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ANNUAL
REPORT



Auto-Owners
INSURANCE



Year in Review

Auto-Owners Companies Earn AM Best Superior Ratings

Auto-Owners property & casualty companies are rated A++ (*Superior*) by AM Best Company, a nationally recognized independent insurance company rating organization. Auto-Owners Life Insurance Company is rated A+ (*Superior*) by AM Best. According to AM Best Company, “The ratings of AOIG (*Auto-Owners Insurance Group*) reflect its balance sheet strength, which AM Best assesses as strongest, as well as its very strong operating performance, favorable business profile and appropriate ERM (*enterprise risk management*).”

AM Best also praised the Life Company: “The ratings of AOLIC reflect its balance sheet strength, which AM Best assesses as very strong, as well as its strong operating performance, neutral business profile and appropriate ERM.”

In AM Best’s opinion, companies in the A++ and A+ classifications – their highest classifications – have a superior ability to meet ongoing obligations to policyholders. Auto-Owners Group has been rated A++ since 1992, and the Life Company has been rated A+ since 1976.



Atlantic Casualty Insurance Company

In addition, Atlantic Casualty Insurance Company, an excess and surplus lines insurance carrier acquired by Auto-Owners Insurance in 2016, had its financial strength rating affirmed as A+ (*Superior*).

Concord Group

Meanwhile, the Concord Group, which Auto-Owners entered into an affiliation with in 2017, had its financial strength rating of A+ (*Superior*) affirmed. AM Best identified Concord's balance sheet strength, operating performance, and several ways Concord is benefiting from being part of Auto-Owners Insurance Group.



Capital Insurance Group

AM Best also affirmed the A (*Excellent*) financial strength rating for Capital Insurance Group, which Auto-Owners acquired in April 2019. AM Best cited recent improvement in operating performance and several ways in which CIG is benefiting from the affiliation with Auto-Owners Insurance Group.



"We are very pleased to have our financial strength ratings affirmed," said Jamie Whisnant, CEO. "AM Best recognizes the good things being done within all companies, which have led to our exceptional results."

2022 Project and Initiative Highlights

Auto-Owners Life Insurance Company Introduces Client eEntrySM

Auto-Owners Life Insurance Company introduced Client eEntrySM. This optional feature is now available in the eApplication.

This new workflow allows agents to send a portion of the traditional life application to their clients to electronically complete. When the client has the application completed, they will select "Submit," which will securely send the application back to their agent to complete the process.

This enhancement makes it even easier and quicker to write life and health business with Auto-Owners Life Insurance Company.

Auto-Owners Service Center

We continue to onboard agencies to our service center, which offers full agency services provided by licensed customer service representatives employed by Auto-Owners. These services are offered to agencies for personal lines, farm and commercial business. The goal is to write business that we wouldn't have otherwise written for agencies that are committed to a service center model.

Renewal Guide

The Renewal Guide feature is a tool created to assist agencies in managing their customers' renewal book of business more efficiently and effectively. The Renewal Guide is separated into "What Changed" and "Consider" sections to assist agents with servicing their customers' renewal. This new feature helps agents identify factors that caused premium changes from the current term to the renewing term, as well as discounts the insured's policy may be eligible for. This guide has been released in all states for personal automobile and homeowners policies. It is in the process of being released to all remaining states for dwelling fire, farm and commercial auto.

One Lansing Construction Project Completed, Another Started

Construction of the 236,500-square-foot building on South Campus was completed in February, with all the departments moved in by the end of April.

Auto-Owners began a multi-phase renovation of the original portions of the home office in June. Phase 1 of the construction will be complete mid-year 2023, with the remaining phases estimated to take another year and a half to complete.

Relocations

Auto-Owners relocated the Greenville (SC), Southern Indiana and the Southeast Ohio claim offices in 2022.

Capital Insurance Group moved its Reno (NV) office to a new location.

Concord Group signed a lease to move some of its operations to Bedford (NH), with associates moving into the new location the first quarter of 2023.

Atlantic Casualty Insurance Company signed a lease to expand its Scottsdale (AZ) office, with plans to occupy the new space mid-2023.

New Branches

There were no new Auto-Owners Insurance offices opened in 2022.

Financial stability is a top priority of the company, as it has been throughout its history. Our adherence to a SAFE. SOUND. SECURE.® investment philosophy strengthens the promise that Auto-Owners will be there when you need us most.

– Comments from Jamie Whisnant,
CEO, Auto-Owners Insurance



A++
AM BEST

**FORTUNE
500
COMPANY**
★★★★★

**OVER
100
YEARS**

**AWARD
WINNING
SERVICE**
CLAIMS

Comments From the CEO

Auto-Owners had much to be proud of in 2022. Our associates continued to provide excellent service to agents and to our policyholders during our transition out of the pandemic.

