

Annual Report
2024



A Century
of Excellence

As we conclude one century and stand on the brink of the next, we are reaping the benefits of our investments and realizing the impacts of our transformation journey. Our steadfast commitment to the values, talent and strategy that continue to set us apart led to another exceptional year of performance and results.

CopperPoint Insurance Companies
Annual Report 2024



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2024 SNAPSHOT:

By the numbers

The results we achieved during the 2024 fiscal year demonstrate the continued momentum of our organization and the strength of our strategy. Behind the power of our balance sheet is the quality of our values and the talent who are committed to doing and being more — to make an impact where it really matters: in the lives of those who rely on us.

\$1.84 *billion*
Statutory Surplus

98.3%
Combined Ratio

49

States Fully Licensed

21 state
offering

**Workers' Compensation &
Commercial Package;**

Property, General Liability, Auto,
Inland Marine, and Umbrella

28 state
offering

**Workers' Compensation,
General Liability, and Auto**

\$165.7 *million*
Net Income

11.5%
Statutory Surplus
Growth

800+
Employees

\$719 *million*
Gross Written
Premium

Celebrating a century of excellence

As we celebrate our centennial, it is a moment of pride and reflection for our entire organization. For 100 years, the State Compensation Fund (SCF) and CopperPoint have stood as a testament to resilience, innovation, and evolution. This legacy is not only the foundation of who we are today, but also the springboard for who we aspire to be in the decades ahead as we continue, building, growing, innovating, and transforming.

For the CopperPoint team, 2024 was a year of focused execution; a year where we set clear priorities and delivered strong results. Our continued emphasis on achieving balance with profitability and growth has strengthened our ability to invest in the future while continuing to allow us to provide unparalleled capabilities and service for our policyholders and partners. In a rapidly changing and highly competitive industry, service remains our differentiator. It is at the heart of every decision we make and every action we take — serving our customers with excellence, adaptability, and care. In the pages ahead, we will share some of the stories behind the numbers — the ways we are elevating standards in the insurance industry, and the clients and partners who place their trust in CopperPoint to deliver on behalf of their businesses and their employees.

COPPERPOINT THROUGH THE YEARS

1925

Founded as the State Compensation Fund (SCF) in Phoenix, Arizona.

2010

SB1045 passed allowing SCF to privatize.

2013

Privatized and converted to Mutual insurance company, CopperPoint Mutual.

Rated for the first time by A.M. Best, receiving A- "Excellent."

2016

Marc Schmittlein named President & CEO.

Commercial Package and Commercial Auto capabilities introduced.

2017

Acquisition of California-based PacificComp.

2018

Expanded to six-state footprint: Arizona, California, Colorado, Nevada, New Mexico, and Utah.

Introduced Commercial Umbrella capabilities.

2019

Adopted a Mutual Holding Company corporate structure.

Acquisition of Alaska-based Alaska National.

CopperPoint upgraded by A.M. Best to A "Excellent"

2020

Announced Pay as You Go.

Established Southwest, California, and Alaska/Pacific Northwest Regions.

2021

Launched Construction vertical.

Initiated build of the Enterprise Data Warehouse.

2022

Launched three industry verticals: Agriculture, Hospitality, and Healthcare.

2023

Completed full cloud capabilities for Southwest and California regions.

2024

Completed platform migration for Workers' Compensation Alaska/Pacific Northwest.

2025

Expanding footprint in Southwest Region: Texas, Oklahoma, Kansas, and Missouri.

This year, we also began to see the transformative power of our investments in technology, data, and analytics come to fruition. Our enhanced technology stack with full Guidewire suite is driving efficiency, unlocking new insights, and enabling smarter decision-making. These advancements position us to be not only a participant in the digital future but a leader who sets the standard.

We are leveraging our growing data capabilities to drive greater precision in areas such as risk-based pricing, risk selection, and claims management. By harnessing advanced analytics and machine learning we can better assess and manage risk while always improving the customer experience. These tools allow us to make smarter, more informed decisions, creating a competitive advantage that ensures our products and service offerings remain top tier in an evolving marketplace. Throughout 2025 and beyond, CopperPoint will continue unleashing this data for our workers' compensation line of business – and, begin to tap into our expanding P&C lines data.

Finally, 2024 marked a turning point in our geographic expansion. By strategically entering new markets with high growth potential aligned to our core business, we are reaching more customers and diversifying our footprint in ways that enhance our competitive position. These expansions are aligned with our vision of providing innovative solutions and outstanding service to a broader audience while building on our reputation as a trusted industry leader.

But our true DNA is to continue to grow by seeking out valuable carrier partnerships, making needed investments in carriers whose capital position has not allowed them to do so. Our M&A approach is powered by CopperPoint's investments in a leverageable, scalable cloud-based tech stack and our shared services model for back-office support, along with our balance sheet strength.

