine, JD  
*Vice President-General Counsel and Corporate Secretary*

Mike G. Zajicek, AIC  
*Vice President-Workers Compensation Claims*

## States of Operation



<b>1915</b> Wisconsin	<b>1996</b> Illinois	<b>1996</b> Iowa
<b>1997</b> Indiana	<b>2016</b> Tennessee	<b>2018</b> Minnesota
<b>2021</b> Colorado	<b>2021</b> Georgia	<b>2022</b> Texas



Small details. Big difference.™



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