We experienced our largest-ever annual increase in premium of nearly \$944 million. We were fortunate to receive over \$1.3 billion in new business from the many outstanding independent agents who represent us. This was split fairly evenly between personal and commercial lines.


In-force policy count grew by nearly 165,000, bringing the total number of policies in force to just under 5.6 million.

While we experienced very positive growth, weather and inflation played a significant role in our activity and financial results for the year. These headwinds led to our first unprofitable year in 11 years. The underwriting loss, along with a down stock market, caused a decline in our policyholder surplus of approximately \$575 million. Still, we remain financially rock-solid with over \$14.7 billion in policyholder surplus. We continue to have the capacity needed to support all of the good business the agents have to place with us in 2023, and for years to come. Auto-Owners Life Insurance Company had another excellent year as well.

Auto-Owners was once again recognized by AM Best for our solid performance and financial strength. Our A++ (*Superior*) rating was reaffirmed, making it 51 consecutive years we have received the highest available rating given by AM Best.

All three of our affiliates enjoyed another outstanding year of profitable growth: Atlantic Casualty Insurance Company (*our excess and surplus lines subsidiary*), Concord General Mutual (*our affiliate operating in the four northern-most New England states*), and Capital Insurance Group (*our subsidiary in the five Western states*).

We remain dedicated to the independent agency system. Our hard-working associates are committed to providing the service our independent agency partners and our policyholders expect and deserve.


