



Celina Insurance Group overcomes challenging headwinds.

Confronted with rapidly increasing property-related loss costs caused by inflation, Celina Insurance Group has been responding with insurance to value increases and property and physical damage rate increases. Even in the face of an inflationary environment and an unsettled investment environment, the Company continues to post operating results better than most competitors. Our investment portfolio remains strong, and policyholder surplus and assets are at or near all-time highs. Celina's 2022 performance demonstrates our enduring ability to adapt to an ever-changing environment.

The Company reported a net combined ratio after fee income of 99.9%. Although this result did not meet the high bar set by our prior three-year average of 94.9%, it shows the ability of Celina's operations team to effectively change course during challenging times. Net income was \$3.4 million while policyholder surplus posted a small decline, due in part to inflated loss costs and declines in the stock market. Even with a small 2022 decline, surplus has grown by 50% (from \$99.5 million to \$149.3 million) over the most recent five-year period.

Benefiting from responsive insurance to value initiatives and rate increases, direct written premium increased by 8.1% to \$172.3 million, exceeding the original forecast by 4.2%. We made the difficult decision late in 2022 to withdraw from Iowa, recognizing our long-term unprofitability in the state and the

hardening reinsurance market for insurers exposed to Midwest storms. Celina's five other states posted direct written premium growth of 9.1% for the year, and in spite of the Iowa withdrawal, we are forecasting positive premium growth for 2023.

Our focus remains on growing farm and commercial lines faster than personal lines, but our plan targets growth in all three. The Company's 2022 results reflect this commitment. Commercial written premium for the year grew by 18.9%, farm increased 13.9% over the prior year and personal lines showed growth for the first time since 2018. Supporting future personal lines growth plans, we updated our Personal Liability Umbrella Program, began developing a new auto product and implemented electronic signature options for home and auto products.

Celina is dedicated to advancing customer experience initiatives. 2022 was a watershed year of customer experience growth as we introduced personas and user stories and began incorporating journey mapping in many internal processes. These efforts were recognized by ARCET Global with the Best Customer Experience Strategy (Under 1,000 Employees) North American Customer Centricity Award. We were also a finalist for the Best Customer Experience Team Award, a testament to not only Celina's corporate commitment but also our employees' commitment to providing a remarkable customer experience.

Despite the adverse impact of rapidly rising inflation and challenging securities markets, the Company continues to post operating results better than the industry average and many of our benchmark peers. Celina's leadership team is experienced, and our rates and reserves are actuarially sound. Through management's enterprise risk management practices, we continue to excel during difficult times. With excellent financials, a commitment to superior customer experience and exceptional relationships with agency partners, Celina is poised for growth and a quick return to underwriting profitability.

William W. Montgomery
William W. Montgomery
Chairman, President and Chief Executive Officer

Celina Insurance Group Officers



William W. Montgomery
Chairman, President and Chief Executive Officer



Theodore J. Wissman
Senior Vice President — Chief Operating Officer



Michael S. Kleinhenz
Senior Vice President — Chief Financial Officer and Treasurer



Robert M. Shoenfelt
Senior Vice President — Chief Information and Innovation Officer



Suzanne L. Wells
Corporate Secretary and Director of Internal Audit



Scott W. Montgomery
Assistant Corporate Secretary and Marketing/Sales Supervisor

Company Profile

- Founded in 1914
- 192 employees
- Annual direct premiums of \$172.3 million

Celina Insurance Group Member Companies

The Celina Mutual Insurance Company

Writes personal, commercial and farm lines in Ohio, Indiana, Kentucky, Tennessee and West Virginia.

The National Mutual Insurance Company

Writes personal lines in Ohio, Indiana and Tennessee.

Miami Mutual Insurance Company

Writes personal lines (nonstandard auto) in Ohio, Indiana and Tennessee.

West Virginia Farmers Mutual Insurance Association

Writes farm property and liability in West Virginia.



