



# 2022 ANNUAL REPORT

WE'RE YOUR SHIELD. WE'RE YOUR SHELTER.

## COMMITMENT TO MANAGEMENT EXCELLENCE

Shelter Insurance Companies are governed by a nine-member Board of Directors empowered to provide policy decisions and general oversight of the Companies' operations. Key responsibilities include reviewing corporate strategy and business plans and appointing officers. Three directors are elected annually by policyholders at the annual policyholders' meeting. Each director is elected for a three-year term. In addition, the Board appoints four committees to directly assist the Board in fulfilling its responsibilities: the Investment Committee, the Executive and Compensation Committee, the Corporate Governance Committee, and the Audit Committee.

While all four committees are important, the Audit Committee in particular is charged with performing three functions: serving as an objective party to monitor Shelter's financial reporting process and internal control system; appointing, reviewing, and assessing the independent audit firm; and providing an avenue of open communication among the independent auditors, internal auditors, senior management, and the Board.

Other corporate management committees are established according to critical management issues. These committees are overseen by executive management. The goal of the Board and other committees is to ensure a management structure that provides effective oversight and is responsive to key issues on behalf of the employees, agents, and customers of the Shelter Insurance Companies.

# REFLECTIONS

## A MESSAGE TO OUR POLICYHOLDERS



**RICK MEANS**  
Board Chair



**RANDA RAWLINS**  
President & CEO

The cover of our 2022 Annual Report features an image of the United States flag and the Shelter flag flying together in front of our corporate headquarters. This photograph was taken by an employee and was a winner in our Employee/Agent photo contest this year. The image is a fitting symbol of our pride in serving customers throughout the United States and the world through the efforts of the Shelter Mutual Insurance Group.

Shelter's commitment to management excellence and the ongoing hard work of our employees and agents helped continue our strong financial foundation and high customer satisfaction levels in 2022. Despite a perfect storm of severe weather, inflationary pressure and investment challenges, we remain in an extremely strong financial position. There

is more good news, with Shelter receiving our fifth J.D. Power Award in 2022 for highest customer satisfaction for auto insurance in the Central Region. Our overall customer retention remains above 86% - some of the strongest results in our industry and another testament to the exceptional customer service we provide.

As one of the largest super-regional insurers in the nation, we are focused on innovation and growth. The modernization of our private passenger auto rating system is an example of this innovative approach. This update is a culmination of years of work and will provide an opportunity to grow our auto business in a strategic and profitable way.

Shelter's surplus is at more than \$2.34 billion, an increase of \$423.9 million in the past five years despite the challenges presented by the market and ongoing severe weather. Our employees and agents worked to control expenses and find innovative ways to solve problems, and that has led to our continued success. Even as our companies have grown, we have retained strong financial ratings from A.M. Best and the outlook remains stable.

Years ago, Shelter's leadership team put a specific focus on our diversity and inclusion efforts and in 2022 we saw significant recognition of those efforts. Our diversity internship program was honored as a top program in the U.S., we received recognition as a top diversity employer and as a best place to work for disability inclusion. We commend those who helped us receive this important recognition.

One of Shelter's greatest strengths is our experienced and talented group of employees and agents. We are celebrating as some of these individuals retire – many with decades of experience with Shelter. That experience is shared with younger employees, providing a knowledge transfer unlike anything from a book or training course. Some retirees have even returned in a part-time capacity and we appreciate their on-going efforts. In 2022, Executive Vice President Paul LaRose retired after 32 years. Many of the diversity awards mentioned above would not have been possible without his leadership.

With more than \$6.4 billion in assets under management, some of the best employees and agents in the industry and our on-going commitment to excellence – Shelter's future outlook remains positive. Like the image on the cover of this report showing bright blue skies, we believe these flags will continue to fly strong and proud for many years to come.



# BOARD OF DIRECTORS



**RICK MEANS**  
Chair and Director



**RANDA RAWLINS**  
President and CEO



**MADISON "MATT" MOORE**  
Vice Chair & Director



**DAVID R. MONDAY**  
Director



**H. BAKER KURRUS**  
Director



**PATRICIA COFFEY**  
Director



**ROCKNE CORBIN**  
Director



**DR. TONYA MOORE**  
Director



**ERIC MORRISON**  
Director

# OFFICERS



**RANDA RAWLINS**  
President  
& Chief Executive Officer



**TERESA MAGRUDER**  
Executive Vice President



**DAN CLAPP**  
Executive Vice President



**ROCKNE CORBIN**  
Executive Vice President



**TINA WORKMAN**  
Vice President & Treasurer  
Financial Operations



**MARK STINSON**  
Vice President  
Alternate Channels



**SHAWN RICKS**  
Vice President  
Claims



**BRIAN WALLER**  
Vice President  
Government Relations



**MICHAEL HACKMANN**  
Vice President  
Investments



**JOHN ROONEY**  
Vice President  
Information Services



**JON IMHOFF**  
Vice President  
Internal Auditing



**FRANK THOMPSON**  
Vice President  
Marketing



**STACEY SMITH**  
Vice President  
People Resources



**MARSHA CARTER**  
Vice President & General Manager  
Shelter Life Insurance Company



**TODD WEYLER**  
Vice President  
Underwriting



**DAVID VANDYKE**  
General Counsel  
& Secretary





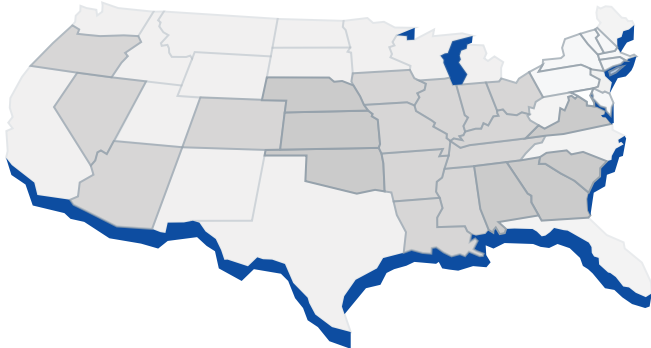
# SHELTER INSURANCE® FINANCIAL STATEMENT

Shelter has grown to be one of the nation's most successful and financially sound regional insurance groups.

