



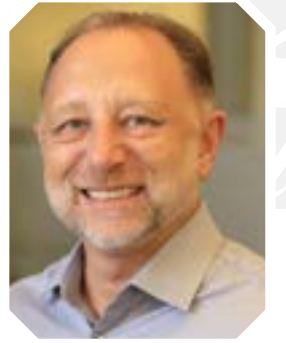
DIAMONDS *in the* ROUGH

PARTNERSHIPS WITHSTANDING
THE PRESSURES OF OUR TIME

Highlights

- 1 President's Letter
- 2 Gems of 2023
- 4 Commercial and Ag: Dazzling Results With Our Partners
- 5 Personal Lines: Individual Solutions
- 6 Financial Results
- 7 Systems & Automation
- 8 Clear-Cut Partners in Success
- 10 Claims: A Shining Example
- 12 Polishing the Best Talent in the Industry
- 14 CIG's Leaders From A-Z
- 16 A Brilliant Future Ahead

Recognizing Value



On multiple occasions and in several communications, I have shared that 2023 was the busiest year of my career. Internally, this activity stemmed from a continual stream of initiatives with rigid deadlines requiring prompt action across CIG. Externally, industry actions caused tremendous impact as we worked hard to remain a stable market. CIG has not been immune to the influences impacting our competitors.

These combined internal and external impacts created ramifications beyond our walls, resulting in actions we wish hadn't been necessary. We worked diligently to communicate openly and often to ensure that all parties could manage their worlds effectively.

The bottom line is that I would categorize 2023 as a year that was rough. Fortunately, this is not the only description for 2023.

We delivered initiatives that introduced improved capabilities that will enable future success. One such initiative was implementing a new claims system with the Guidewire ClaimsCenter SaaS cloud-based platform. This is a significant accomplishment, giving us the confidence to move our policy administration and billing platforms to the cloud. With these upgrades, CIG is positioned alongside or ahead of many of our competitors' technology infrastructures.

Despite some lengthy approval time frames, we also implemented rate changes that enabled CIG's continued sustainability as a market for you and your teams. With the recent expansion of our BOP product in most states, you will see opportunities to write more classes of business with us. We currently have several filings pending with the various Departments of Insurance, and our Product and Actuarial teams are diligently responding to gain the necessary approvals.

Undoubtedly, these accomplishments and outcomes are excellent. However, two additional events in 2023 put exclamation points on these results. CIG was again named a Great Place to Work®, with our overall score rising for a second year in a row. This recognition reflects increased engagement across all our teams and is enabling better outcomes for all of CIG's endeavors. Additionally, AM Best affirmed our Financial Strength Rating of A with a stable outlook. Being a long-term stable carrier for our agents is paramount for us. This affirmation, coupled with our outstanding Auto-Owners affiliation, reinforces confidence that we will be a market for the long haul.

All of this is wonderful in its own right. But, when the books closed on 2023, we were excited to report a 97.9% combined ratio, a record-setting direct premium volume over \$567 million (+13.5%), and a highest ever policyholder surplus over \$411 million (+8.5%). When great partnerships work together, great results follow. You will find more financial details within this report.

Even though 2023 might have been a rough year, I hope you can see we were able to discover a few diamonds. This year's Annual Report theme, Diamonds in the Rough, clearly reflects those precious gems and how we can make them shine even brighter in the years to come. We genuinely believe there are many bright spots ahead of us — most notable of these are our amazing agency partnerships. Couple those with a dedicated team that is ready to deliver, and our futures will be dazzling.

I hope you enjoy this year's Annual Report and recognize how many diamonds sparkled in 2023.

A handwritten signature in black ink that reads "Andrew J. Doll". The signature is fluid and cursive.

Andrew J. Doll
President & CEO

Gems of 2023

Celebrating 125 Years of Protecting and Restoring the West

Our story began on April 4, 1898, when the population of California was around 1.2 million. Over the next century, CIG expanded throughout the Golden State, insuring the lives and livelihoods of policyholders from the Mojave Desert to Humboldt County. In the early 2000s we began broadening our borders to include Nevada, Arizona, Oregon, and Washington, and we are proud to have a strong foothold in all five of our operating states. No one knows the West like CIG.

Our independent agents have helped us develop and grow, keeping us in business through mergers and natural disasters. One of the features of CIG that sets us apart in the industry is our commitment to and the strength of our independent agency partners.

