

# Annual Report



**Badger Mutual Insurance Company**

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# 2022

# ADVERSITY SHAPES A STRONG FUTURE

While 2022 offered a year unlike any other Badger Mutual has seen in the last 135 years, we were able to find a sense of stability relying on what we have always known and stood by.

The combination of catastrophic storms and record inflation resulted in the most challenging year we have ever experienced. The good news is that we were able to come out of it not only providing excellent customer service and exceptional claims handling, but most importantly, making timely claim payments. Despite the financial adversity of 2022, I have never been more confident in the future of Badger Mutual. I am so proud of all of our employees and agency partners that stepped up with unparalleled service to answer each call with knowledge and empathy.

This is a characteristic of Badger Mutual all of our stakeholders can continue to expect. With the relationships we have in place, and our sensible approach to technology, I have no doubt Badger Mutual will emerge even stronger in the years to come.



**DANIEL W. NIGRO**  
President/CEO, Badger Mutual Insurance Company

## OPERATING RESULTS

As of December 31, 2022

STATEMENT OF INCOME	2022	2021	2020
Premiums Written	\$154,845,895	\$142,110,43.93	\$131,699,925.65
Change in Unearned Premiums	(8,497,801)	(9,053,609)	(3,222,240)
Reinsurance Ceded	(29,115,157)	(26,105,426)	(26,200,997)
Premiums Earned	\$117,232,937	\$106,951,403	\$102,276,689
Losses Incurred	106,227,450	67,272,894	59,230,452
Loss Adjusting Expenses Incurred	11,466,006	7,835,109	10,669,232
Underwriting Expenses Incurred	34,362,844	32,237,211	29,914,374
Underwriting Gain (Loss)	(\$34,823,363)	(\$393,811)	\$2,462,631
Net Investment Income	3,046,937	4,345,924	5,705,157
Other Income	(635,084)	394,446	663,480
Dividends to Policyholders	(162,952)	(130,924)	(120,972)
Federal Income Taxes	(2,629,097)	210,023	729,083
Net Gain	-\$29,945,365	\$4,005,612	\$7,981,213
Percentage Growth in Premiums Written	8.96%	7.90%	5.00%

# LOOKING FORWARD TO NEW GOALS

A year of unprecedented challenges gives us a chance to take a on a fresh perspective – resetting goals for profitability, growth, and service in the future.

## STATEMENT OF FINANCIAL POSITION

As of December 31, 2022

ASSETS	2022	2021	2020
Cash & Short-Term Securities	(\$2,129,578)	\$5,727,649	\$6,630,552
Bonds (Amortized Cost)	150,847,258	159,968,705	148,792,809
Stocks (Market Value)	11,005,747	14,384,549	17,436,974
Other Invested Assets	3,746,868	4,097,462	—
Mortgage Loans	3,197,609	—	—
Real Estate	3,546,050	3,720,051	3,889,940
Accrued Investment Income	753,472	983,189	740,693
Premium Balances	24,285,334	21,273,965	19,423,470
Company Owned Life Insurance	5,957,101	7,129,982	5,978,037
Deferred Taxes/Taxes Receivable	10,718,153	3,401,841	4,102,938
Loss Recoverable from Reinsurers	1,889,558	3,102,951	1,856,085
Computer Hardware	115,076	211,953	396,130
Total Assets	\$213,932,648	\$224,002,297	\$209,247,628

LIABILITIES & SURPLUS	2022	2021	2020
Reserves for Losses & Adjusting Exp	\$71,989,793	\$61,492,214	\$61,071,347
Reserve for Unearned Premium	67,021,344	58,523,543	49,469,934
Reserve for General Expenses	6,292,841	7,577,634	7,222,801
Reserve for Premium Paid in Advanced	2,460,422	2,079,704	1,883,477
Reinsurance Payable	2,002,018	752,097	1,873,566
Reserve for Federal Income Taxes	—	—	—
Reserve for Pension Benefits	2,476,697	5,652,839	7,742,507
Reserve for Other Liabilities	1,347,677	994,346	842,139
Policyholder Surplus	60,341,856	86,929,920	79,141,857
Total Liabilities & Surplus	\$213,932,648	\$224,002,297	\$209,247,628