**FOUNDED IN**  
**1946**

**MORE THAN**  
**3,430**

EMPLOYEES & EXCLUSIVE AGENTS  
*Added 114 in past 5 years*



**21** OPERATING STATES  
*Added 3 in past 5 years*

**\$6.4 BILLION**  
ASSETS UNDER MANAGEMENT  
*Up \$1 Billion in last 5 years*

**\$2.34 BILLION**  
SHELTER MUTUAL SURPLUS  
*Increase of \$423.9 Million over the past 5 years*

**RANKED 11<sup>th</sup>**  
LARGEST FOR PERSONAL LINES MARKET SHARE  
*Based on Written Premium as of December 2021  
in the 15 states where M&G exclusive agents operate.*

**\$2.74 BILLION**  
IN REVENUES DURING 2022  
*Including insurance premiums, investment,  
and subsidiary revenues*

**2,359,053**  
PROPERTY, CASUALTY AND LIFE  
POLICY COUNT

# MUTUAL AND GENERAL OPERATIONS

Net direct written premiums before reinsurance assumed increased 10.4% compared to 2021 and were \$2.05 billion. Premiums are up from the prior year due to increases in unit count, continued consistent retention, inflationary rollups, and rate increases for all operating states. For the past 5 years, there have been over 1.9 million new units issued with active unit count increasing 170,000 over the same period. During 2022, the Say Brand within Shelter General which sold insurance online direct to consumers was discontinued.

Underwriting expenses were down considerably and represented 24.5% of written premiums for 2022, much less than the 27.7% for 2021. Unfortunately, losses were up significantly in 2022 with a loss ratio of 77.3% compared to the 73% experienced in 2021. This increase was due to both increased weather and non-weather losses. Weather losses ended the year at \$423 million. The largest storm occurred in April with wind and hail and had total incurred losses of \$71.2 million.

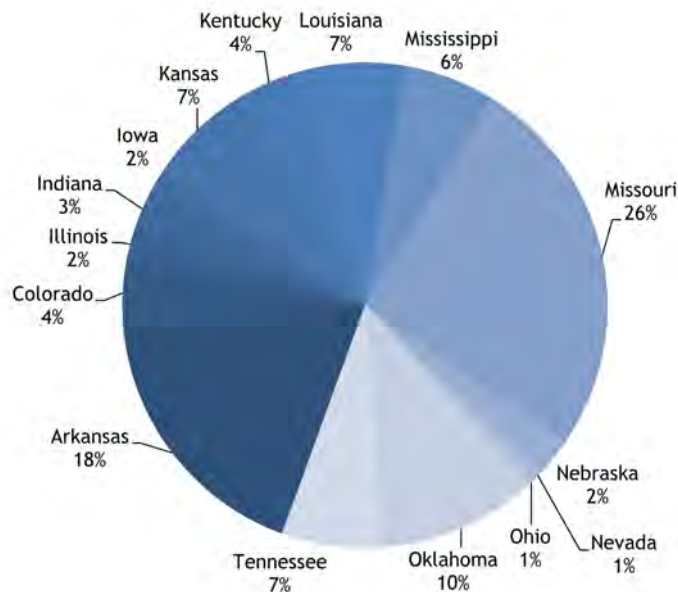
Non-weather losses also increased by over 13.3% from 2021 and accounted for 54.5% of earned premium due to higher driving activity, severe accidents, inflation, rental car reimbursement and

supply chain shortages. During 2022, the average cost of a claim was \$7,636 compared to \$6,831 the prior year. In the past 5 years, Mutual and General incurred \$6.1 billion of losses representing 973,424 claims reported which is a testament to servicing our customers in their time of need.

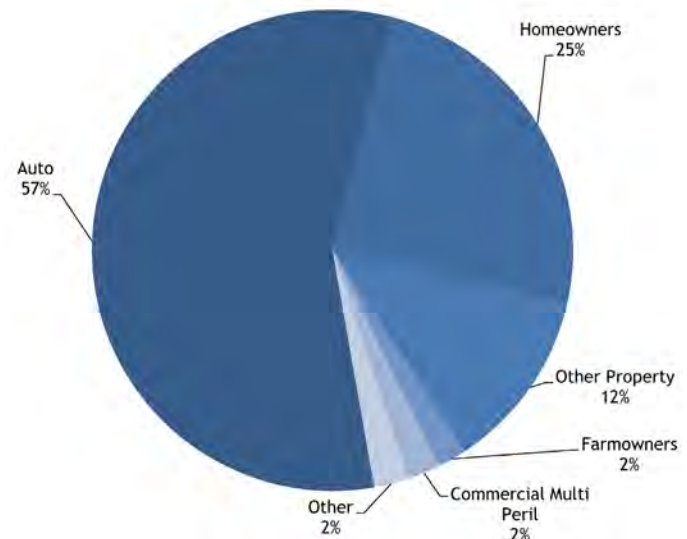
Overall, the total underwriting loss was \$197.2 million, representing a 108.7% combined ratio. Investment income and realized gains were up from 2021 and contributed \$187.2 million, where realized gains alone were up 39%. The net loss before tax ended at \$45.5 million compared to a net loss of \$17 million the year before. Current initiatives include focusing on profitable growth in our existing Mutual and General states.

Mutual and General received a financial strength rating of A (Excellent) by AM Best.

MUTUAL & GENERAL  
WRITTEN PREMIUM BY STATE



MUTUAL & GENERAL  
WRITTEN PREMIUM BY LINE OF BUSINESS





# SHELTER INSURANCE® PRODUCTS

Shelter's exclusive agents offer a variety of policies.