Jamie P. Whisnant, CEO



Summary of Invested Assets

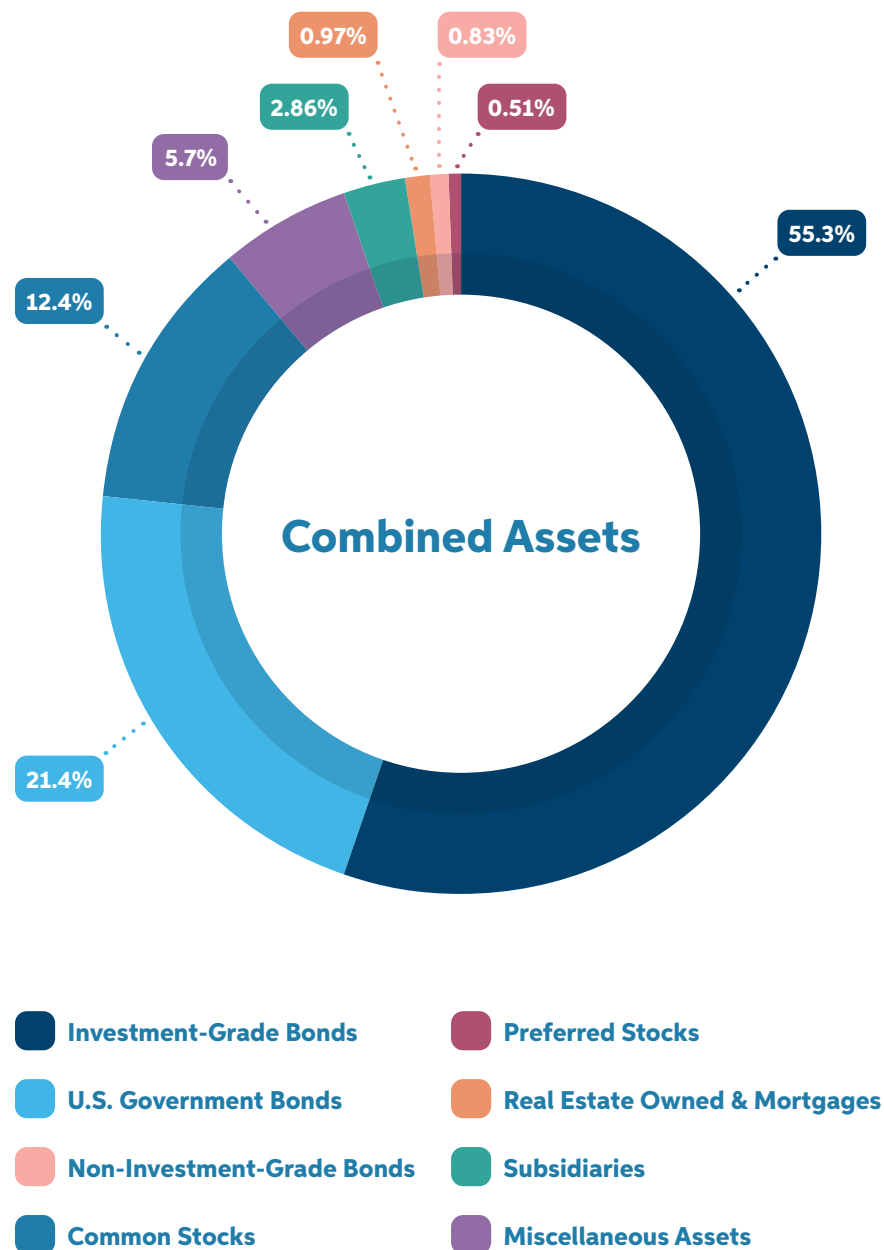
Company Reports

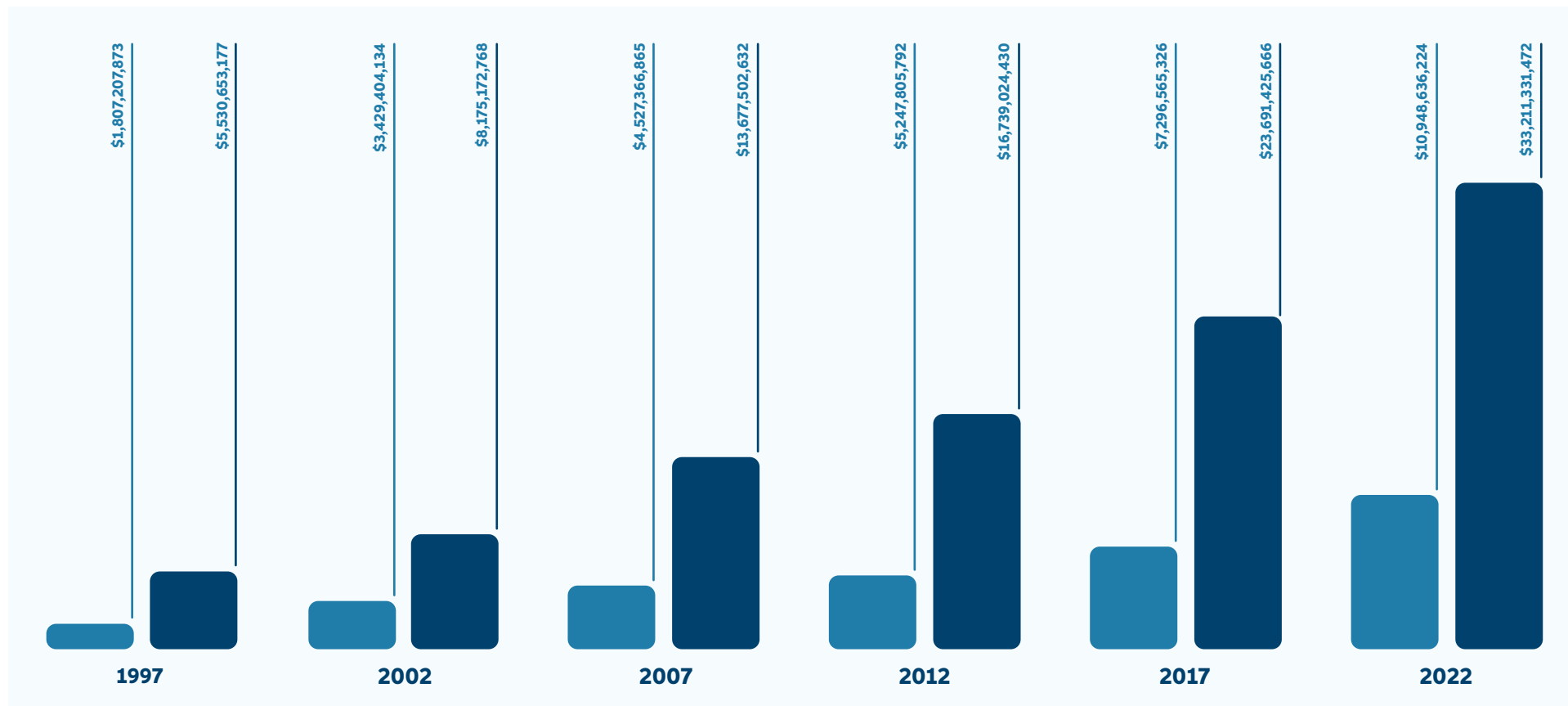
Auto-Owners Insurance Group continues to be recognized for exceptional financial strength and stability among the nation's largest insurers. Comprised of 16 property & casualty companies and one life/health/annuity insurer, the companies had combined assets of \$33,211,331,472 at year-end 2022. Net written premiums totaled \$10,948,636,224, up by \$1.074 billion from the previous year. More than 6.4 million personal and commercial insurance policies were in force at year-end.

Summary of Invested Assets

Auto-Owners remains committed to maintaining a high-quality investment portfolio. A conservative investment philosophy has helped us travel a steady path throughout the years.

