

**ANNUAL
REPORT**



2021

FROM THE CHAIR



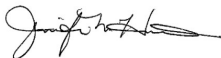
Neil Alldredge
Chair of the Board

It is a privilege to address the shareholders in this, my first annual report as NAMICO's Chair of the Board. As you know, NAMICO is a unique and successful insurance company organized and created by NAMIC members. I am honored along with the members of the Board and management team to carry on the oversight of its success. The importance of this company to its shareholders, policyholders, and the members of NAMIC is testimony to the culture of member focus and customer service. The commitment to service continues with the selection of Jen Hamilton, Esq. to the position of President & CEO. Jen's selection was a unanimous recommendation by the search committee and the NAMICO Board. The staff of NAMICO (and the staff of the association) are excited to work together to serve policyholders in the coming years with excellent product offerings, exceptional service, and professional management.

This annual report highlights NAMICO's key financial accomplishments for 2021. Jen's president's letter further reviews the outstanding performance achievements of the company and looks forward to 2022. Please let Jen or me know if there is anything NAMICO can do to better to serve your interests.

Looking toward a successful year in 2022.

FROM THE PRESIDENT AND CEO



Jen Hamilton
President & CEO

This July will mark NAMICO's 35th year of being in business. A lot has changed since July of 1987. Computers were not portable, email didn't exist, and virtual meetings were unheard of. NAMICO was created to provide a stable and competitive professional liability market for NAMIC members and that endeavor is one thing that has not changed. NAMICO continues to successfully fulfill its responsibility to its shareholders, insureds, and to the Pool. As a shareholder, you may count on the organization's financial strength and commitment.

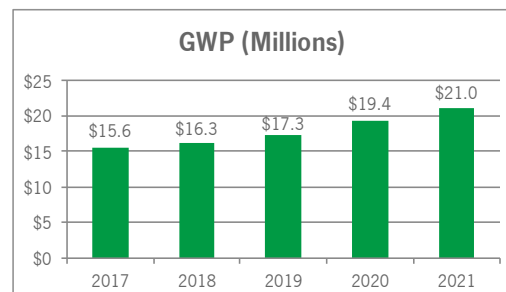
NAMICO was able to add nearly \$1.475 million to our Gross Written Premium bringing the total to about \$20.7 million. In other key metrics, NAMICO produced both an underwriting profit and a net income in 2021, of approximately \$332,000 and \$684,000, respectively. Surplus has grown to an all-time high of \$34.2 million. Based on the results of obtaining an underwriting profit in 2020 and 2021, we are hopeful A. M. Best will upgrade our rating from A with a negative outlook to A with a stable outlook later this year.

COVID Business interruption claims have slowed considerably, and recent court decisions have been generally positive. At the core of financial success for any insurance company is prudent underwriting and equitable claims handling; we are proud of both. Also, continuing education is vital to our core strength; the underwriting team now all have the RPLU and CPLP designations.

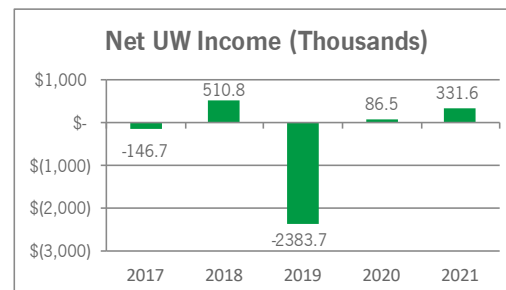
Finally, I wish to express gratitude for the support from the NAMIC membership, policyholders and members of the Pool, our reinsurance partners, and the NAMICO Board of Directors for the support I have received since taking office. To our leadership team and staff members, thank you for your dedication.

FINANCIAL REPORT (2021 DATA UNAUDITED)

ASSETS	2021	2020	% Change
Cash & Cash Equivalents	8,969,329	4,257,583	
Bonds	39,125,013	39,317,074	
Stocks	18,695,176	13,987,014	
Short Term Investments	23,332	15,018	
Agent Balances	2,703,278	2,618,204	
Federal Income Tax - Current	275,670	785,929	
Accrued Investment Income	265,811	281,895	
Other Assets	127,978	18,220	
Total Assets	70,185,586	61,280,937	15%

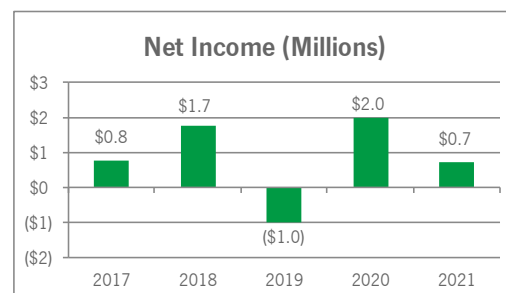


LIABILITIES AND SHAREHOLDERS' EQUITY	2021	2020	% Change
Reserve for Losses / Loss Adjustment Expenses	9,102,038	7,891,118	
Reserve for Unearned Premium	3,211,906	3,056,562	
Accrued Expenses & Other Liabilities	881,152	1,230,910	
Reinsurance Premiums Payable	194,820	80,400	
Federal Income Tax - Deferred	689,603	167,533	
Funds Held Under Reinsurance Treaties	21,857,014	17,597,547	
Provision for Reinsurance	-	-	
Total Liabilities	35,936,532	30,024,069	20%