AUTO



HOME



LIABILITY



BUSINESS



FARM



## \$1.99 Billion

EARNED PREMIUM

*Increase of \$161.7 Million over the prior year*



## 2,278,296

POLICIES IN FORCE



## \$120.5 Million

EARTHQUAKE RESERVES

*Funds set aside for future event,  
added layer of conservatism*



## 86.41%

RETENTION

*Percentage of policies renewing in current  
year for exclusive agent business*

## 5 YEAR CLAIMS BY THE NUMBERS

## \$6.1 Billion

5 YEAR LOSSES INCURRED

*Funds reinvested in our communities  
to serve our customers*

## 973,424

5 YEAR CLAIMS REPORTED

*Number of claims reported  
during the past 5 years*

## SHELTER MUTUAL INSURANCE COMPANY

Statements of Admitted Assets, Liabilities, and Surplus  
(Statutory Basis)

YEAR ENDED DECEMBER 31

(IN THOUSANDS)	2022	2021
ADMITTED ASSETS		
BONDS	\$ 1,674,550	\$ 1,641,248
INVESTMENTS IN AFFILIATES	875,561	811,601
COMMON STOCKS AND PREFERRED, UNAFFILIATED	417,859	464,904
OTHER INVESTED ASSETS	766,578	724,050
COMMERCIAL MORTGAGE LOANS	64,982	73,863
REAL ESTATE	53,179	55,587
CASH AND SHORT-TERM INVESTMENTS	(10,516)	(25,330)
<b>TOTAL CASH AND INVESTED ASSETS</b>	<b>3,842,193</b>	<b>3,745,923</b>
PREMIUMS RECEIVABLE	223,663	189,952
DEFERRED INCOME TAX ASSET	12,230	-
OTHER ASSETS	29,965	26,231
ACCRUED INVESTMENT INCOME	11,464	10,674
INCOME TAX RECOVERABLE	7,314	51,076
<b>TOTAL ADMITTED ASSETS</b>	<b>\$ 4,126,829</b>	<b>\$ 4,023,856</b>
LIABILITIES AND SURPLUS		
UNEARNED AND ADVANCE PREMIUMS	\$ 767,935	\$ 678,769
UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES	755,348	691,924
CATASTROPHE RESERVES	119,927	119,927
ACCRUED EXPENSES	83,080	78,337
OTHER LIABILITIES	53,015	63,424
BORROWED FUNDS	2,960	2,960
<b>TOTAL LIABILITIES</b>	<b>1,782,265</b>	<b>1,635,341</b>
<b>TOTAL POLICYHOLDERS' SURPLUS</b>	<b>2,344,564</b>	<b>2,388,515</b>
<b>TOTAL LIABILITIES AND SURPLUS</b>	<b>\$ 4,126,829</b>	<b>\$ 4,023,856</b>

## SHELTER GENERAL INSURANCE COMPANY\*

Statements of Admitted Assets, Liabilities, and Net Worth  
(Statutory Basis)

YEAR ENDED DECEMBER 31

(IN THOUSANDS)	2022	2021
ADMITTED ASSETS		
BONDS	\$ 136,623	\$ 132,594
INVESTMENTS IN AFFILIATES	11,997	12,238
OTHER INVESTED ASSETS	2	-
CASH AND SHORT-TERM INVESTMENTS	1,158	(2,160)
<b>TOTAL CASH AND INVESTED ASSETS</b>	<b>149,780</b>	<b>142,672</b>
PREMIUMS RECEIVABLE	11,558	11,190
OTHER ASSETS	1,735	1,085
INCOME TAX RECOVERABLE	1,219	2,652
<b>TOTAL ADMITTED ASSETS</b>	<b>\$ 164,292</b>	<b>\$ 157,599</b>
LIABILITIES AND NET WORTH		
UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES	\$ 60,516	\$ 56,293
UNEARNED AND ADVANCED PREMIUMS	24,784	23,662
OTHER LIABILITIES	3,222	2,897
CATASTROPHE RESERVES	564	564
ACCRUED EXPENSES	1,484	1,925
<b>TOTAL LIABILITIES</b>	<b>90,570</b>	<b>85,341</b>
<b>NET WORTH</b>	<b>73,722</b>	<b>72,258</b>
<b>TOTAL LIABILITIES AND NET WORTH</b>	<b>\$ 164,292</b>	<b>\$ 157,599</b>

\* INCLUDING SAY INSURANCE®



# HAULERS INSURANCE COMPANY, INC. (HICI)

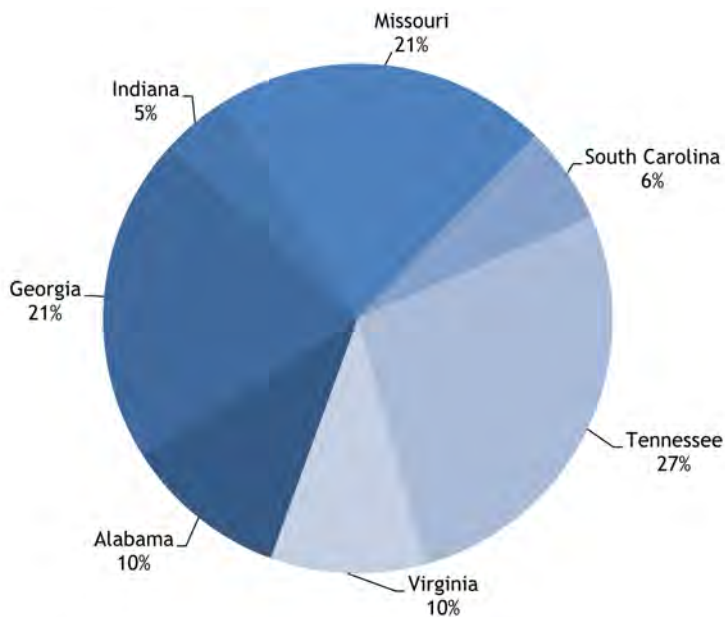
Written premiums were \$38.2 million and ending unit count was 46,288, both representing a small decrease from the previous year. The Company utilizes independent agents to write primarily commercial and personal auto but has expanded in the past few years to write motorcycle and renters insurance in South Carolina, Georgia, and Alabama.

Although Haulers struggled with increased claims losses due to inflation and supply chain shortages, overall claim counts were down 11% from 2021. After reinsurance agreements, Haulers experienced an underwriting loss for the year of \$91,000 and net income before tax of \$3.4 million.

From 2015 to 2019, HICI had consistently grown its written premium, growing 15% over this time. Starting in 2020, written premium started to decline slightly due to staffing adjustments; however, as of 2022, staff has been fully restored and focus has been put back on growth. During 2022, Haulers paid a \$4.1 million dividend to Mutual.

HICI received a financial strength rating of A (Excellent) by AM Best. The Company's premium to surplus ratio was 95.7%, a strong position for a predominately auto insurance writer.

