

Annual Report



2023

HALTING THE DOMINO EFFECT. SAFEGUARDING STABILITY.

In 2022, Badger Mutual encountered significant challenges that threatened to initiate a domino effect of negative consequences and necessitated swift action. Recognizing the importance of protecting our policyholders and maintaining confidence among all stakeholders, we enacted a comprehensive mitigation plan designed to address these challenges and restore stability to our operations.

It was evident from the outset that implementing our mitigation plan would require time and patience. However, we remained steadfast in our commitment to seeing it through, knowing that the long-term benefits far outweighed the temporary setbacks.

As anticipated, the results of our efforts began to materialize in the fourth quarter of 2023, marking a turning point in our journey. These positive developments have continued into the first quarter of 2024, reinforcing the effectiveness of our strategy and signaling a brighter future ahead.

2023 HIGHLIGHTS

MITIGATION PLAN IMPLEMENTATION Our comprehensive mitigation plan, implemented in response to the challenges of 2022, began to yield positive results in the latter part of 2023, demonstrating the effectiveness of our strategic approach.

POLICYHOLDER PROTECTION Throughout this period of transition, the protection and satisfaction of our policyholders remained paramount. We took proactive measures to ensure their needs were met and their interests were safeguarded.

COMMUNICATION, SERVICE & CONFIDENCE By maintaining transparent communication, personalized service, and fair claims practices, we valued retaining the confidence of policyholders, partner agents, employees, and regulators.

RESILIENCE & ADAPTABILITY The obstacles faced in 2022 and 2023 tested our resilience and ability to adapt. Through perseverance and innovation, we emerged stronger and more agile, better equipped to navigate future uncertainties.

Looking forward, we aim to leverage the momentum we've gained and advance our journey toward even greater financial stability – having full confidence that the solid foundation we've established, the insights we've gained, and our ongoing pursuit of opportunities will continue to benefit us in the years ahead.

On behalf of everyone at Badger, I would like to extend our heartfelt gratitude for your unwavering support and collaboration. Together, we have emerged stronger, reaffirming our commitment to excellence, integrity, and the **heart** that defines us.



DANIEL W. NIGRO

President/CEO, Badger Mutual Insurance Company

OPERATING RESULTS

As of December 31, 2023

STATEMENT OF INCOME	2023	2022	2021
Premiums Written	\$147,180,616	\$154,845,895	\$142,110,438
Change in Unearned Premiums	4,709,181	(8,497,801)	(9,053,609)
Reinsurance Ceded	(20,858,576)	(29,115,157)	(26,105,426)
Premiums Earned	\$131,031,221	\$117,232,937	\$106,951,403
Losses Incurred	\$106,628,581	\$106,227,450	\$67,272,894
Loss Adjusting Expenses Incurred	12,819,727	11,466,006	7,835,109
Underwriting Expenses Incurred	37,553,742	34,362,844	32,237,211
Underwriting Gain (Loss)	(\$25,970,829)	(\$34,823,363)	(393,811)
Net Investment Income	\$4,552,160	\$3,046,937	\$4,345,924
Other Income	950,832	(635,084)	394,446
Dividends to Policyholders	(183,900)	(162,952)	(130,924)
Federal Income Taxes	(647,957)	(2,629,097)	210,023
Net Gain (Loss)	(\$20,003,780)	(\$29,945,365)	\$4,005,612
Percentage Growth in Premiums Written	-4.95%	8.96%	7.90%

STATEMENT OF FINANCIAL POSITION

As of December 31, 2023

ASSETS	2023	2022	2021
Cash & Short-Term Securities	\$1,840,827	(\$2,129,578)	\$5,727,649
Bonds (Amortized Cost)	131,417,504	150,847,258	159,968,705
Stocks (Market Value)	3,540,547	11,005,747	14,384,549
Other Invested Assets	13,229	3,746,868	4,097,462
Mortgage Loans	7,272,481	3,197,609	-
Real Estate	2,247,123	3,546,050	3,720,051
Accrued Investment Income	741,005	753,472	983,189
Premium Balances	23,668,961	24,285,334	21,273,965
Company Owned Life Insurance	6,672,684	5,957,101	7,129,982
Deferred Taxes/Taxes Receivable	3,209,194	10,718,153	3,401,841
Loss Recoverable from Reinsurers	1,445,481	1,889,558	3,102,951
Computer Hardware	73,978	115,076	211,953
Total Assets	\$182,143,014	\$213,932,648	\$224,002,297
LIABILITIES AND SURPLUS			
Reserves for Losses & Adjusting Exp	\$74,001,634	\$71,989,793	\$61,492,214
Reserve for Unearned Premium	62,312,162	67,021,344	58,523,543
Reserve for General Expenses	4,799,978	6,292,841	7,577,634
Reserve for Premium Paid in Advance	2,269,084	2,460,422	2,079,704
Reinsurance Payable	784,054	2,002,018	752,097
Reserve for Federal Income Taxes	-	-	-
Reserve for Pension Benefits	1,985,859	2,476,697	5,652,839
Reserve for Other Liabilities	615,131	1,347,677	994,346
Policyholder Surplus	35,375,112	60,341,856	86,929,920
Total Liabilities and Surplus	\$182,143,014	\$213,932,648	\$224,002,297



The Heart of Your Insurance Protection

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