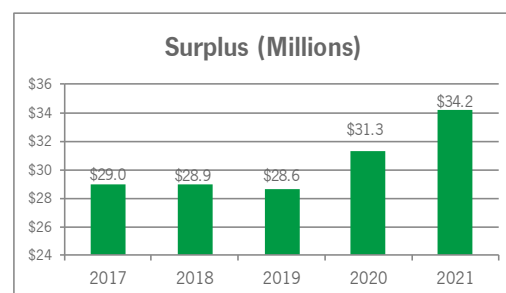


COMMON STOCK:

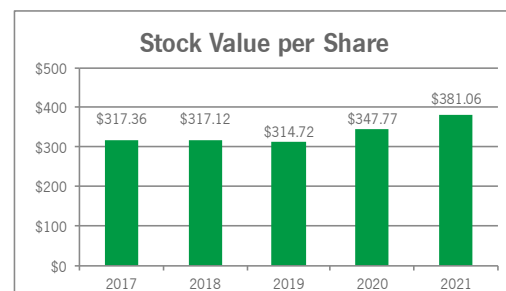
Class A stock	102,000	102,000	
Class B stock	4,481,829	4,481,829	
Unassigned surplus	29,665,225	26,673,039	
Total Shareholders Equity	34,249,054	31,256,868	10%
Total Liabilities & Shareholders Equity	70,185,586	61,280,937	15%



OPERATING RESULTS	2021	2020	% Change
Premiums Earned	6,688,542	5,898,880	
Losses and Loss Expenses Incurred	(4,195,314)	(3,960,675)	
Underwriting Expenses Incurred	(2,161,618)	(1,851,672)	
Underwriting Gain (Loss)	331,610	86,533	
Net Investment Income	473,371	565,757	
Realized Capital Gain (Loss) (pretax)	402,334	2,781,904	
Investment Return Credited to Reinsurance Pool	(279,081)	(1,040,778)	
Pretax Income (Loss)	928,234	2,393,416	
Federal Income Tax Expense (Income)	244,505	387,225	
Net Income (Loss)	683,729	2,006,191	NA



SUMMARY OF CAPITAL AND SURPLUS	2021	2020	% Change
Shareholders Equity - Beginning of Year	31,256,868	28,607,320	
Net Income (Loss)	683,729	2,006,191	
Change in Unrealized Capital Gains	1,995,578	(726,886)	
Change in Net Deferred Federal Income Tax	8,399	(10,448)	
Change in Non Admitted Assets	77,151	61,519	
Change in Common Stock & Paid In Capital	-	(334,325)	
Change in Pension Related Liabilities	227,329	(220,502)	
Change in Provision for Reinsurance	-	1,874,000	
Change in Shareholders Equity	2,992,186	2,649,548	
Shareholders' Equity - End of Year	34,249,054	31,256,868	10%



BOARD OF DIRECTORS

DIRECTORS

Neil S. Alldredge
NAMIC
Indianapolis, Indiana

Don H. Adams, CIC (Retired)
Bear River Mutual Insurance Company
Salt Lake City, Utah

Steven C. Couch, J.D.
Ohio Bar Liability Insurance Company
Columbus, Ohio

Patrick (Pat) J. Faga
Farmers Mutual Hail Ins. Co. of Iowa
West Des Moines, Iowa

Brad M. Fowler, CPCU, ARe, AIC
Cameron Mutual Insurance Company
Cameron, Missouri

Byron K. Long
Allegany Insurance Group
Cuba, New York

Tricia A. Mickley, CPA, PFMM
Frontier - Mt Carroll Mutual Insurance Company
Mount Carroll, Illinois

Eric P. Schmader, PFMM, FMDC
Farmers Mutual Fire Ins. Co. of Marble, PA
Marble, Pennsylvania

Tim D. Shauf
The Commonwell Mutual Insurance Group
Lindsay, Ontario, Canada

OFFICERS

Chair

Neil S. Alldredge
NAMIC

Assistant Corporate Secretary

Shannon J. Ollikainen
NAMIC

President & CEO

Jennifer M. Hamilton, Esq., RPLU+, CPLP
NAMICO

Vice President - Underwriting

Ted W. Doughman, CPCU, RPLU, AFSB
NAMICO

CFO & Treasurer

Thomas R. Kaehr, CPA
NAMICO

Vice President - Information Technology & Security

Brian J. Stanek, C | CISO
NAMICO

Corporate Secretary

Gregg A. Dykstra, J.D.
NAMIC

Vice President - Compliance and Product Development

Lisa E. Sladek, ACP, AINS, AIS, API, MCM, MLIS
NAMICO