Depicted to the right is a breakdown of the invested assets of the Auto-Owners Insurance Group combined as of Dec. 31, 2022. The combination of U.S. government bonds and investment-grade bonds represents 76.72% of invested assets, compared to 74.24% on Dec. 31, 2021. Common stocks were 12.41% of invested assets versus 15.70% on Dec. 31, 2021. Non-investment-grade bonds represent only 0.83% of invested assets, compared to 0.89% on Dec. 31, 2021. Miscellaneous assets includes 0.42% in cash.





Financial Report

Assets	Life Company	Property & Casualty Consolidated
Bonds	\$3,192,367,341	\$20,329,806,453
Stocks	\$387,305,887	\$3,500,179,413
Mortgages	\$475,279,465	\$17,974,302
Real Estate Owned	\$185,208,844	\$237,043,205
Premiums Receivable	\$58,378,393	\$1,949,199,841
Other Assets	\$355,338,959	\$2,523,249,369
Total Assets	\$4,653,878,889	\$28,557,452,583

Liabilities	Life Company	Property & Casualty Consolidated
Claim and Policy Reserves	\$2,788,957,454	\$7,902,705,444
Unearned Premiums	–	\$5,126,447,098
Other Liabilities	\$1,226,803,730	\$1,476,782,879

Capital	Life Company	Property & Casualty Consolidated
Funds for the Protection of Policyholders	\$638,117,705	\$14,051,517,162
Total Liabilities & Capital	\$4,653,878,889	\$28,557,452,583

Profit & Loss Statement

Revenue	Life Company	Property & Casualty Consolidated
Net Premium Earned	\$245,924,044	\$10,147,284,824
Net Investment Income	\$141,673,626	\$796,802,220
Total Income Earned	\$387,597,670	\$10,944,087,044

Expenses	Life Company	Property & Casualty Consolidated
Claim- and Policy-Related Expense	\$259,497,856	\$8,304,851,354
Service & Administrative Expense	\$80,673,530	\$2,847,868,697
Total Expenses	\$340,171,386	\$11,152,720,051

Net Income Before Income Taxes	\$47,426,284	(\$208,633,007)
Income Tax Expense	\$10,976,463	(\$118,369,050)
Net Income	\$36,449,821	(\$90,263,957)

Subsidiaries and Affiliates

Auto-Owners Insurance Company (established 1916)

Represented by approximately 50,000 agents in 6,300 agencies, and is the Group's largest insurer. This mutual insurance company ranks among the leading property & casualty insurers in the U.S. with recorded net written premiums of \$5,955,633,784 in 2022, an increase of 21.1% from the previous year.

Auto-Owners Life Insurance Company (incorporated 1966)

Experienced another great year; applications received exceeded 36,000. The Company recorded \$48,218,137,787 of life insurance in force at year-end, an increase of 3.4% from the previous year. Total assets decreased 0.04% to \$4,653,878,889.

Home-Owners Insurance Company (affiliated in 1973)

Recorded written premiums of \$592,726,540 in 2022, a decrease of 30.0% from the previous year. This property & casualty stock company writes business primarily in Michigan and Ohio.

Owners Insurance Company (incorporated 1975)

Recorded written premiums of \$2,354,446,052 in 2022, an increase of 3.3% from the previous year. This stock company is the second largest property & casualty insurer in the Auto-Owners Insurance group and operates in 25 states of the Auto-Owners regional market.

Property-Owners Insurance Company (incorporated 1976)

Recorded written premiums of \$172,249,097 in 2022, a decrease of 0.5% from the previous year. This stock insurer writes property & casualty products in Indiana, Michigan and Georgia.

Southern-Owners Insurance Company (incorporated 1995)

Recorded written premiums of \$575,537,679 in 2022, an increase of 15.2% from the previous year. This stock insurer writes property & casualty products in Florida.

Atlantic Casualty Insurance Company (acquired 2016)

Recorded written premiums of \$357,629,379 in 2022, an increase of 24.0% from the previous year. This stock insurer writes excess and surplus lines in 49 states and the District of Columbia.

Concord Group Insurance Companies (affiliated 2017)

Including Concord General Mutual Insurance Company, Green Mountain Insurance Company, State Mutual Insurance Company, Sunapee Mutual Fire Insurance Company, and Vermont Accident Insurance Company, recorded written premiums of \$221,891,266 in 2022, an increase of 0.9% from the previous year. This group of insurers writes property & casualty products in Maine, Massachusetts, New Hampshire and Vermont.

Capital Insurance Group (acquired 2019)

Including California Capital Insurance Company (incorporated 1898), Eagle West Insurance Company (incorporated 1960), Monterey Insurance Company (incorporated 1987), and Nevada Capital Insurance Company (incorporated 2001), recorded written premiums of \$472,598,383 in 2022, an increase of 9.9% from the previous year. This group of insurers writes property & casualty products in Arizona, California, Nevada, Oregon and Washington.