## HICI OPERATING TERRITORY



## Statements of Admitted Assets, Liabilities, and Net Worth (Statutory Basis)

(INTHOUSANDS)	YEAR ENDED DECEMBER 31	
	2022	2021
<b>ADMITTED ASSETS</b>		
BONDS	\$64,092	\$64,445
CASH AND SHORT-TERM INVESTMENTS	2,692	4,066
REAL ESTATE	739	762
OTHER INVESTED ASSETS	426	497
<b>TOTAL CASH AND INVESTED ASSETS</b>	<b>67,949</b>	<b>69,770</b>
<b>LIABILITIES AND NET WORTH</b>		
PREMIUMS RECEIVABLE	7,916	7,781
ACCRUED INVESTMENT INCOME	294	313
OTHER ASSETS	2,874	993
<b>TOTAL ADMITTED ASSETS</b>	<b>\$79,033</b>	<b>\$78,857</b>
UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES	\$24,876	\$21,889
UNEARNED AND ADVANCED PREMIUMS	12,961	12,919
OTHER LIABILITIES	1,307	2,853
<b>TOTAL LIABILITIES</b>	<b>39,144</b>	<b>37,661</b>
<b>NET WORTH</b>	<b>39,889</b>	<b>41,196</b>
<b>TOTAL LIABILITIES AND NET WORTH</b>	<b>\$79,033</b>	<b>\$78,857</b>

  
**\$79 Million**  
 TOTAL ASSETS

  
**\$36.1 Million**  
 EARNED PREMIUM  
*Total of \$191.9 Million over the past 5 years*

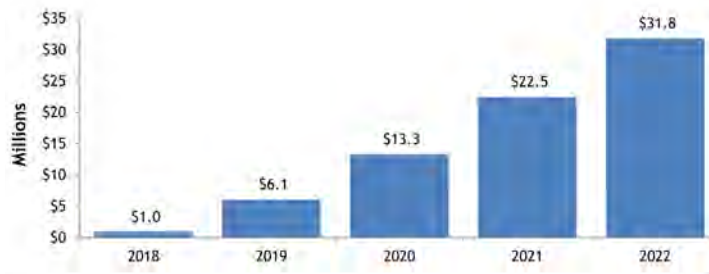
# AMSHIELD INSURANCE COMPANY

AmShield launched in the Phoenix, Arizona area in late 2017 as a part of Shelter's strategy to spread geographic insurance risk. AmShield sells policies through the independent agent model and is currently sold through 95 independent agencies in Arizona and Oregon.

AmShield gross written premiums for 2022 totaled \$31.8 million compared to \$22.5 million for the year 2021. Unit count ended 2022 at 34,469 compared to 26,292 as of 2021. Overall written premium has increased by 41% and unit count has increased by 31% from the prior year. During the year, AmShield refocused on profitable growth and further defined underwriting guidelines.

Assets increased 54% from the prior year due to a cash infusion from Shelter Mutual and increase in premiums receivable. AmShield received a financial strength rating of A (Excellent) by AM Best.

## AMSHIELD WRITTEN PREMIUM BY YEAR

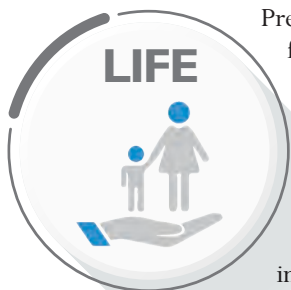


## Statements of Admitted Assets, Liabilities, and Net Worth (Statutory Basis)

(IN THOUSANDS)	YEAR ENDED DECEMBER 31	
	2022	2021
<b>ADMITTED ASSETS</b>		
BONDS	\$17,732	\$12,053
CASH AND SHORT-TERM INVESTMENTS	604	(622)
<b>TOTAL CASH AND INVESTED ASSETS</b>	<b>18,336</b>	<b>11,431</b>
PREMIUMS RECEIVABLE	7,517	5,656
ACCRUED INVESTMENT INCOME	59	30
REINSURANCE RECOVERABLE ON LOSS PAYMENTS	3,659	1,725
NET DEFERRED TAX ASSET	821	903
RECEIVABLE FROM PARENT AND AFFILIATES	1,134	697
OTHER ASSETS	63	92
<b>TOTAL ADMITTED ASSETS</b>	<b>\$31,589</b>	<b>\$20,534</b>
UNEARNED PREMIUMS	15,296	11,328
CEDED REINSURANCE PAYABLE	2,704	1,932
FEDERAL INCOME TAXES PAYABLE	120	172
PAYABLE TO PARENT AND AFFILIATES	57	37
OTHER LIABILITIES	1,046	934
<b>TOTAL LIABILITIES</b>	<b>19,223</b>	<b>14,403</b>
<b>NET WORTH</b>	<b>12,366</b>	<b>6,131</b>
<b>TOTAL LIABILITIES AND NET WORTH</b>	<b>\$31,589</b>	<b>\$20,534</b>



# SHELTER LIFE INSURANCE COMPANY



Premium and annuity considerations for Shelter Life increased 2.8% over the previous year to over \$156 million. Almost 22,000 new life policies were issued over the year and active life policy count ended the year at 370,160. The Company added \$4.3 billion to life insurance in force in the past 5 years, with ending in force of \$31.1 billion.

Even though asset balances have grown \$203.5 million during the past 5 years due to good cash flows, the low interest rate environment prior to 2022 has diminished overall yields to the investment portfolio. To increase the potential to drive return, Shelter Life continues to diversify the investment portfolio, including investing in commercial mortgage loans and other invested assets. Due to a decrease in the number of reported

deaths, Shelter Life recorded over \$29.9 million of net income before tax for 2022 which is \$9 million greater than 2021. Overall, Shelter Life has recorded \$105.7 million in net income before tax over the past 5 years, which is an average of \$21.1 million per year.

Shelter Life continues to hold a financial strength rating of A (Excellent) by A.M. Best. This rating provides further evidence of the strength and stability of Shelter Life Insurance Company.

