



2023 Annual Report

Workers' comp solutionists

President's Message

As our annual report attests, 2023 was another strong year for FFVA Mutual. The company achieved an underwriting profit for the 11th consecutive year, and policyholder surplus reached an all-time high! However, when placed in their true context, these achievements are more than just numbers. They are evidence of our “living brand” – an incredible story that no one tells better than our *Solutionists*!

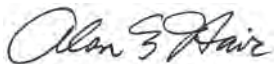
Our living brand comprises the rare and positive culture of our organization. This culture fosters a team approach that allows our *Solutionists* to work together to effectively solve problems and provide unmatched underwriting, safety, and claims services. Our culture begins with the type of people we hire – those who truly care about others. It takes root in our long-held mission to deliver trusted workers’ compensation solutions and personalized customer experiences to our agency partners, policyholders, and the injured workers to whom we provide medical care and other benefits. It is nourished by our vision to be the workers’ compensation insurance carrier of choice recognized for unparalleled service and financial strength.

To FFVA Mutual, our mission and vision are not just words on paper but a decades-long cultural heritage that informs our every decision and action. The results of our culture are industry leading policy retention ratios and favorable loss and expense ratios compared to peer companies. The attributes of this culture are echoed in the words our agency partners and customers use to describe their experience with us: “knowledgeable,” “highly responsive,” “commitment,” “blown away,” and “the best.”

We have been able to sustain a culture of excellence, innovation, and collaboration by learning to leverage technology and data to improve efficiency, effectiveness, and customer satisfaction. But I believe the core of our success lies in our people and our long-held relationships – we know who we are and the people we serve. We truly care, and that motivates us to welcome feedback and innovative ideas from our *Solutionists* and other stakeholders. It also inspires us to continually improve.

As we look ahead to 2024, we are confident we have the right strategy, the right team, and the right culture to propel our future growth and success. We will continue to develop our living brand to sustain FFVA Mutual’s excellent level of service and stellar reputation in the marketplace. We are grateful for your trust and support and look forward to serving you in better and more personalized ways in the years to come.

Sincerely,



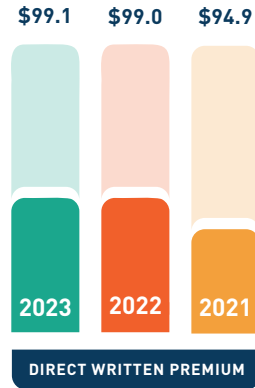
Alan Hair
President & CEO



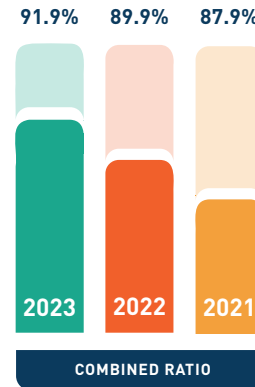
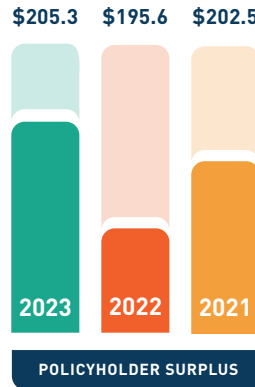
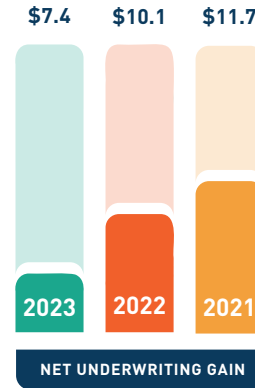
“As we look ahead to 2024, we are confident we have the right strategy, the right team, and the right culture to propel our future growth and success.”

- Alan Hair, President & CEO

Financial Highlights



Combined FFVA Mutual and FFVA Select



Excluding dividends

\$11.8 million 2023 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.

Dollars in Millions

Results of operations

In the landscape of ever-evolving market dynamics, we are pleased to present the key operational highlights which emphasize FFVA Mutual's strong financial performance and enduring commitment to our stakeholders:

- **Consistent Profitability:** FFVA Mutual celebrated another successful year, marking the 11th consecutive year of net underwriting profit, with 22 of the last 24 years also being profitable.
- **Strengthened Financials:** The balance sheet and capitalization improved over the previous year with policyholder surplus reaching an all-time high. The net written premium to policyholder surplus ratio stood at 46%, and the ratio of liquid assets to adjusted liabilities was 284%.
- **Reserve Adequacy:** Management has maintained a focus on ensuring sufficient reserves, with an IBNR to total reserves ratio of 49%. Policyholder surplus to loss and LAE reserves ratio was 228%, indicating that for every dollar recorded in loss reserves there is another \$2.28 available in surplus.
- **Premiums earned** totaled \$95M for 2023, down \$2.3M from 2022. This 2.4% decrease is due to a combination of year-over-year rate reductions and competition in the marketplace.
- **A net income** of \$5.1M was reported in 2023, driven by strong underwriting results and solid investment earnings.
- **Net investment income** earned rose by 9.3% to \$7.3M in 2023, thanks to higher effective interest rates.
- **Net realized capital gains** decreased to \$721K in 2023 because of turbulence in the equity markets.
- **Underwriting gain** decreased by 26% from \$10.1M in 2022 to \$7.4M in 2023 due to continued rate reductions and inflationary pressure on operating expenses.
- **The combined ratio** (excluding dividends) saw a slight increase from 89.9% in 2022 to 91.9% in 2023.

