

2022 ANNUAL REPORT



Our “Tomorrow. Imagine That.” tagline has never resonated more. When we first launched the tagline in 2017, we wanted a phrase encompassing how we strive to provide our members the peace of mind that allows them to imagine the limitless potential of tomorrow. That still rings true today, although it also signifies confidence, optimism, and resilience in the current economic, political, and legal environment. We will continue to look into the future to offer the coverages and risk mitigation practices needed to protect your business and career so that you can focus on day-to-day operations. We’ve got you covered.

Over the past few years, knowing that most of our members were essential workers and businesses dealing with the pandemic, we attempted to avoid rate increases despite the evidence of rising inflation, severe weather, and industrywide adverse legal decisions. Unfortunately, as the accompanying financial data shows, the result was a large net loss and surplus reduction during 2022.

The A.M. Best Co., which provides an independent opinion of an insurance company’s ability to meet obligations to policyholders, continues to give Pharmacists Mutual an “A” (Excellent) rating. The company and its subsidiary Chiron Insurance Company write over 80,000 policies for over 60,000 members. Our agency subsidiary, PMC Advantage Insurance Services, Inc., provides thousands of additional policies to members of Pharmacists Mutual. Our employees also named Pharmacists Mutual a winner of the Iowa 2022 Top Workplaces Award, an honor we have achieved for six consecutive years.

For 114 years, we have helped people. While we continue imagining tomorrow, we will recommit ourselves to serving you and honoring the promises contained in the policies we issue. Thank you for your membership with Pharmacists Mutual.

Edward J. Yorty
FCAS, FSA, MAAA, MSFIN
President & CEO

MEMBER SURVEY RESULTS 2022

4.5 Overall Policy Service
4.5 out of 5

4.6 Overall Claims Service
4.6 out of 5

Member Claims
Service Contact

99.4%
8-hr Response Rating

BOARD OF DIRECTORS

Donnie R. Calhoun, R.Ph.
Felix Gallagher, PharmD.
Jonathan C. Grether, MSIM, CPCU, CIC, CRM, ARe, AAM
Kirk M. Hayes, CPCU
Holly Whitcomb Henry, R.Ph.
F. Michael James, R.Ph.
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Randall S. Myers, R.Ph.
Kelly S. Selby, R.Ph.
Steven T. Simenson, R.Ph.
Susan L. Sutter, R.Ph.
Edward J. Yorty, MSFin, FCAS, FSA, MAAA

EXECUTIVE TEAM

Edward J. Yorty, MSFin, FCAS, FSA, MAAA, President, Chief Executive Officer
William S. Hedges, MSF, Chief Financial Officer, Treasurer
Shirley A. Pierson, CISR, AU, CPCU, Chief Operating Officer
Steven M. Hoskins, CLU, Sr. Vice President Agency Operations
Peter E. Lambert, CPCU, Sr. Vice President Claims
Don R. McGuire, Jr., R. Ph., J.D., General Counsel, Secretary, Sr. Vice President Risk Management & Compliance
Brian J. Rakers, CPA, CLU, Sr. Vice President Sales
Derrick D. Shannon, FCAS, FSA, MAAA, CPCU, API, AIM, Chief Actuary, Sr. Vice President Personal Insurance
Alison A. VanOtterloo, CPA, CPCU, ARe, CIA, AIAF, MAcc, Sr. Vice President Commercial and Professional Insurance