## LIFE PRODUCTS OFFERED

20-Pay Whole Life

EZ Term®

Junior Special

Level Term to Age 95 (10, 20, 30 years)

Platinum Shield® IV Universal Life

Secure Whole Life

Shelter Express Term®

Ordinary Whole Life



**\$1.44 Billion**

TOTAL ASSETS

*Increase of \$203.5 Million during the past 5 years*



**\$31.1 Billion**

INSURANCE IN FORCE

*Total value of active insurance policies  
Increase of \$4.4 Billion over the past 5 years*



**\$288.4 Million**

NET SURPLUS

*Increase of \$81.9 Million over the past 5 years*



**96.31%**

LIFE RETENTION

*Percentage of policies renewing in current year*



**\$29.9 Million**

NET INCOME BEFORE TAX

*Recorded more than \$105.7 Million  
over the past 5 years*



**\$156.1 Million**

PREMIUM CONSIDERATIONS

*\$730.3 Million during the past 5 years*



## SHELTER LIFE INSURANCE COMPANY

Statements of Admitted Assets, Liabilities, and Net Worth  
(Statutory Basis)

YEAR ENDED DECEMBER 31

(IN THOUSANDS)	2022	2021
ADMITTED ASSETS		
BONDS	\$ 1,098,455	\$ 1,106,204
PREFERRED STOCK	3,000	-
OTHER INVESTED ASSETS	162,434	123,232
POLICY LOANS	20,388	20,176
INVESTMENTS IN AFFILIATES	10,764	11,159
MORTGAGE LOANS ON REAL ESTATE, AFFILIATED	2,008	3,564
COMMERCIAL MORTGAGE LOANS	62,913	56,040
RECEIVABLES FOR SECURITIES	57	17
CASH AND SHORT-TERM INVESTMENTS	6,774	10,859
<b>TOTAL CASH AND INVESTED ASSETS</b>	<b>1,366,793</b>	<b>1,331,251</b>
DEFERRED AND UNCOLLECTED PREMIUMS	49,433	47,876
DEFERRED TAX ASSETS	8,369	8,529
ACCRUED INVESTMENT INCOME	7,921	7,752
OTHER ASSETS	7,592	9,242
<b>TOTAL ADMITTED ASSETS</b>	<b>\$ 1,440,108</b>	<b>\$ 1,404,650</b>
LIABILITIES AND NET WORTH		
AGGREGATE RESERVES	\$ 1,045,999	\$ 1,030,486
LIABILITY FOR DEPOSIT TYPE CONTRACTS	57,709	57,603
ASSET VALUATION RESERVE	24,955	21,679
POLICY AND CONTRACT CLAIMS	10,578	11,535
DUE TO AFFILIATED COMPANIES	2,627	3,075
OTHER LIABILITIES	9,825	14,281
<b>TOTAL LIABILITIES</b>	<b>1,151,693</b>	<b>1,138,659</b>
<b>NET WORTH</b>	<b>288,415</b>	<b>265,991</b>
<b>TOTAL LIABILITIES AND NET WORTH</b>	<b>\$ 1,440,108</b>	<b>\$ 1,404,650</b>

# SHELTER REINSURANCE COMPANY

Shelter Reinsurance continues to provide returns to the Shelter Insurance group in the areas of growth and diversification. Written premiums were \$145.8 million, up \$2.4 million, or 1.7% from 2021. Reinsurance achieved an underwriting gain of \$21 million for the year. Although there were a few catastrophic events during 2022, they were not as large as prior years and only amounted to \$59 million. This helped Reinsurance achieve a loss ratio of 57.7% for the year. Overall, after adding investment income, the company achieved \$35.4 million income before taxes. The Company has provided over \$85 million in net income before taxes in the past five years, which is an average of over \$17 million per year.

Reinsurance has a continued reputation for prompt claims payments, exceptional customer service, its professional staff, and a history of solid financial strength. Reinsurance's business supports Shelter Insurance by enabling a geographically diverse book of business.



**\$140.3 Million**

WRITTEN PREMIUM

*Total of \$649.9 Million over the past 5 years*



**\$35.4 Million**

NET INCOME BEFORE TAXES



**\$21 Million**

UNDERWRITING GAIN



**\$595.8 Million**

TOTAL ASSETS

*Increase of \$123 Million in past 5 years*



**\$402.3 Million**

SURPLUS

*Increase of \$80.8 Million in past 5 years*

## SHELTER REINSURANCE COMPANY

Statements of Admitted Assets, Liabilities, and Net Worth  
(Statutory Basis)

YEAR ENDED DECEMBER 31

(INTHOUSANDS)	2022	2021
ADMITTED ASSETS		
BONDS	\$ 497,003	\$ 501,131
COMMON STOCKS INCLUDING PREFERRED	21,088	25,332
CASH AND SHORT-TERM INVESTMENTS	13,908	22,478
OTHER EQUITY INVESTMENTS, AFFILIATED	629	939
OTHER INVESTED ASSETS	31,443	8,506
MORTGAGE LOANS	1,395	906
<b>TOTAL CASH AND INVESTED ASSETS</b>	<b>\$ 565,466</b>	<b>\$ 559,292</b>
ACCRUED INVESTMENT INCOME	3,083	2,846
DEFERRED TAX ASSET	149	-
PREMIUMS RECEIVABLE	20,361	23,009
OTHER ASSETS	6,767	6,812
<b>TOTAL ADMITTED ASSETS</b>	<b>\$ 595,826</b>	<b>\$ 591,959</b>
LIABILITIES AND NET WORTH		
UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES	\$ 155,419	\$ 179,878
UNEARNED PREMIUM	23,093	21,395
OTHER LIABILITIES	15,001	16,102
<b>TOTAL LIABILITIES</b>	<b>193,513</b>	<b>217,375</b>
<b>NET WORTH</b>	<b>402,313</b>	<b>374,584</b>
<b>TOTAL LIABILITIES AND NET WORTH</b>	<b>\$ 595,826</b>	<b>\$ 591,959</b>



# COMPANY AWARDS AND RECOGNITION

## SHELTER INSURANCE® RECOGNIZED AS A “BEST PLACE TO WORK FOR DISABILITY INCLUSION”



In July, Shelter was recognized as a top-scoring business on the 2022 Disability Equality Index (DEI), which is the world's most comprehensive benchmarking tool for the Fortune 1000 and Am Law 200 to measure disability workplace inclusion against competitors. Top-scoring businesses are recognized as “Best Places to Work for Disability Inclusion.” The DEI gives companies an opportunity to demonstrate a commitment to disability inclusion and equality, as well as broader social issues.

Maria Town, President and CEO of AAPD (American Association of People with Disabilities) explains, “The Disability Equality Index shines a spotlight on companies that believe they have a stake in creating a more equitable society for people with disabilities. It is a conduit for our work championing disability rights for the 60 million Americans with disabilities and knocking down barriers to employment, technology and healthcare, and we're thrilled to see the progress being made today.”