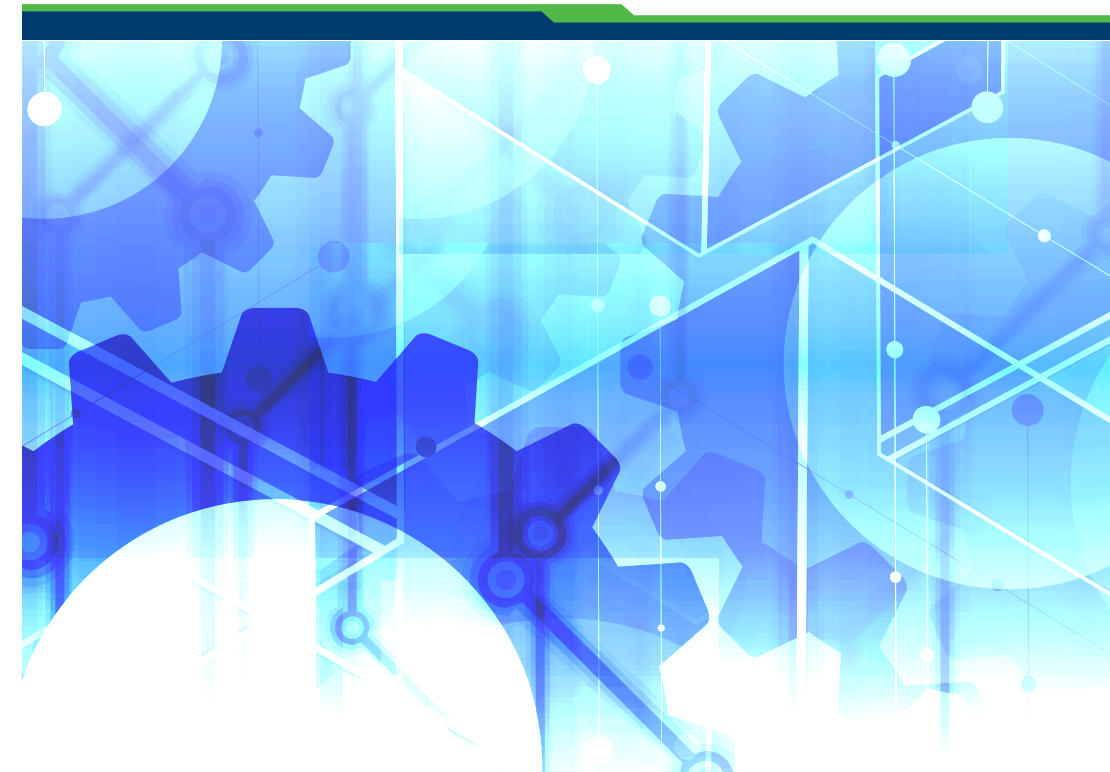
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800-552-5181 | celinainsurance.com

SA-438 (0323)



2022

ANNUAL REPORT

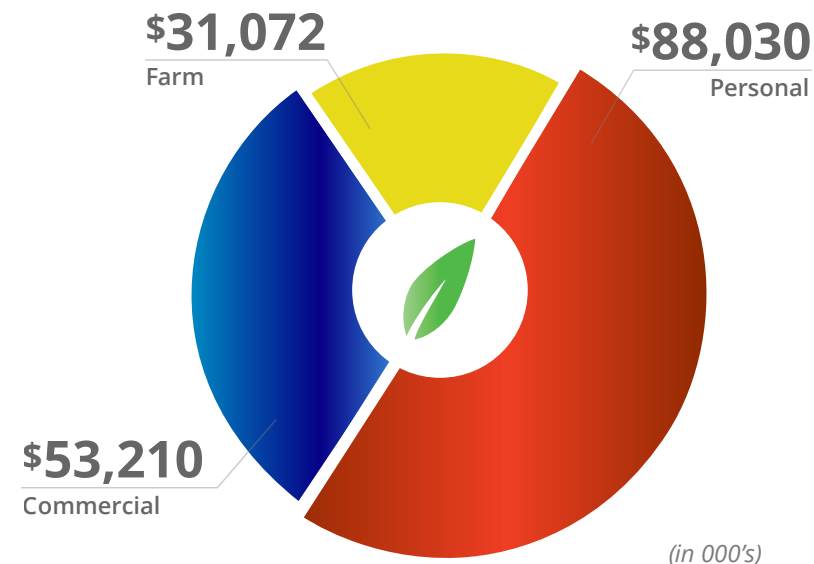


Statements of Income

	2022	2021
Net Earned Premium Income	\$149,821,063	\$144,758,136
Losses and Loss Adjustment Expenses Incurred	101,225,377	90,658,564
Commissions	27,204,601	25,441,960
Other Underwriting Expenses	24,342,827	23,186,577
Total Underwriting Expenses Incurred	152,772,805	139,287,101
Underwriting Gain (Loss)	(2,951,742)	5,471,035
Investment Income	5,833,640	8,767,571
Other Income	763,000	819,183
Income Before Income Tax	3,644,898	15,057,789
Federal Income Taxes Incurred	274,782	3,030,542
Net Income	\$3,370,116	\$12,027,247

