

**30 YEARS**  
OF RELIABILITY  
EST. 1993

**A.M. BEST** **RATED A-**  
EXCELLENT  
STONETRUSTINSURANCE.COM

 **STONETRUST**  
WORKERS' COMPENSATION



**STONETRUST**<sup>®</sup>  
WORKERS' COMPENSATION  
RELIABILITY. EVERY STEP OF THE WAY.

**2023**  
**ANNUAL**  
**REPORT**





## DEAR AGENCY PARTNERS,

I am pleased to provide our annual report on the financial results achieved in 2022 by Stonetrust Commercial Insurance Company, and I am very proud to celebrate Stonetrust's 30th anniversary this year with all of you.

In 1993, Stonetrust's founder and former President, Tim Dietrich, invested his money as well as money borrowed from family members to start a self-insured fund in Baton Rouge, Louisiana – Louisiana Associated Commercial Employers Fund (LACE-SIF) – which would eventually become Stonetrust Commercial Insurance Company. Like many other similar workers' compensation funds and insurance companies created around that time, Dietrich recognized the opportunity to build something new and different in the Louisiana workers' compensation insurance market.

Thirty years later, we still value and promote that same spirit of innovation and entrepreneurship and try to always incorporate it into the vision and plans for the future of the company. Since our inception, Stonetrust was built one relationship at a time beginning with agencies in Louisiana and branching out to the partnerships that we've established in eleven other states. Through the years, we've always valued people as the main priority in everything that we do and in all that we plan to accomplish. Beginning with our employees and agency partners and extending to our more than five thousand policyholders and their employees, we believe that our focus on relationships has been and will always be the main driver behind our success. On the cover of this year's edition of our annual report, we honor the employees of Stonetrust for the hard work they do every day to make us successful. We also honor our great agency partners who have stood by us throughout the years and who will continue to share in our future success. In this year's report, we're proud to feature Joe and Kathy Lohman of Lohman and Lohman Insurance Services in Baton Rouge. Joe and Kathy have been outstanding partners for Stonetrust for many years and I know you'll enjoy reading more about their remarkable and successful journey.

In addition to our AM Best rating upgrade to A- Excellent last year, our financial results in 2022 were outstanding. We achieved more than 7% overall premium growth, finishing the year at \$48.1 million of net earned premium. Our net underwriting gain was \$18 million and our net investment gain was \$1.7 million. Total net income for the year was \$15.3 million, and total surplus at the end of 2022 was \$132.8 million. At the end of last year, Stonetrust had \$230.8 million in total assets. Despite the challenges of post-covid market volatility and ongoing economic uncertainty, we exceeded many of our targets for the year and have enjoyed an increase in new business opportunities. We have also continued to outperform all the major indexes with our investment strategy and have maintained strong asset liquidity and risk leverage ratios.