Thank you!



Aligning With Our Goals Through Core Values

2023 was a milestone year for another reason. Our employees came together to craft our core values. CIG is proud of who we are, our culture, and how that translates to our partnerships. By acting with integrity, prioritizing people, and working together while keeping our eyes fixed on our customers' success, we will succeed in meeting our most ambitious goals.



CIG team members working with a local food bank

Do What's Right

We must put ourselves in each other's shoes and do what's right for our customers, employees, and community — even when no one is watching.

Put People at the Center of Everything We Do

We build and foster strong relationships — with our customers, employees, and communities — based on trust, respect, and transparency.

Embrace Collaboration/Win as a Team

We celebrate our differences and bring our individual strengths to achieve extraordinary things and ensure we all succeed together.

Focus on the Customer

We keep our customers top of mind in everything we do and aim to exceed their expectations. Their success is our success.

Achieve Results

We set high goals and hold ourselves accountable to deliver exceptional products and interactions that create a safer world where dreams soar.

Participating in a river cleanup



Commercial & AG

Dazzling Results With Our Partners

While the last year presented several challenges in the industry, CIG was able to grow our own portfolio and support the growth of many of our partners. We made several enhancements to reflect the brilliant work our teams do, including delegating more authority to our underwriters to manage accounts. Updating our approach truly helped our capable team shine. Learn about the outcomes of this shift and CIG's Commercial and Ag Lines' 2023 results from our directors below.

– **Kevin Okelberry**, VP & Chief Underwriting Officer

Achieving Results in Commercial Lines

Last year CIG established the five core values that will guide us to our long-term strategic goal. Because we embraced these values, the Commercial Lines results were simply phenomenal:

- ◆ \$51M in new business
- ◆ 93% of written premium retained
- ◆ 88% of policies retained

All regions contributed to these results. In fact, every region achieved double-digit growth. We also saw significant growth within our key accounts, driven by a process we continue to refine and polish to meet our customer needs. We continue to seek ways to build upon all our Commercial Lines products so we can better serve our primary customer: our agency partners. These results are not possible without you.

– **Victor Foggie**, Director - Field Operations

“[My claim representative] was extremely knowledgeable, courteous, timely, professional, and respectful. He was also very customer service oriented. I am so glad that I am a CIG customer and I always tell my associates what a great company CIG is.”

– **J. Arnett**, Homeowner

Creative Solutions in Ag Lines

The 2023 insurance marketplace saw restrictions in capacity that resulted in major constraints and limited options for agents and Ag clients. Fortunately, our underwriters and agents worked together to provide creative solutions for growth.

The goal for 2023 was simple: look at accounts on a terms-and-conditions basis to offer products that consistently benefit all parties. The results were pretty impressive:

- ◆ 70% growth in active Ag agents
- ◆ Premium growth surpassed \$50M for the first time, expanding from \$43M to \$54M in 2023
- ◆ 94% of written premium retained

As we look to 2024, our goal is to grow with all our Ag partners by writing more of those diamonds you present to us and continuing to collaborate with our current customers.

– **Dustin Lewis**, Director - Agribusiness Underwriting



Personal Lines – Individual Solutions

It wouldn't be an exaggeration to say that the Personal Lines business faced a rough environment throughout 2023. The year presented new challenges to our agency partners, especially those in California. The industry landscape changed considerably due to slow rate change approvals and large insurers pulling out of the West. We also saw record rainfall in the beginning of the year, followed by wildfires in regions less familiar with the risk.

As a result of these external variables, our team's service levels were impacted, giving us reason to modify our approach. We pushed for close collaboration between teams within the company, adding checks and balances throughout our underwriting process. Despite these significant hurdles, our agency partners and Personal Lines staff worked together to unearth gems and deliver a record-setting year. Together we achieved:

- ◆ \$20.6M of new premium
- ◆ 13% growth in new policies
- ◆ Over 90% premium retention rate

We are extremely proud of these numbers. They reflect the trust and cooperation exercised by both agents and employees. We appreciate the patience of our partners in the face of challenge and recognize the strain this past year has put on independent agencies. We want to reinforce our commitment to helping them withstand the current insurance environment and to growing their revenue for years to come.