2022 Direct Written Premium

(by profit centers)



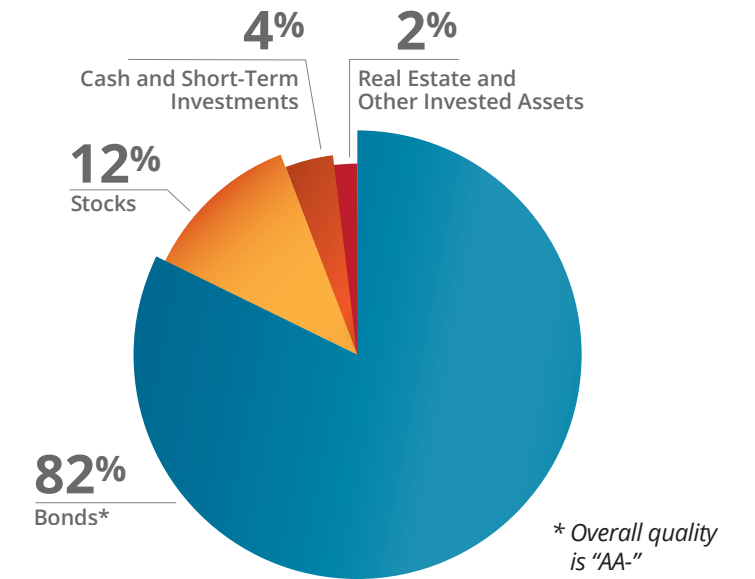
Balance Sheets

Assets	2022	2021
Bonds	\$205,710,399	\$204,464,999
Stocks	29,602,807	33,937,128
Real Estate	3,479,854	2,752,046
Cash and Short-Term Investments	10,779,195	8,252,846
Other Invested Assets	885,000	—
Total Cash and Invested Assets	250,457,255	249,407,019
Premiums Receivable	35,613,750	31,899,274
Current Federal Income Tax Recoverable	1,112,565	541,187
Deferred Federal Income Tax Recoverable	1,746,521	931,792
Reinsurance Recoverable on Loss Payments	362,492	580,850
Accrued Interest and Dividends Receivable	1,535,414	1,460,537
Total Receivables	40,370,742	35,413,640
Computer Equipment	341,298	299,104
Other	224,874	178,597
Total Other Assets	566,172	477,701
Total Assets	\$291,394,169	\$285,298,360

Liabilities and Reserves

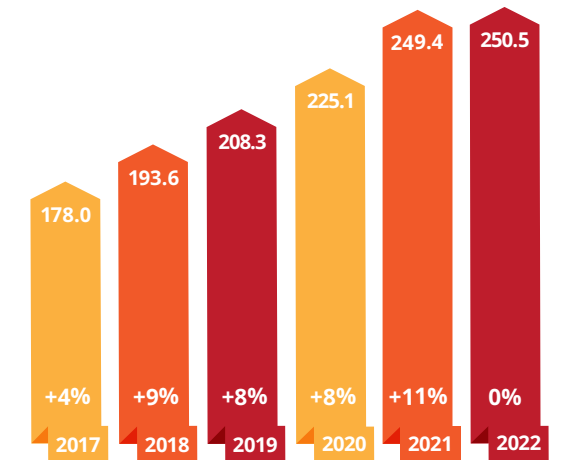
Unpaid Losses and Loss Adjustment Expenses	\$46,931,340	\$45,474,399
Unearned Premiums	82,941,594	75,731,392
Advance Premiums and Amounts Held for Others	7,635,259	9,089,593
Contingent Commissions Payable	2,363,434	2,504,055
Accounts Payable and Accrued Expenses	582,133	481,401
Premium Taxes, Licenses and Fees Payable	1,425,909	1,189,862
Ceded Reinsurance Payable	95,957	172,177
Other General Liabilities	156,846	455,638
Total Liabilities	142,132,472	135,098,517
Reserves for Policyholders' Protection	149,261,697	150,199,843
Total Liabilities and Reserves for Policyholders' Protection	\$291,394,169	\$285,298,360

2022 Invested Assets and Cash



Invested Assets

(in millions)



Reserves for Policyholders' Protection

(in millions)