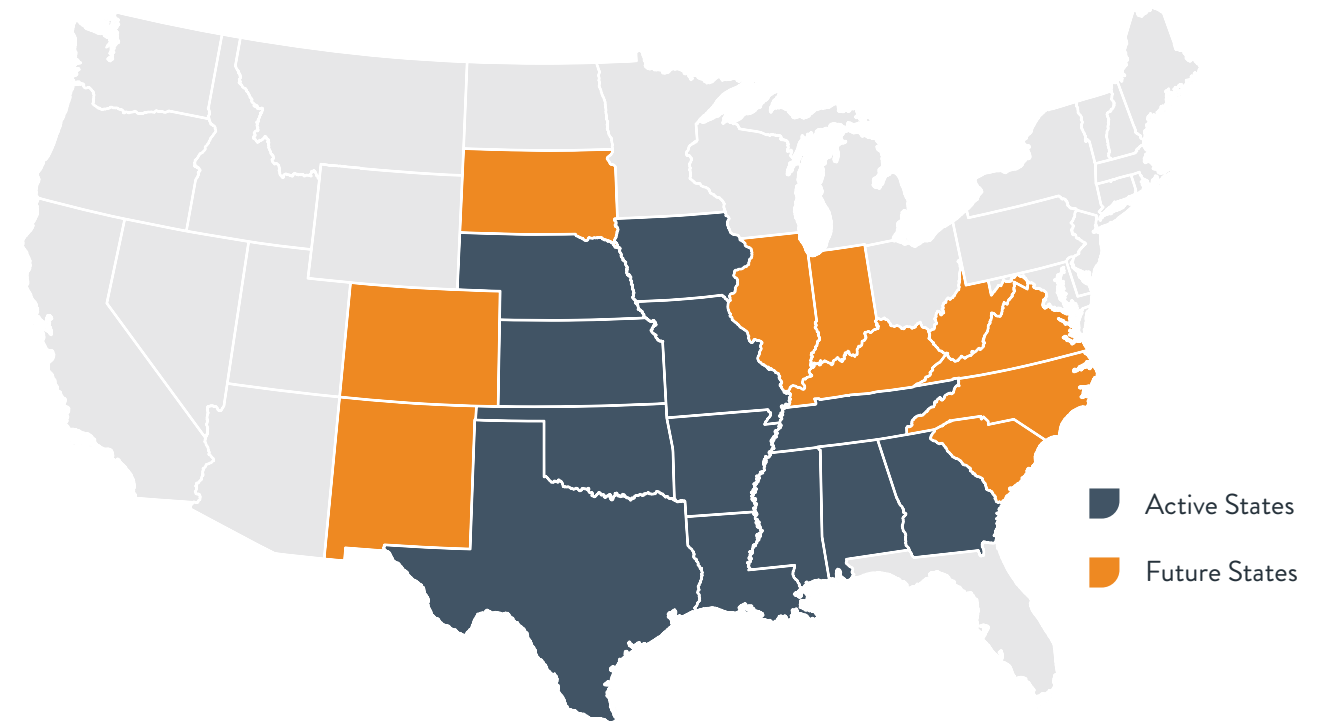
Overall, 2022 was another successful and profitable year for Stonetrust. This was highlighted by our annual AM Best review which affirmed last year's credit rating upgrade. Notable segments from the Best report include comments about our balance sheet strength, our consistent operating profitability, and our solid record of investment income. As we celebrate our 30th anniversary, our plan is to continue working hard to be your "First Choice" workers' compensation carrier. Although the current market environment remains extremely competitive, we believe that with your partnership and our talented team we will continue the legacy that was established 30 years ago and achieve another great overall result in 2023!

Thank you for your continued support.

*Michael G. Dileo*

Michael G. Dileo, CPCU  
President and Chief Executive Officer

## STONETRUST MARKETS



## CORPORATE TIMELINE

- **1993** LACE-SIF (LA Associated Commercial Employers Self-Insured Fund) is formed
- **2000** LACE-SIF converts to a mutual insurance company and changes its name to Amicus Mutual
- **2006** Amicus Mutual converts to a stock insurance company and changes its name to Stonetrust Commercial Insurance Company
- **2007** Stonetrust expands into Arkansas, Mississippi, Oklahoma, and Texas
- **2014** Stonetrust demutualizes into a privately owned non-stock insurance company
- **2016** Stonetrust re-domesticates to Nebraska
- **2017** Stonetrust begins writing business in Nebraska
- **2018** Stonetrust is purchased by Francis Chou (Wintaai Holdings)  
Stonetrust expands into Missouri & Tennessee
- **2021** Stonetrust expands into Alabama and Kansas - its 9th and 10th states
- **2022** A M Best upgrades Stonetrust's Financial Strength Rating (FSR) to **A- Excellent**  
Stonetrust expands into Georgia and Iowa—its 11th and 12th states
- **2023** Stonetrust celebrates 30th anniversary  
A M Best affirms Stonetrust **A- Excellent** rating

**30 YEARS**  
OF RELIABILITY  
EST. 1993

# FINANCIAL REPORT

## STATEMENT OF INCOME (\$000)

	12/31/2022	12/31/2021
Net Premiums Earned	48,074	44,777
Losses Incurred	6,141	7,975
Loss Adjustment Expenses Incurred	4,586	3,240
Other Underwriting Expenses Incurred	19,305	18,973
Net Underwriting Gain	18,042	14,589
Net Investment Gain	1,746	15,373
Other Income	38	18
Income Tax Expense	4,488	4,640
<b>NET INCOME</b>	<b>15,338</b>	<b>25,340</b>

## CAPITAL AND SURPLUS ACCOUNT (\$000)

	12/31/2022	12/31/2021
Surplus as regards Policyholders, Dec. 31 prior year	140,802	97,726
Net Income	15,338	25,340
Change in Net Unrealized Gains and Losses	(20,122)	17,283
Repayment of Surplus Note	(4,000)	-
Other Changes	823	453
<b>TOTAL SURPLUS</b>	<b>132,841</b>	<b>140,802</b>