As we enter this extraordinary milestone of our centennial year, I am filled with gratitude for the dedication of our employees, the trust of our policyholders, and the support of our agent and broker partners. My thanks also go, as always, to the

A LEGACY IN BRICK AND MORTAR



In 1978, The State Compensation Fund shares in its annual report that it is enlarging its Home Office with a 34,000 square foot addition, plus extensive remodeling and renovation, with completion scheduled for June 1979.

The former office of SCF in Phoenix, once home to more than 400 employees.



CopperPoint Board of Directors for their continued support and belief. Together, we have built a legacy that inspires confidence – grounded by the investments we have been fortunate to make, propelled by a fortress balance sheet. These investments have continued to support our vision for growth while empowering CopperPoint to be a dominant commercial lines Super Regional in the West.

With focus, resilience and a continuing commitment to innovation, we are well positioned to navigate the opportunities and challenges of the next century.

Here's to celebrating 100 years of excellence — and to building the future together.



Marc E. Schmittlein

President & Chief Executive Officer
Executive Board Chair

Agency may buy Abacus Tower

Would move headquarters into high-rise

By BARBARA ROSE
The Arizona Republic

The State Compensation Fund, an Arizona government agency that sells insurance, is considering buying the 14-story Abacus Tower in midtown Phoenix to use as its headquarters.

The agency would move from its four-story building at 1616 W. Adams St. near the state Capitol into the largely vacant Abacus high-rise on the southwestern corner of Third Street and Earle Drive.

The sale would provide a major user for the 250,000-square-foot high-rise, which opened in March and is about 90 percent vacant.

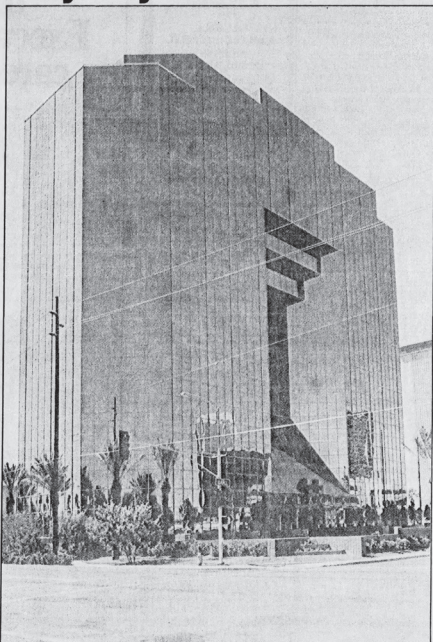
Jerry LeCompte, director of investments for the State Compensation Fund, confirmed Monday that the agency has made a tentative offer for the building and has until the latter part of October to decide whether to buy. He would not disclose the offering price.

The high-rise was developed last year at a cost of \$17 million as a joint venture between the Lee Co. of Phoenix and Bancwest Service Corp., a subsidiary of the Arizona Bank.

Developer George Lee did not return telephone calls, and officials at the Arizona Bank were unavailable for comment.

LeCompte said the state agency has outgrown its present 100,000-square-foot building, where more than 400 people work. The agency also owns and occupies office buildings in Mesa, Prescott and Tucson.

"One reason we were led to consider buying an existing build-



Earl McCann/Republic

Today, CopperPoint boasts a hybrid workforce of 800 employees across the U.S. The CopperPoint Tower stands in Phoenix's midtown neighborhood.



A 1986 newspaper article discusses the potential purchase of the Abacus Tower by SCF.

Built for excellence

For 100 years, CopperPoint has thrived not by chasing success, but by focusing on what truly matters — serving businesses and their workers with integrity, delivering unparalleled service and embracing innovation. We believe that when you focus on the right things, success is not an ambition — it is a natural outcome.

CopperPoint has weathered eras of change, evolving with each challenge while staying true to the principles that define us. A century of experience has not made us complacent — it has made us bold. We honor our legacy not by resting on it, but by using it as inspiration for the future ahead, ensuring that every decision we make reflects both the wisdom of the past and the promise of tomorrow.

As we step into our next century, we do so with a strong platform of technology and innovation, harnessing the power of digital transformation, artificial intelligence, and sustainable solutions to drive progress. Not for their own sake, but as tools to empower our people and enhance what we do best.

We are not simply adapting to the future — we are shaping it. By combining the agility of a startup with the strength of a legacy brand, we continue to push boundaries and create value in new ways. Excellence is not just our history, it is our future. And as we enter this new era, we remain guided by the same pioneering spirit that has always defined us, ready to lead, inspire, and redefine what's possible.

Excellence is not a moment — it's a mindset. It has carried us through a century of transformation and will lead us forward through the years to come.

*Right: Arizona Historical Society, MSS
130 Charles A. Barrow Collection, 100-
0004425: Using an air drill while doing
road construction, c. 1920s.*



At CopperPoint, we have been supporting businesses, and their workers, since 1925. It's where we got our start nearly 100 years ago, and it's where our focus remains today.