– **Scott Cummins**, AVP - Personal Lines

Financial Results For the 12 Months Ended December

Years ended December 31: (dollars in thousands)	2021	2022	2023	YOY Change	YOY Percentage Change
Operating Results:					
Gross premiums written	\$447,412	\$499,072	\$567,263	\$68,191	13.7%
Net premiums written	\$429,846	\$472,598	\$536,165	\$63,567	13.5%
Net premiums earned	\$422,420	\$440,048	\$501,323	\$61,276	13.9%
Net underwriting gain (loss)	\$10,130	\$4,094	\$(775)	\$(4,869)	-118.9%
Net income before taxes	\$34,802	\$30,873	\$32,909	\$2,036	6.6%
Balance Sheet (month-end):					
Total assets	\$1,063,358	\$1,125,965	\$1,211,191	\$85,226	7.6%
Total liabilities	\$699,871	\$747,057	\$800,105	\$53,048	7.1%
Shareholders' equity	\$363,487	\$378,908	\$411,086	\$32,178	8.5%
Key Metrics:					
Loss & loss adjustment expenses ratio	63.7%	64.0%	66.0%	2.0%	3.1%
Expense ratio	33.3%	32.6%	31.8%	-0.8%	-2.5%
P&C combined ratio	97.0%	96.7%	97.9%	1.2%	1.2%

CIG Policies in Force (PIF)

Actual PIF Number	As of 30-Jun-2022	As of 31-Dec-2022	As of 31-Dec-2023
Personal Lines	105,466	104,075	108,929
Commercial Lines	21,423	21,563	22,104
Ag Lines	6,858	6,859	7,118
CIG Total:	133,747	132,497	138,151

Results by State

	Direct Written Premium	New Business	New Business Growth
Arizona	\$33,251,878	\$6,825,395	-35.65%
California	\$404,877,262	\$48,630,873	28.29%
Nevada	\$25,747,669	\$5,178,248	57.38%
Oregon	\$27,326,211	\$5,087,745	69.99%
Washington	\$76,170,633	\$14,479,962	53.77%
Total:	\$567,373,652	\$80,202,223	24.90%

