



# Annual Report

2020

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# President's Message

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**What a year!** 2020 was like a Salvador Dali painting—surreal. When COVID-19 hit the global stage in early March, our business changed overnight. We instituted a policy of remote working that continues today.

In September, we experienced devastating windstorms and wildfires that impacted members in Utah, Washington, and Oregon. We responded quickly and began the process of rebuilding homes and peace of mind. Our affiliation with Wildfire Defense Systems (WDS), a private wildfire mitigation firm, protected many homes that might have otherwise been lost. We are proud to continue offering this service to our members.

Investment markets in 2020 were a roller coaster ride—varying from extreme highs to drastic lows. Our conservative investment philosophy minimized the impact of these swings.

Despite these events, we achieved strong financial results. We produced a net income and added to our retained earnings, or equity. We saw a reduction in claims and as a result we were able to provide COVID-19 credits to our members' premiums at their renewals that will continue into 2021. However, our premium growth suffered due to the economic impact of the pandemic and was less than 1%.

Our capital adequacy, which reflects our claims paying ability, remains strong. Our stellar financial ratings illustrate our balance sheet strength and our commitment to making sure we will be there for members when bad things happen.

We are proud of our many accomplishments over the last year.

Some of these include:

- Our associates pivoted to working remotely without any reduction in the quality of services provided to our members, and deserve immense credit for adapting so quickly.
- We provided financial support to local healthcare workers and food banks across our region, and we donated our Enumclaw parking lot for use as a COVID-19 testing site.
- *Seattle Business* magazine named us one of Washington's 100 Best Companies to Work For, for the ninth straight year.
- We began providing coverage in Wyoming, our seventh state.

As we enter our 124th year of operations, we continue to improve our services with a blend of respect for our past legacy while embracing the future in a rapidly changing world. What hasn't changed are our core values that we live every day. We are:

**Ethical:** We do what's right.

**Responsive:** Speed and competency build trust.

**Personal:** Positive and memorable customer service begins with a personal touch.

**Efficient:** We continually improve what we do every day.

Thank you for being a member as we work to build a company that thrives well beyond our lifetimes. Best wishes for a safe and prosperous 2021.

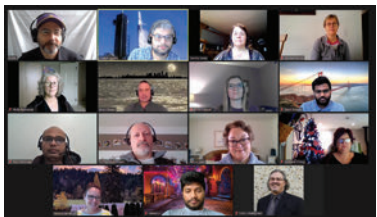
**Eric Nelson, CPCU, ARP**  
*President and CEO*



# Resilience in Action

The past year confronted us with a series of unique challenges. We handled them the way we always have—by working together and looking out for one another.

For us that has meant actively participating in the communities we serve, standing alongside our members. Being prepared, so unexpected twists and turns have less of an impact. And keeping our mutual company measurably strong, so we're able to support our members when they need it most. Through a year of storms, fires, economic adversity, and pandemic uncertainty, we were there—with unwavering strength and resilience.



# Our Local Presence

Here are a few of the many places we actively supported in our local communities this year.

Needs Inc. Food Pantry  
Wyoming

Gallatin Valley Food Bank  
Montana

Community Food Basket  
Idaho

Buckley Kiwanis Food Bank  
St. Elizabeth Hospital  
The Herbfarm Farm to Frontline Meals  
King County Public Health  
Washington

Oregon Food Bank  
Rogue Valley Humane Society  
Oregon

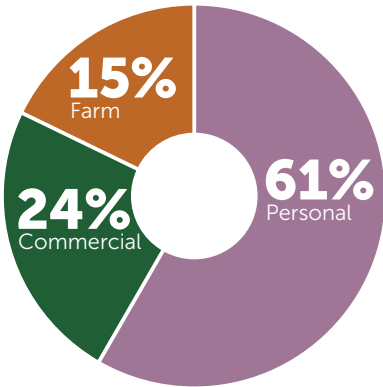
Utah Food Bank  
Utah

St. Mary's Food Bank  
Arizona

# 2020 Financials

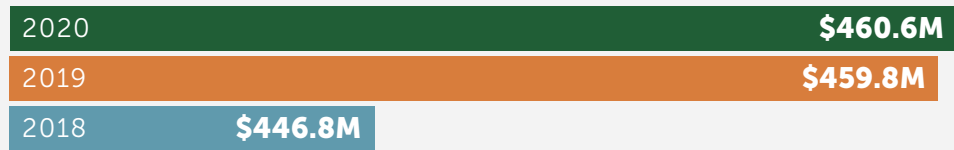
## Premiums Written by Line of Business

Premiums were spread by risk type between personal (61%), commercial (24%), and farm (15%). Total policy count was 200,484.