Randa Rawlins, Shelter's President and CEO said, “Supporting those with diverse backgrounds has been an ongoing initiative for Shelter. We know that including those with diverse backgrounds makes our company better.”

## SHELTER INSURANCE® DIVERSITY INTERNSHIP RECOGNIZED AS A TOP PROGRAM IN U.S.

For the first time, Shelter's Diversity Internship program earned national recognition as one of the top fifty insurance internships in the country by the Rising Insurance Star Executives (RISE) organization. This group provides a platform for recognizing young insurance professionals for their accomplishments and encourages networking and industry education efforts. RISE works to help bridge the talent gap in the industry by creating opportunities for those early in their career to network, learn and grow. Their internship recognition program provides a resource to college students looking for the best internship opportunities in the insurance industry.



## SHELTER INSURANCE® EARNS TOP DIVERSITY EMPLOYER RECOGNITION

Shelter Insurance® has earned a Top Diversity Employer recognition from DiversityJobs.com. This recognition shows a consistent outreach and dedication to recruiting and hiring from all diversity groups. According to DiversityJobs.com, the companies on the list are taking active steps to build a diverse workforce and inclusive culture. This attitude is evident in Shelter's commitment to hiring the best and brightest candidates, and the emphasis placed by the company in diversity recruitment and retention.

# J.D. POWER RANKS SHELTER INSURANCE® #1 IN REGION FOR THE FIFTH TIME

Leading global data and analytics company J.D. Power announced Shelter Insurance® was once again ranked “Highest in Customer Satisfaction among Auto Insurers in the Central Region” in their U.S. Auto Insurance Study. This is the fifth time Shelter received this honor (2016, 2018, 2019, 2021 and 2022). This study asked customers to provide feedback about their overall satisfaction with their auto insurance company in the following study factors: billing process and policy information; claims; interaction; policy offerings; and price.

“One impressive element for us is how Shelter has won this award again, coming out of an incredibly challenging pandemic and uncertain economic times,” said Shelter President and CEO Randa Rawlins. “We consistently rank higher than other

insurance carriers and we’re proud of that fact. We won’t rest, but will continue to provide outstanding service to our customers and make it difficult for other insurance providers to outrank us.”



## DANIEL BOONE AGENCY PROVIDES OPPORTUNITIES FOR SHELTER AGENTS

Daniel Boone Agency, LLC was organized in 1965 as an internal insurance brokerage to assist Shelter Insurance® agents in placing business otherwise not eligible or offered in a Shelter Insurance company.

The brokerage has built a solid reputation with Shelter agents and in the insurance marketplace through its long-term relationships with well-known carriers in the industry. Daniel Boone’s extensive portfolio of insurance companies enables agents to meet the needs of their current customers and attract new clients.



In 2022, Daniel Boone assisted agents in protecting customer’s assets at record levels in both income and policy count. Agents placed more than \$135 million in annual premiums spread across more than 97,000 policies. Through the combination of the products offered by Shelter and Daniel Boone Agency, a Shelter agent can provide quality insurance products for nearly every insurance need.



## AMSHIELD INSURANCE® CELEBRATES MILESTONE

AmShield Insurance Company celebrated its 5th anniversary of operations in Arizona on October 23, 2022. Employees attended an open house reception in Shelter Gardens, complete with refreshments and yard games. AmShield employees celebrated at an event at the Las Vegas Call Center facility. During the first five years, AmShield has experienced steady policy growth in Arizona through the 49 independent agencies representing AmShield in the state.

## INNOVATION INITIATIVES IN 2022

Shelter's Innovation Investment Committee focuses on insurance technology ("insuretech") startups with the potential for financial and strategic returns. Additional benefits include early access to developing technologies, investment or acquisition opportunities, information about market signals and emerging trends and exposure to entrepreneurial ideas.

- Shelter's social media team began using Denim Social, a partner specializing as a marketing and advertising platform, for scheduling social media posts for corporate sites and agent social media pages as well as automating certain compliance workflows.
- ClaimBuyout, a startup company that buys certain damaged but repairable vehicles directly from insureds. This pilot launched in 2022 and has seen positive results so far.
- Shelter continues to find additional use cases for Robotic Process Automation. A "bot" is now reducing some of the manual work involved in printing life insurance policy packets.
- Shelter is now a board member of the Global Insurance Accelerator in Des Moines, Iowa. This new partnership will create opportunities for Shelter employees to get involved with early stage insuretech companies.

## SHELTER DEPARTMENTS UPDATE NAMES

In early 2022, our human resource operation became known as People Resources to better reflect the department's duties, including human resource management, benefits and payroll, recruiting, diversity and inclusion efforts and employee engagement. While Shelter Benefits Management Inc. continues as a legal entity, the department name is People Resources.

The Accounting team also reviewed departmental naming options and transitioned to Financial Operations (FinOps) in 2022. This name better reflects the areas of responsibility including financial reporting and analysis, budget planning, tax and regulatory management, invoice processing and payments and more.



## SHELTER IMPLEMENTS NEW PRIVATE PASSENGER AUTO RATE PLAN AND NEW DISCOUNTS

Shelter's leaders spent significant time analyzing data and reviewing the private passenger auto (PPA) rating plan over the past few years. In 2022, this work culminated in a new PPA plan for policyholders in Arkansas, Kentucky, Illinois, Indiana and Nebraska. This program allows Shelter to better rate for the risk assumed, taking into account additional rating factors and providing a more modern approach to insurance pricing.

New discounts were implemented for the states where this plan was approved. Shelter customers will benefit from a new loyalty discount and a length of ownership discount. Several new "Switch & Save" discounts are also available to encourage consumers to shift their insurance coverage to Shelter.

The new PPA plan will continue to roll out to additional Shelter states throughout 2023.





## SHELTER EXECUTIVES VISIT MISSOURI GOVERNOR FOR BILL SIGNING

In September, Shelter President & CEO Randa Rawlins, Shelter Vice President of Government Relations Brian Waller and Shelter Government Relations Counsel Jennifer Rodewald met with Missouri Governor Mike Parson in the Governor's Office for a ceremonial signing of Shelter's American Law Institute Bill.

The meeting was an opportunity to thank Governor Parson for supporting the legislation as well as for the long-term relationship which goes back to when the Governor was the Chair of the Missouri Senate Insurance Committee.