Systems & Automation

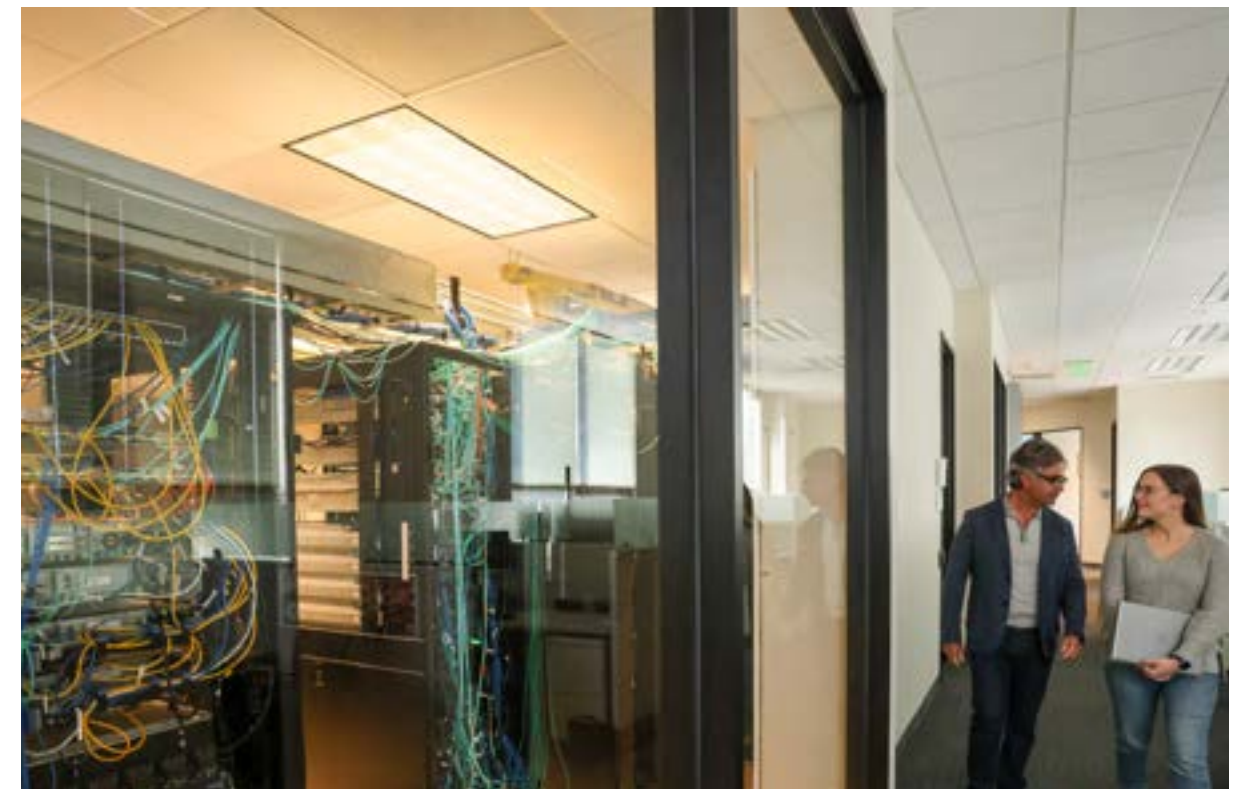
To Improve Your Processes

If 2023 taught us anything, it was that the best laid plans can sometimes crumble in a challenging regulatory environment. Despite this, CIG's Information and Technology team completed a large volume of strategic projects.

We finished our company-wide Guidewire upgrade in the second quarter of the year, which enabled us to launch the ClaimCenter SaaS platform. Additionally, we released the second phase of our Businessowner's Policy, extending our products to a wider audience. These projects were major undertakings that required collaboration and contributions from teams across the company. Our dedicated staff spent the last eight months of the year working on getting CIG's PolicyCenter and BillingCenter products ready to join ClaimCenter in the cloud. These enhancements will improve our ability to deliver products and rates more efficiently than ever before.

Moving forward, we will continue to focus our attention on producing projects that provide the most user-friendly experience for our agency partners and insureds. We aim to adapt even more quickly to changing market conditions thanks to the foundational work we put in place in 2023. Best-in-class technology that delivers industry-leading products will enable CIG to be the most valued carrier for independent agents and policyholders.

– Michael Ackerman, VP & Chief Information Officer



Clear-Cut

PARTNERS IN SUCCESS



"My experience with the CIG sales process is amazing. [They are] very efficient and unique in their methodology. It helps us avoid a lot of back and forth and this process sets up my team and us for success."

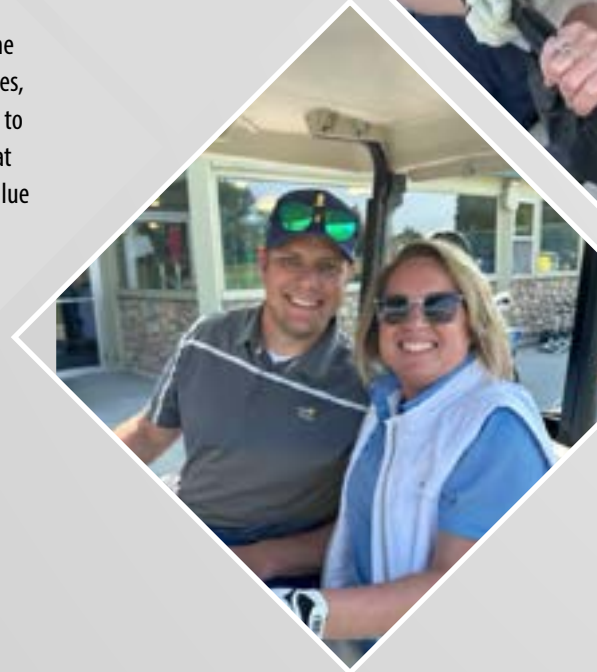
Khaiser Syed
President, Syed Insurance

"Our partnership with CIG is more than transactional. It's two organizations caring, supporting, and working together in the good times and the challenging times. Our CIG partnership encompasses resources, expertise, and knowledge. It is a relationship that works due to the great communication our offices have with each other at every level – management to processing. And one that we value and work to protect."

Lisa Isom
Owner & President,
Assurance Risk Managers Inc.

"Zarosinski-Leavitt Insurance Agency is committed to strengthening our relationship with CIG as we navigate the current marketplace. Alignment with CIG enables our agency to serve our clients to the best of our ability. Our relationship with CIG is one of the foundation blocks of our strategy to provide knowledgeable guidance and assurances to consumers. CIG provides strong guidance and performance as a partner with our agency."