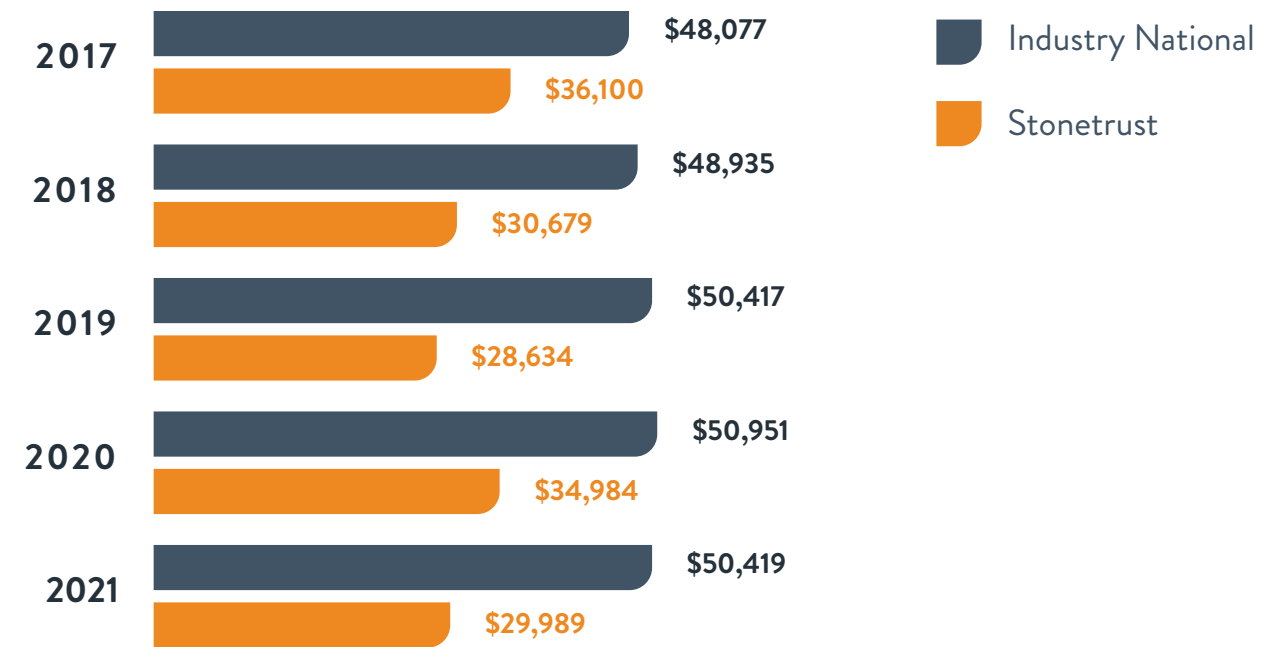
## ASSETS (\$000)

	12/31/2022	12/31/2021
Bonds	65,468	51,421
Common Stocks	64,299	96,495
Preferred Stocks	-	1,149
Collateral Loan	30,000	-
Cash and Short-Term Investments	48,166	82,666
Other Invested Assets	-	4,179
Receivables for Securities	3,105	-
<b>TOTAL INVESTED ASSETS</b>	<b>211,038</b>	<b>235,910</b>
Premiums and Considerations	17,128	15,114
Investment Income Due	561	682
Other Assets	2,092	2,438
<b>TOTAL ASSETS</b>	<b>230,819</b>	<b>254,144</b>