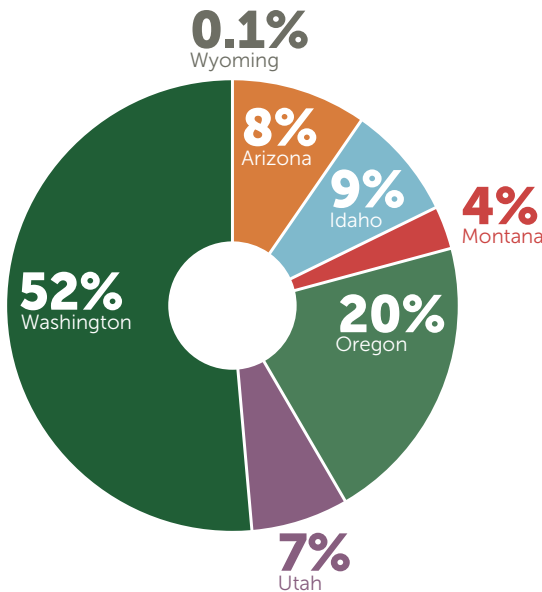
## Premiums Written by Year

Due to the pandemic, premium writing was static for the year and totaled \$460.6 million. We also provided a COVID-19 Recovery Credit to offset the impacts of the pandemic.



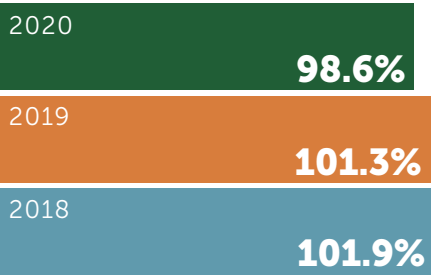
## Premiums Written by State

We began writing policies in Wyoming, our seventh state. Expanding our geographic footprint allows us to weather risks while remaining nimble to serve members.

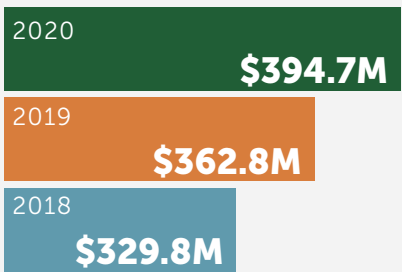


## Combined Ratio

This is the sum of our loss ratio and expense ratio, and measures our underwriting profitability. Results under 100% indicate an underwriting profit. We posted a 98.6% combined ratio for 2020 despite the year's many challenges.



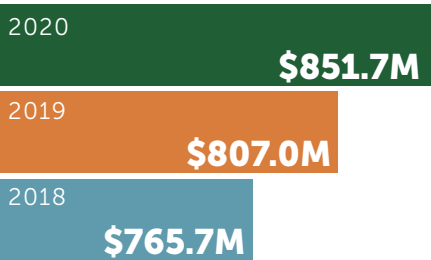
## Equity



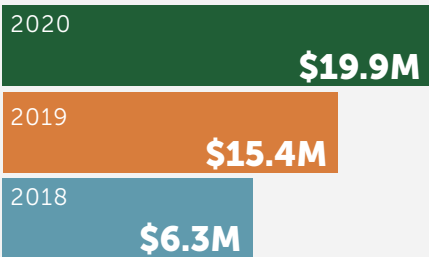
Equity represents retained earnings, and measures our financial strength and capacity to write new business. Our equity grew by 8.8% during 2020, ending at a robust \$394.7 million.

## Total Assets

This is a measure of our resources that provide future benefits. Total assets grew by 5.5% and ended the year at \$851.7 million. Our long-term, conservative investment approach allowed us to weather volatile markets.



## Net Income



This is a measure of our overall profitability after claims handling, operations, investment returns, and federal income. Net income rose to \$19.9 million for 2020 driven by positive underwriting results and contributed to equity growth.