We are optimistic about the future and are committed to strengthening our business fundamentals by continuing the effective implementation of our multi-year strategic plan. These strategic initiatives, combined with the dedication of our *Solutionists* and the financial strength of the company contribute to an optimistic outlook for 2024 and beyond.

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.

LICENSED IN
10 STATES



DEDICATED ACCOUNT
SERVICE TEAM



OF SOLUTIONISTS

A+

**REINSURANCE
PROTECTION**

OVER 139K
EMPLOYEES INSURED



**BY
A.M. BEST**

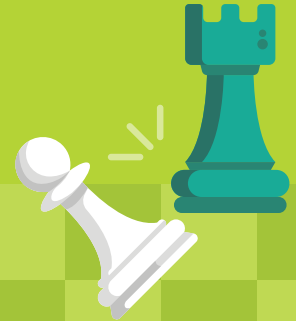
EXCEPTIONAL
SERVICE
+
PRODUCTS
=
HIGH POLICY
RETENTION



278

ELIGIBLE
CLASS CODES
IN ALL LICENSED
STATES

COMPETITIVE
PRODUCTS



\$1,500

TO

\$1.3M

PREMIUM RANGE

ESTABLISHED IN

1956



TRUSTED SOLUTIONS. PERSONALIZED EXPERIENCES.



Corporate Giving

At FFVA Mutual, we're more than just an insurance provider; we're a mission-driven organization with a heart for service. Our employee volunteer program, *Caring is Mutual*, offers meaningful opportunities to make a difference in the areas we care about most: health, community, and youth/education.

In 2023, we joined forces with Orlando Health, supporting their initiative to significantly expand Central Florida's sole Level One Trauma Center at Orlando Regional Medical Center.

Our 6th Annual Golf Invitational raised \$35,500 for the Orlando Sports Foundation. This organization is at the forefront of the fight against cancer, and we're proud to support their mission. Cumulatively, this event has contributed over \$167,500 towards cancer research, embodying our dedication to community involvement and corporate responsibility.

Beyond these events, our *Solutionists* engaged in volunteer work and fundraising for various organizations throughout the year. We're also honored to support Kids' Chance of Florida as an associate partner, and to fund the annual Craig Menzl Scholarship which benefits families of injured workers.

Together, we're fostering a culture of care and community engagement, reflecting our values in every action as we serve and uplift those around us.



Growth and Innovation

FFVA Mutual's Strategic Direction

FFVA Mutual has embarked on an evolutionary journey with a multi-year strategic plan. Anchored by five pivotal goals, this plan guides us towards a future of prosperity and innovation, defined by our long-term mission and vision.

- **Growth:** We are not just growing; we are evolving. Our mission transcends the traditional pathways, as we carve out unique and profitable growth avenues that set us apart in the industry.
- **Marketing & Brand Recognition:** We aim to elevate our brand to new heights, amplifying our presence and recognition across the 10 states where we are licensed.
- **Internal Communication:** We are revolutionizing the way we operate and connect, exploring innovative pathways that enhance our internal synergy.
- **Innovation:** Innovation is the heartbeat of our strategy. It fuels our drive to stay at the forefront of our industry.
- **Talent Acquisition & Retention:** Our commitment to nurturing expert *Solutionists* is unwavering. We are dedicated to fostering an environment where talent thrives, attracting and retaining the best in the field.

We are inspired by the progress we've achieved and remain committed to maintaining this momentum. Our focus is steadfast on elevating our services, outpacing competitors, and delivering unmatched value to our agents and policyholders. As we embrace this era of growth and innovation at FFVA Mutual, we're confident in the journey ahead.



Board and Executive Staff

Board of Directors

Shown left to right:

Alan Hair, FFVA Mutual President & CEO, Director; **Juan Castro-Anzola**, Director; **Glenn R. Rogers**, Vice Chairman, Director; **Morgan H. Roe**, Director; **Linda Farrell**, Director; **Alonzo Williams**, Director; **Les W. Dunson, III**, Chairman, Director; **Michael Stuart**, Director; and **James Warmus**, Director.

Not pictured: **Peter S. Harllee, Jr.**, Director; **Aaron Troyer**, Director.

Executive Staff

Bob Lehnen

Treasurer/Vice President, Underwriting

Fred Allen

Vice President, IT

Halston Fernandez

Secretary/Vice President, Finance & Accounting

Jose Ramos

Vice President, Safety & Loss Control

Leslie Sisk

Vice President, Claims

Melissa Hide

Vice President, Marketing



FFVA Mutual Corporate Office
800 Trafalgar Court, Suite 200
Maitland, FL 32751
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.