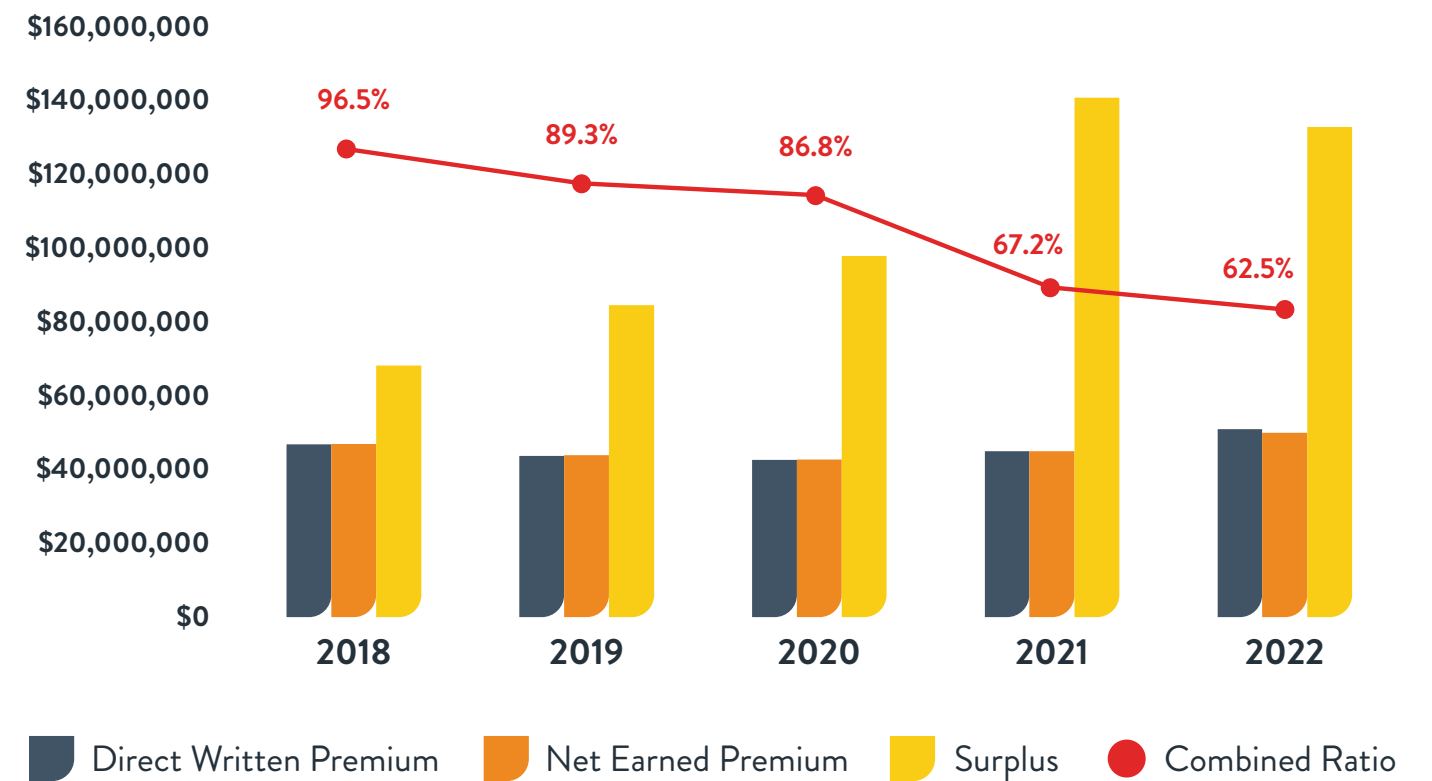
## LIABILITIES AND POLICYHOLDERS' SURPLUS (\$000)

	12/31/2022	12/31/2021
Unpaid Loss and Loss Adjustment Expenses	64,250	71,334
Unearned and Advance Premiums	22,009	19,993
Taxes, Licenses and Fees (Excluding Fed Income Taxes)	3,772	3,906
Net Deferred Tax Liability	2,081	7,805
Commissions Payable	1,375	1,194
Other Liabilities	4,491	9,110
<b>TOTAL LIABILITIES</b>	<b>97,978</b>	<b>113,342</b>
<b>TOTAL POLICYHOLDERS' SURPLUS</b>	<b>132,841</b>	<b>140,802</b>
<b>TOTAL LIABILITIES AND POLICYHOLDERS' SURPLUS</b>	<b>230,819</b>	<b>254,144</b>

## AVERAGE LOST TIME CLAIM COST BY ACCIDENT YEAR



## 5 YEAR FINANCIAL SUMMARY





# MEET THE PRINCIPALS AT LOHMAN & LOHMAN INSURANCE SERVICES

Joe and Kathy Lohman grew up in Alexandria, Louisiana, and after high school moved a few hours south to attend college at Louisiana State University. Upon graduation, Joe decided to remain in Baton Rouge and as he says, “Kathy was gracious enough to follow me and then stay, too.” Armed with a History and Political Science degree, Joe followed in his uncle’s footsteps, who made a career in the insurance business. Joe was hired first at Farm Bureau, worked for Prudential and then figured he could do it better himself and went out on his own in 1983.