Rick Zarosinski
Senior Vice President,
Zarosinski-Leavitt



"Our experience with CIG has been so positive, especially in the midst of the challenges in the insurance marketplace. Building strong and dynamic relationships with a strong carrier is indeed crucial in navigating such an environment.

It's evident that CIG has excelled in communication, provided access to company leaders and assembled an effective team that has contributed to our best year yet."

John Berryman
President, Palos Verdes

"CIG has been a phenomenal insurance carrier for Gallagher in San Diego. Through the numerous challenges faced in 2023, time and again, CIG stepped up to help our clients manage risk and solve complex problems. We look forward to continuing to help clients with their risk management and insurance needs with great companies like CIG."

Tyler LaMantia
Area President, San Diego
Gallagher & Co. Insurance Brokers

"During this challenging insurance marketplace, it is imperative that we have strong and dynamic relationships with our carriers. CIG has been superior, even with the challenges of the market, in communication, access to company leaders, and assembling a great team to work with. We have had our best year with CIG because they have partnered with us, from the top leadership to the underwriting teams and the excellent marketing rep. It makes doing business with CIG a real pleasure! We look forward to continuing to grow our relationship!!
Thank you, CIG!"

Michael Herschbach
Agency Manager & Producer,
Comstock



Claims

A Shining Example

For Claims, the year came in like a lion and out like a lamb. January started off with significant storms across California that allowed CIG's Claims staff to shine. In the face of worst-case scenarios, we did what we do best: servicing our insureds and partnering with our agents to deliver the promises sold in our policies. By staying true to this sentiment, our year-end numbers were exceptional:

- ◆ 12,947 claims closed with a closing ratio of 99.6%
- ◆ 13k new claims
- ◆ \$18.6M in subrogation

In addition to handling claims, CIG successfully launched the new Guidewire ClaimCenter platform. This new system implementation will make it easier for agency partners and policyholders to do business with us. The platform provides streamlined interactions while also setting the stage for self-service opportunities in the future.

2023 was an excellent year for the Claims department. We had many internal promotions, graduated another class of trainees, refined and revised the Key Accounts Program — all while partnering with our agents to provide the best possible service to our policyholders. As we continue to enhance and polish, we look forward to the diamonds that will emerge in 2024.

– **Cynthia Mehrtens**, VP & Chief Claims Officer

99.6%
Closing Ratio

“The adjuster handled [our claim] very professionally and in a timely manner. I was very pleased with her caring help!”

– **F. Stratton, Auto Owner**

“I don’t see how this could have gone better. Now the challenge is to get the roofer scheduled. That will probably take five times longer than it took CIG on this claim. Thank you!”

– **G. Tatarian, Homeowner**



Polishing the Best Talent in the Industry

At CIG, we aim to provide an enhanced, personal experience to our agents and policyholders by fostering fantastic talent. To do this, we have encouraged our employees to polish their existing skills and cross-train in new areas to grow their talents and truly shine. Our 2023 focus was training staff to be multifaceted and adaptable by providing them with a broad range of experiences. In doing so, CIG's talent base will have knowledge of and familiarity with various areas of the business to not only further our goals but those of our agency partners.

Also noteworthy in 2023 was our successful intern program with 16 individuals across multiple departments, five of whom were hired full-time. They gained real-world experience in the insurance industry and learned the way CIG does business. We hope to further develop our training programs to continue cultivating a brilliant group of new insurance professionals.

We also defined our new core values as a company last year with the input of employees across the company. It was imperative to have everyone who wanted to use their voice contribute to this update and express how we see ourselves as a company. As a result, our values truly reflect that our passion drives our goals, and we hope our agency partners can feel it.

– Tammy Ebnet, AVP – Human Resources

The CIG family always finds time for fun, whether it's volunteering for a good cause, competing as a team or just getting a little silly with an in-house disco party.



CIG's Leaders From A-Z

Andrew J. Doll
President & Chief Executive Officer



The bedrock of CIG is Andrew Doll, President & CEO. He believes that open communication and broad collaboration across the company are the keys for CIG to surpass its goals. At home, his wife, their six children, and their four grandchildren are the light of his world.