# Recognition & Ratings

Washington's 100 Best  
Companies to Work For  
*Seattle Business* magazine



Top 5 Carrier  
ValChoice



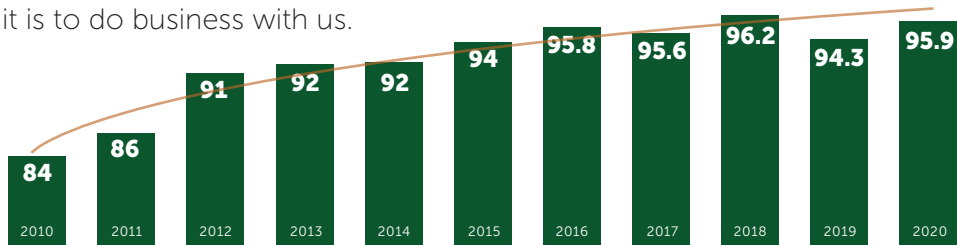
A- Excellent  
with a Stable Outlook  
AM Best



A' (A Prime) Unsurpassed  
Demotech, Inc.

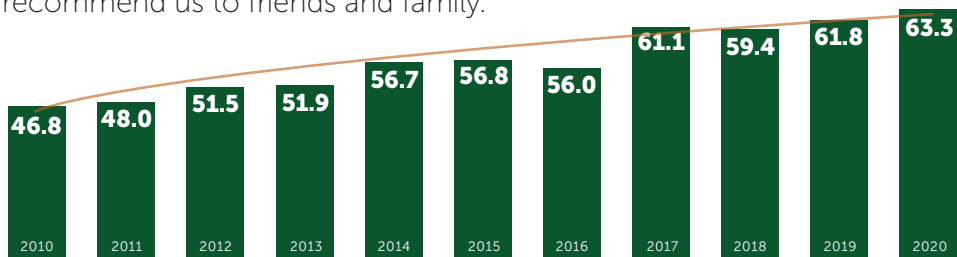
## Deep Customer Connections (DCC)

Measures how easy our independent agents believe it is to do business with us.



## Net Promoter Score (NPS)

Measures how likely our members are to recommend us to friends and family.



# Board Members

T. Andrew Fujimoto, SHRM, SPBA  
Chair  
Retired Executive

Kerry Barnett  
Director  
President & CEO, SAIF

Anthony Baruffi, CFA  
Director  
VP, Garde Capital

Laurinda Mackenzie  
Director  
Retired Executive

Eric Nelson, CPCU, ARP  
Director  
President & CEO, Mutual of Enumclaw

S. Mae Fujita Numata, CPA  
Director  
Founder, Numata Consulting PLLC

Eileen O'Neill Odum  
Director  
Retired Executive

Don Powell  
Director  
Attorney at Law, Powell & Gunter

Jane Repensek, CPA, MBA  
Director  
COO/CFO, Seattle Opera

Norman Smith  
Director  
Senior Fellow, M.J. Murdock Charitable Trust

David Waldo  
Director  
President & CEO, Field-Waldo Insurance

# Executive Members

Eric Nelson, CPCU, ARP  
President & CEO

Alice Cameron, CPCU  
VP, Personal Lines

Andrew Chen, CPA, MBA  
CFO & VP, Financial Services

Jeff Gardner  
VP, Marketing & Sales

Michelle Pray  
VP, Commercial Lines, Farm & Ranch

Athan Shinas  
General Counsel & Corporate Secretary

Tom Taylor, CIA, MBA  
Chief Risk Officer

Sandy Williams, SPHR, SHRM-SCP  
VP, Administration

David Wilson, MBA  
CIO & VP, Information Technology

Michele Wyatt  
COO & VP, Claims



## Our Mission

Thoughtful people  
protecting members'  
financial security.

## Our Vision

Delivering a rare and valuable  
experience across America for  
generations to come.

## Our Purpose

To build a 500 year-old  
company.

## Our Quality Standards

These are the principles that guide  
us in all we do:

### Ethical

We do what's right.

### Responsive

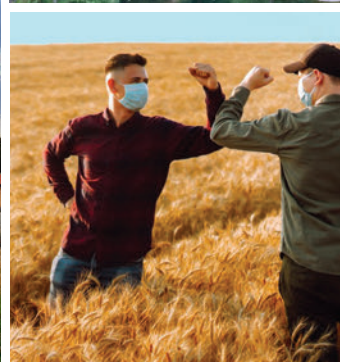
Speed and competency build trust.

### Personal

Positive and memorable customer service  
begins with a personal touch.

### Efficient

We continually improve what we  
do every day.







Serving communities throughout:  
Washington • Oregon • Idaho • Utah • Arizona • Montana • Wyoming

The home office of Mutual of Enumclaw Insurance Company and  
Enumclaw Property & Casualty Insurance Company is located at  
1460 Wells Street, Enumclaw, Washington 98022

[www.mutualofenumclaw.com](http://www.mutualofenumclaw.com)