STATEMENT OF CONDITION

PHARMACISTS MUTUAL INSURANCE COMPANY FINANCIAL HIGHLIGHTS

Assets	2021	2022
Cash & Short-Term Investments	10,871,217	8,008,770
Bonds	262,889,110	261,512,727
Stocks	37,348,895	28,851,326
Subsidiaries	14,390,388	14,901,722
Real Estate	24,508,284	25,305,192
Other Investments	11,276,897	9,387,112
Premiums Receivable	57,388,129	56,972,481
Deferred Taxes	7,440,905	8,433,000
Other Resources	14,439,567	15,974,740
Total Assets	440,553,392	429,347,070
Liabilities & Policyowners Surplus		
Estimate for Losses & Adjusting	142,326,919	179,232,260
Unearned Premiums	72,409,295	76,275,704
Accrued Expenses & Taxes	48,856,948	39,646,836
Dividends Payable	337,139	203,739
Total Liabilities	263,930,301	295,358,539
Policyowners Surplus	176,623,091	133,988,531
Total Liabilities & Policyowners Surplus	440,553,392	429,347,070
Income Statement & Change in Surplus		
Net Premiums Earned	141,140,593	147,105,036
Loss & Adjusting Incurred	95,781,902	142,586,315
Underwriting Expenses	43,527,947	54,507,861
Underwriting Income	1,830,744	(49,989,140)
Investment Income	7,080,730	4,283,282
Realized Capital Gains (Losses)	2,427,236	(662,471)
Other Income (Expense)	14,746	705,265
Dividends to Policyowners	413,307	63,810
Federal Income Tax	1,157,868	(1,731,667)
Net Income (Loss)	9,782,281	(43,995,207)
Unrealized Capital Gains (Losses)	(1,360,954)	(9,130,792)
Surplus Notes Issued	-	-
Other Changes to Surplus	(3,990,794)	10,491,438
Change in Surplus	4,430,533	(42,634,561)

PHARMACISTS MUTUAL INSURANCE GROUP CONSOLIDATED RESULTS

Assets	2021	2022
Cash & Short-Term Investments	12,328,764	8,734,260
Bonds	278,074,803	278,085,359
Stocks	37,348,895	28,851,326
Subsidiaries	(520,939)	(187,603)
Real Estate	24,508,284	25,305,192
Other Investments	11,384,055	9,387,112
Premiums Receivable	63,501,012	60,992,521
Deferred Taxes	5,538,000	8,693,992
Other Resources	17,104,055	15,661,495
Total Assets	449,266,929	435,523,654
Liabilities & Policyowners Surplus		
Estimate for Losses & Adjusting	142,886,855	180,258,720
Unearned Premiums	78,912,025	80,612,842
Accrued Expenses & Taxes	50,507,819	40,459,822
Dividends Payable	337,139	203,739
Total Liabilities	272,643,838	301,535,123
Policyowners Surplus	176,623,091	133,988,531
Total Liabilities & Policyowners Surplus	449,266,929	435,523,654
Income Statement & Change in Surplus		
Net Premiums Earned	141,931,649	148,093,968
Commission Revenue	3,243,979	3,495,997
Other Income (Expense)	(454,421)	584,966
Total Operating Revenue	144,721,207	152,174,931
Investment Income	4,415,914	4,185,257
Realized Capital Gains (Losses)	3,393,488	(700,993)
Total Investment Income	7,809,402	3,484,264
Benefits/Claims	96,430,537	143,658,529
Operating Expenses	48,714,247	57,307,068
Dividends to Policyholders	413,307	63,810
Total Expenses	145,558,091	201,029,407
Net Income Before Tax	6,972,518	(45,370,212)
Federal Income Tax Incurred	1,321,543	(1,626,294)
Net Income (Loss)	5,650,975	(43,743,918)
Unrealized Capital Gains (Losses)	2,395,464	(9,308,790)
Surplus Notes Issued	-	-
Other Changes to Surplus	(3,615,907)	10,418,147
Change in Surplus	4,430,532	(42,634,561)

Pharmacists Mutual Insurance Company

	2020	2021	2022
Total Assets	418,748,947	440,553,392	429,347,070
Direct Premiums Written	181,194,674	174,370,483	180,877,042
Policyowner's Surplus	172,192,558	176,623,091	133,988,531

Pharmacists Mutual Insurance Group - Consolidated Results

	2020	2021	2022
Total Assets	419,076,993	449,266,929	435,523,654
Total Revenue Before Reinsurance	190,853,851	191,016,222	193,292,570
Policyowner's Surplus	172,192,559	176,623,091	133,988,531