“Today, I have to say that insurance is in my blood and I wouldn’t do anything else,” explains Joe. As the company grew and experienced success, Kathy retired from the East Baton Rouge Parish School System in 2004. She said, “It looked like Joe could use some help, so I joined the firm, got my license and have never looked back.” Today, Lohman & Lohman Insurance Services is a full-service agency that strives to help clients obtain the best possible insurance coverage at the best possible price.

## To what do you attribute the success of Lohman & Lohman?

**Joe:** We really try to get to know our clients and earn their trust. We also strive to educate them and teach them about how the insurance process and our relationship is going to work. There are some people who call us for some short-term needs, but we usually pass on them. We prefer to nurture long-term relationships with clients. In fact, we have some people who have been with us for 20 and 30 years. We’ve watched them grow from a two-man operation all the way to making a couple of million a year. I tell them, I’m here to do my part and help you stay in business, because when you stay in business, I stay in business. Our company is very upfront, which ensures that our clients never get any surprises.

## How long have you worked with Stonetrust?

**Kathy:** Lohman & Lohman has partnered with Stonetrust since 2000. We have seen lots of changes over the years, but the relationship with them and their team has only gotten better. The Stonetrust staff has always been great, and they are all just so easy to get along with.

**Joe:** We’ve always been able to trust them. Early on there was an underwriter named Sandie Davis and when we submitted a new account that didn’t fit their appetite, she would take the time to explain why. Some underwriters would just turn us down without an explanation, so we appreciated Stonetrust’s approach. Sandie kind of set the standard going forward.

## Your agency is one of the largest producers for Stonetrust—a true success story. Why is your partnership with Stonetrust so successful?

**Joe:** Over the years we’ve learned what they want and how they operate and that saves us time. We don’t try to get anything past them. They have an appetite for something and we stick with that.

**Kathy:** They also stay in touch with us, which is very much appreciated. Whether it’s a phone call or emails, we see them in person on a regular basis. During COVID, you obviously didn’t meet with people face to face for quite a while. After COVID, some of the other companies transitioned away from sending representatives in person, but not Stonetrust.

**Joe:** Their auditors are great, too. With other companies some auditors just collect the numbers and move on. Stonetrust’s auditors have always operated in the best interest of our clients. I’ve actually had changes come

back from Stonetrust auditors in favor of the client, which is unique. With some companies you get an auditor from Connecticut or Utah—somewhere far away. However, with Stonetrust you get someone local, plus they are always very experienced people who know what they’re talking about.

**Kathy:** I really like their policyholder and agent portal because it’s easy to use and provides convenient access to documents, the ability to make payments, and more. Not everything has to come through the agent and that takes some of the burden off us.

## Tell us about Stonetrust’s reliability.

**Joe:** Their team is very dependable and the claims, underwriting and auditing services are extremely accessible. They do a great job of taking care of their claims and closing them out. Other companies can drag things out and I respect the way Stonetrust works.

**Kathy:** As far as response time, Stonetrust sets the standard. They are who we think of first.

## Who are some of the Stonetrust team members that stand out?

**Kathy:** Dave Bunch without a doubt, he is very responsive to any questions and gets back with us quickly whether it’s an email or phone call. Chris Robichaux, our renewal underwriter, is great, too.

**Joe:** I also want to stress something else that’s really important. Stonetrust has one of the best teams in place and they hold on to their people, which is not an easy thing to do in today’s world. Not having constant turnover and keeping the same people in place who know our business has helped us grow. And Mike Dileo, the president and CEO, we actually cross paths with him every once in a while. He and the leadership team are doing a good job. We get to see all of the results without knowing all of the headaches it takes to get there.

## Any final words about your partnership with Stonetrust?

**Joe:** We appreciate our relationship with Stonetrust tremendously and the values of our two companies very much align, which is probably why we’ve worked so well together over the years. Some companies evolve and their agents lose interest. Stonetrust has grown, they got their A- rating and continue to provide us the service we’ve come to expect. I have to say, if they weren’t there, we wouldn’t be where we are now.

800.311.0997

STONETRUSTINSURANCE.COM

5615 CORPORATE BLVD | SUITE 800

BATON ROUGE, LA 70808

**30** YEARS  
OF RELIABILITY  
— EST. 1993 —