Shelter's ALI bill declares that a statement or restatement of insurance law in any legal treatise, scholarly publication, textbook or other explanatory text shall not constitute the law or public policy of Missouri. This language will make it more difficult for Missouri state courts to adopt some of the new, harmful legal theories in the ALI's Restatement of the Law, Liability Insurance. Some of these new theories, if adopted, could place unnecessary and unfair upward pressure on consumers' insurance premiums.

Shelter supported a similar legislative effort in Oklahoma in 2021 and in Arkansas in 2019, both of which were passed.



## SHELTER LEADERS VISIT KENTUCKY GOVERNOR AND KENTUCKY INSURANCE COMMISSIONER

In July, Shelter President & CEO Randa Rawlins and Shelter Vice President of Government Relations Brian Waller met with Kentucky Governor Andy Beshear and Kentucky Insurance Commissioner Sharon Clark in the Governor's Office at the Kentucky State Capitol.

The meeting was an opportunity to thank Governor Beshear for signing into law HB 170, the Minor Settlements Bill. This bill, supported by Shelter, allows parties to choose to settle minor claims of \$25,000 or less by affidavit instead of through court approval, allowing all parties to the settlement to avoid the time and expense of court approval.

In this meeting with the Governor, Kentucky Insurance Commissioner Sharon Clark complimented Shelter's response to the devastating Kentucky tornado in December 2021 and spoke highly of the Kentucky Insurance Department's working relationship with Shelter.

# MARKETING CONFERENCE AWARDS

## CONFERENCE OF CHAMPION WINNERS

Each year Shelter's top agents are recognized with awards for their performance during the prior year. The awards are presented during the Conference of Champions awards banquet. Awards include Life Stars, President's Plaque, Rookie of the Year, District Sales Manager of the Year, State Agents of the Year and Company Agent of the Year. The overall Company Agent of the Year was presented to Kyle Nichols and his affiliates Gina Leird and Dylan Farrow of Senatobia, Mississippi. The Sales District Leader of the Year award went to Trey Branch of Nashville, Arkansas. The Rookie of the Year award went to Jamie Creel and his affiliate Mary Cook of Brookhaven, Mississippi. The Rookie of the Year runner up was Justin Nunnery of West Helena, Arkansas.

The President's Plaque goes to a conference qualifying agent who issued at least 40 life policies and the most net first-year traditional and universal life premiums as counted toward Conference qualification. Life Star awards use the same criteria, and are presented to the top ten qualifying agents. In 2022, Richard Cargile and the Cargile Agency (affiliates Dei Bryant, Andrew Cargile and Ridge Roberts) of Searcy, Arkansas received the President's Plaque.



### COMPANY AGENT OF THE YEAR

KYLE NICHOLS



**PRESIDENT'S PLAQUE**  
RICHARD CARGILE



**ROOKIE OF THE YEAR**  
JAMIE CREEL



**ROOKIE OF THE YEAR - RUNNER UP**  
JUSTIN NUNNERY

## STATE AGENT OF THE YEAR AWARD

Vicki Stephenson – AR

Kerry Phillips – CO

John Blank – IL

Jonna Everroad

(Nathan Everroad, Affiliate) – IN

Joe Yamen

(Heather Cornwell, Affiliate) – IA

Jean Curry – KS

Toby Boone – KY

Ray Schrock

(Adam Laborde, Affiliate) – LA

Kyle Nichols

(Gina Leird and Dylan Farrow, Affiliates) – MS

Bradley Daniels – MO

Andrew Eckman – MO

Megan Fales – NE

Nathan Dahler – OH

Amy Price – OK

Blake Finney

(Hannah Hayes, Affiliate) – TN

## LIFE STAR AWARD

Richard Cargile – AR

Joe Yamen – IA

Joe Howard – OK

Jamie Creel – MS

Kyle Nichols – MS

Ray Schrock – LA

Jay Norman – TN

Elliot Britt – LA

Robert Murry – AR

Dave Thomas – MO



# BRANCH OF EXCELLENCE AWARDS

## CLAIMS ANNOUNCES 2022 BRANCH OF EXCELLENCE AND SHELTER STRONG AWARD

The Claims Department honored its top claims office with the annual Branch of Excellence Award. This award focuses on the importance of serving Shelter's customers and the local community.

The 2022 Branch of Excellence Award was awarded to the Springdale, Arkansas branch.

The Shelter Strong award is presented annually to the Claims Department Unit or Branch that exemplifies corporate or departmental strategies and carries out the vision/mission supporting excellence in customer service based on nominations from peers.

The 2022 Shelter Strong Award winner was awarded to the Claims Business Team.



# SHELTER EARNS PACESETTER STATUS FOR 2022 UNITED WAY CAMPAIGN

Shelter's 2022 United Way campaign featured the theme "Better Together" and the campaign tri-chairs—Dionne Woolfolk, Kathleen Van Roekel and Cody Wilson—led the campaign efforts. Robert Little of Reinsurance and Nancy Allison, retired agent, were loaned executives.

Together, Shelter employees and retirees raised more than \$253,000 for the Heart of Missouri United Way through the 2022 campaign, which will make a positive difference in the lives of many Mid-Missourians in need. For the first time, Shelter met the criteria to become a United Way Pacesetter. In order to be a Pacesetter, a company has to meet at least two of the specified benchmarks, and Shelter met the ones tied to the number of donors using payroll deduction or monthly charge card payments and participation in the 2022 United Way Day of Caring.

**This year's campaign included a mix of traditional and new activities including:**

- Craft and Rummage Sale
- Dollar Donation Days
- Coin Wars
- Online Auction
- Cinnamon Roll Sales
- 50/50 Raffle
- 5K/1 mile walk/run and Sweet Treats Sale
- Purchase of Personal Leave Days

## SHELTER CARES EVENTS IN 2022

Shelter Cares continued its traditional programs in 2022, which included teams working at the Food Bank for Central and Northeast Missouri each month, Salvation Army Bell Ringing and volunteers to work on another Habitat for Humanity house.

Goblins in the Gardens returned to Shelter Gardens in 2022 for its eighth year with the traditional trick-or-treating for kids, games and a pumpkin carving contest. A new feature was showing the movie Monsters, Inc. which drew hundreds of people to the event and transformed Shelter Gardens into a colorful and fun area.