Michael Ackerman
Vice President & Chief Information Officer



Michael is the gatekeeper to all information services. His philosophy is to create an integrated and transparent flow of information throughout the company with security and systems that allow CIG to focus on the business of insurance, enabling growth with profit. Michael is also a father, husband, brother, and friend. His true joy is being a role model and raising his two daughters and son with his wife of 24 years.

Scott Cummins,
Assistant Vice President – Personal Lines



Scott leads CIG's Personal Lines division, where he has realized the need to add sizzle to the department. To him, sizzle means being more present in our ability to support our agents and policyholders.

Tammy Ebnet
Assistant Vice President – Human Resources



Tammy leads CIG's Human Resources and Facilities department. From talent acquisition to leadership development, safety, and security, Tammy and her team strive to ensure all CIG employees feel welcome and safe. In her free time, she enjoys horses, motorcycles, hiking, sitting on her porch, and cooking for others (the more the merrier).

John La Porta
Assistant Vice President – Sales & Marketing



As CIG's Sales & Marketing leader, John is the architect for building partnerships between our field staff and our independent agencies. Our team's commitment to building lasting relationships with our agencies sets us apart from other carriers. John believes that when our partners succeed, we succeed.

Cynthia Mehrtens
Vice President & Chief Claims Officer



Cynthia is the head of the Claims department that delivers on the promise we make to our policyholders. She also has the honor of working with, training, and developing over 100 employees, encouraging growth in their careers.

Kurt Morgan
Assistant Vice President – Strategy & Innovation



At the helm of the Strategy & Innovation department is Kurt Morgan. He and his team are the force behind the Key Strategic Initiatives (KSIs) and operational solutions that help make CIG successful and strengthen our relationships with agents and policyholders.

Daniel Moskala
Assistant Vice President & Chief Actuary



As the leader of the Actuarial & Analytics teams, Daniel is responsible for the pricing of our products and ensuring adequate reserves. His group also provides actionable analytics and insights to teams throughout the organization. He is a firm believer that consistently doing things well produces good results.

Kevin Okelberry
Vice President & Chief Underwriting Officer



The business leader for CIG's underwriting, product, risk assessment, and client services functions is Kevin Okelberry. The vision of seeing CIG surpass its goals drives him to be the best leader possible. Outside of work, Kevin is a traveler who explores many destinations; though, nothing can come close to the love of his wife and three children.

Robert Zic
Assistant Vice President & Chief Financial Officer & Treasurer



Robert leads the accounting, financial reporting, and treasury functions at CIG. Rob is the financial steward responsible for protecting the long-term assets of the organization through a commitment to ethical, prudent, and strategic decision-making. Each of CIG's core values resonates with Rob and guides him through his work and personal life.

Directors

Debbie Belardes
Director – UW Services

Victor Foggie
Director – Field Operations

Ernest Guerra
Director – Property CAT & Large Loss

Eric Hartwell
Director – Claims Operations

Pauleen Hepner
Regional Field Executive – Northern CA

Martin Ighani
Director – Claims Counsel

Dustin Lewis
Director – Agribusiness Underwriting

Tom Nowell
Regional Field Executive – Southwest

Bruce Ostrem
Regional Field Executive – Southern CA

Juliet Schade
Director – Property

Kenneth Stewart
Director – UW Development & Audit

Laura Teasdale
Director – Claims Casualty

Vanessa Toureau
Director – Claims Casualty

Patrick Tzou
Director – Application Development

Jennifer Wagner
Regional Field Executive – Northwest

A BRILLIANT FUTURE

Ahead

CIG opened the year full of excitement as we celebrated our 125th year as a carrier. 2023 also presented a different kind of excitement in the form of unexpected challenges and opportunities. Nonetheless we adapted, persevered, and even thrived through the highs and lows to complete a successful year, thanks to the incredible efforts of our dedicated employees and partners. The rough patches we collectively faced provided valuable lessons that we will carry forward.

Moving ahead, we will plan for what we can and leave space to adapt to what we cannot predict. As a company, we will follow our values and do what's right while putting people at the center of everything we do. By embracing collaboration, we can win as a team and keep our focus on you, our customers, to achieve incredible results together.

As always, our agency partners are our priority, and we are continually looking for ways to improve your experiences. Together, we have mined the depths and resurfaced with diamonds, which will shine even brighter as we build strong partnerships over the next hundred or more years to come.





CIGinsurance.com