This year's Winter Wonderland Garden of Lights featured new displays and a snow machine. Despite significantly colder weather for the second year, the Shelter team kept the displays open providing more than 10,000 people the opportunity to enjoy this new local holiday tradition.

Additional events Shelter Cares coordinated volunteers for in 2022 included:

- Boys and Girls Clubs of Columbia - Holiday stocking stuffing for their annual holiday party
- Ronald McDonald House – "Clays for Kids" clay shooting event and the "Fore the House" annual golf tournament
- Heart of America Marathon
- Salvation Army - Christian Film Fest, SalvationFest, Bell Ringing and Christmas Parade
- Show-Me State Games events

# 2022 FRED V. HEINKEL AWARDS PRESENTED

## SHELTER PRESENTS AWARD TO TWO RECIPIENTS



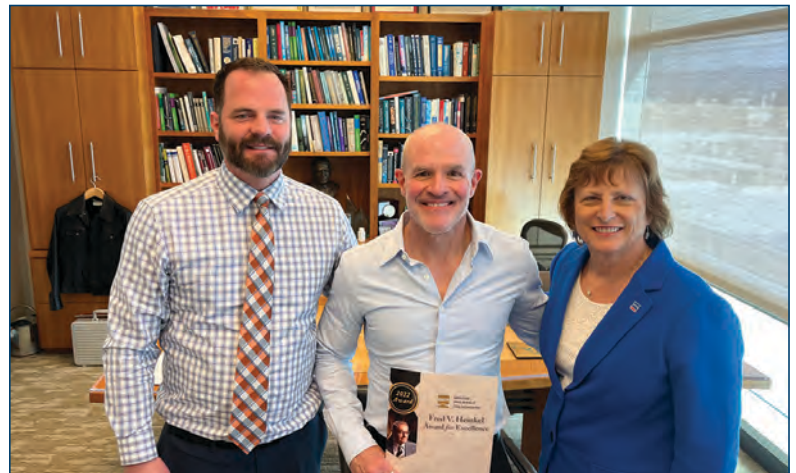
Each year since 1982, Shelter leaders present the Fred V. Heinkel Award of Excellence (named after the company's first president and chairman) to people who demonstrate excellence in science, medical, research, health services, education, history, agriculture, athletics or overall community service. Nominations are submitted by Shelter employees, agents and retirees. The honoree is chosen by the Board of the Shelter Insurance® Foundation and receives a \$2,500 award.

Shelter President and CEO Randa Rawlins presented the first 2022 award to Nino Fennoy at the Jackie Joyner Kersee Community Center in East St. Louis, Illinois. Fennoy is a legendary high school girl's track and field and cross country head coach in East St. Louis and has coached teams to 17 Illinois state track and field championships and eight state runners-up. The most notable are six-time Olympian and Gold Medalist Jackie Joyner-Kersee, and two-time Olympian and Gold Medalist Dawn Harper-Nelson. While his leadership and achievements on the field are impressive, the impacts Fennoy has had off the field are even more impressive. He is looked upon as a role model to his athletes, school and community. "Coach Fennoy

is the embodiment of what this award represents," Rawlins said. "To have someone with outstanding morals and a long record of dedication to improving the lives of those around him is priceless. Shelter is proud and honored to be able to tell Coach Fennoy thank you for everything he has achieved." Fennoy was nominated by Agent Andrea Taylor.

Ms. Rawlins presented the second 2022 award to Dr. Jay Keasling at the Joint BioEnergy Institute in Emeryville, California. Keasling is the Principal Investigator at The Keasling Lab, which focuses on engineering microbes to produce life-saving therapies, such as an anti-malarial drug now used around the world to fight against a disease that infects about 500 million people. His researchers are now working with the U.S. Department of Energy to create plant-based biofuels.

"Dr. Jay Keasling's products make this world a better place to live today, tomorrow, and for decades to come," Rawlins said. "Shelter is proud and honored to be able to say thank you." Keasling was nominated by Agent Nick Voorhees, who shares the same Harvard, Nebraska hometown as Keasling.





# EMPLOYEE, AGENT AND RETIREE PHOTO CONTEST

PHOTO BY JULIE MCDERMOTT

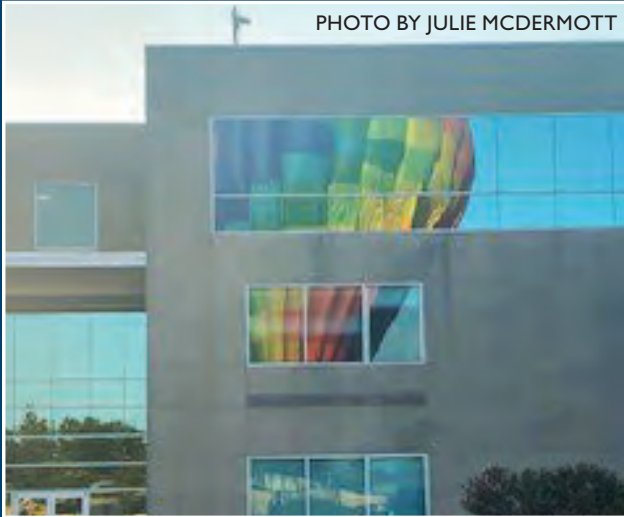


PHOTO BY TERRY TUCKER

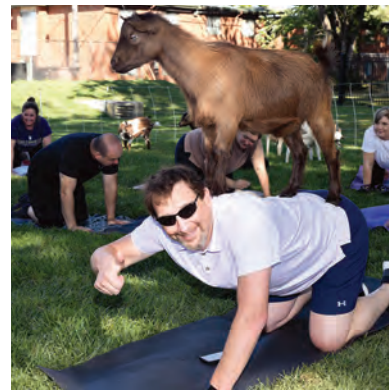


PHOTO BY MICHAEL BELT

In 2022 an employee photo contest was held to fill bare walls in various locations at the home office. The photos could be recent or old, in color or black & white and taken by an employee, agent or retiree. The photos had to be Shelter related in three categories: Shelter places, Shelter people or Shelter events.

In all, 78 photos were submitted. They were reviewed by a team of employees who chose 18 winners. Winners were offered an enlarged copy of their photo on a photo canvas and their photos are now displayed around the home office. The cover photo featured on the annual report was also selected as a winner in this photo contest and was taken by employee Brad Johnson.







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