Elevated standards, delivering excellence

CopperPoint's story in 2024 was defined by strong partnerships, customer experience enhancement, scalability, and expansion.

Though our progress this year was multi-faceted, these themes are interwoven and present across each of the major initiatives we've undertaken. They have guided our strategy and are deeply embedded in every aspect of our continued growth and transformation. Whether it be on the technology front or in the ways we continue to prioritize deep, lasting relationships across our footprint, these themes are the lens through which we see our work, and the standard by which we measure our success.

Single platform, accelerating growth

CopperPoint's platform transformation is a story of scalability, acceleration and innovation. Our journey toward platform consolidation began in 2014, with significant momentum gained in 2016. With the exciting progress achieved in 2024, by mid-2026, we aim to have all operations running on a single, cloud-based platform, maximizing our data resources and enhancing the experience for employees, policyholders, and partners. This shift enhances the experience for employees, policyholders and partners alike, by ensuring a seamless and consistent user experience. This unified system allows for a broader product offering, reduces reliance on external fronting capabilities, and ensures efficiency across operations. The migration of multiple systems under one platform simplifies processes across all companies, fosters a streamlined approach to service delivery, and empowers the execution of our growth strategy.

Enabled by the transformation of our technology platform, CopperPoint's Enterprise Data Warehouse (EDW) plays a pivotal role in leveraging data for actionable insights — improving the experience for our people as well as the customers they support. With access to vast pools of information, we have built advanced models that support underwriter risk assessment and pricing, allowing us to stay responsive to market dynamics and ensure we're pricing risk in a fair and efficient manner. The ability to generate real-time insights strengthens our competitive advantage and enables us to better understand and serve our customers and partners. In today's data-driven world, these capabilities empower us to make more informed decisions and optimize stakeholder interactions to ensure we're making each touchpoint the most high-value possible.

Investments in submission technology have allowed us to meet customers on their terms, facilitating a seamless pipeline through various channels such as email, portals, and comparative rating models. These enhancements have opened new opportunities and enabled expansion into new states. The integration of straight-through processing (STP) has accelerated processing times, ensuring faster market entry. Our commitment to the small business sector has been reinforced through these technological advancements, making it possible to navigate, and add new value, to a traditionally complex market.



Enhancing the employee experience has been another key outcome. By providing sophisticated data and analytic capabilities, we empower our workforce with the tools needed to make more informed decisions. The integration of third-party data further streamlines decision-making, reducing the need for manual data collection and allowing employees to concentrate on their core roles.

Our predictive analytics capabilities enable us to identify potential risks early, mitigating issues before they escalate. From claims management to responding to natural disasters, our data-driven approach provides customers with actionable insights, helping them lower their total cost of risk. Through innovative partnerships, we can intervene in claims sooner, facilitating better outcomes for injured workers and reducing claim escalation. Proprietary and vendor partnerships further bolster our ability to deliver top-tier service.

Service excellence in a changing world

Above all, service excellence continues to be CopperPoint's defining competitive advantage. Our commitment to elevated service standards, unique offerings, and unmatched customer support sets us apart in the industry. We go beyond traditional service models by blending human expertise with impactful technology solutions.

Rolling out across 2022 and 2023, 2024 saw the continued expansion of our Risk Management Services (RMS) offering, which has proven to be a key differentiator across both our middle-market and large-account business. CopperPoint stands apart with our caliber and combination of services, which include designated claims adjusters, loss control consultants, and specialized resources — including fraud prevention and our 24/7 injury helpline, our proprietary nurse triage service powered by Medcor, all coordinated through a dedicated point of contact, ensuring a seamless and proactive approach to risk management.

Our large accounts strategy is centered on a consultative, concierge-style model that enables and empowers long-term partnerships over transactional interactions. We develop tailored service plans that span underwriting, loss control, and risk management, ensuring a high-touch experience across all regions. This model, supported by cutting-edge insurtech solutions, allows us to continuously enhance our approach through analytics, workload management systems, and proactive communication strategies. While competitive products are essential, we differentiate ourselves through service-driven relationships, ensuring that insureds fully leverage our comprehensive support offerings.

In 2024, we continued to successfully expand our service-based value proposition in the small business space, offering consistent,

comprehensive service to more than 7,000 small business customers with expertise and resources that help our policyholders manage their risk and keep their employees safe. Through self-service tools like our Loss Control Toolbox, policyholders have complimentary access to both a library of resource material and a learning management system (LMS), supporting implementation of effective safety and loss control strategies. In addition, we offer a robust, concierge-level support system to help navigate and maximize the value of the available resources.

Our unique service-based approach cements CopperPoint's position as a leader in risk management across business segments. By integrating expertise, innovation, and collaboration into every aspect of our approach, we continue to redefine excellence in risk management and customer service.



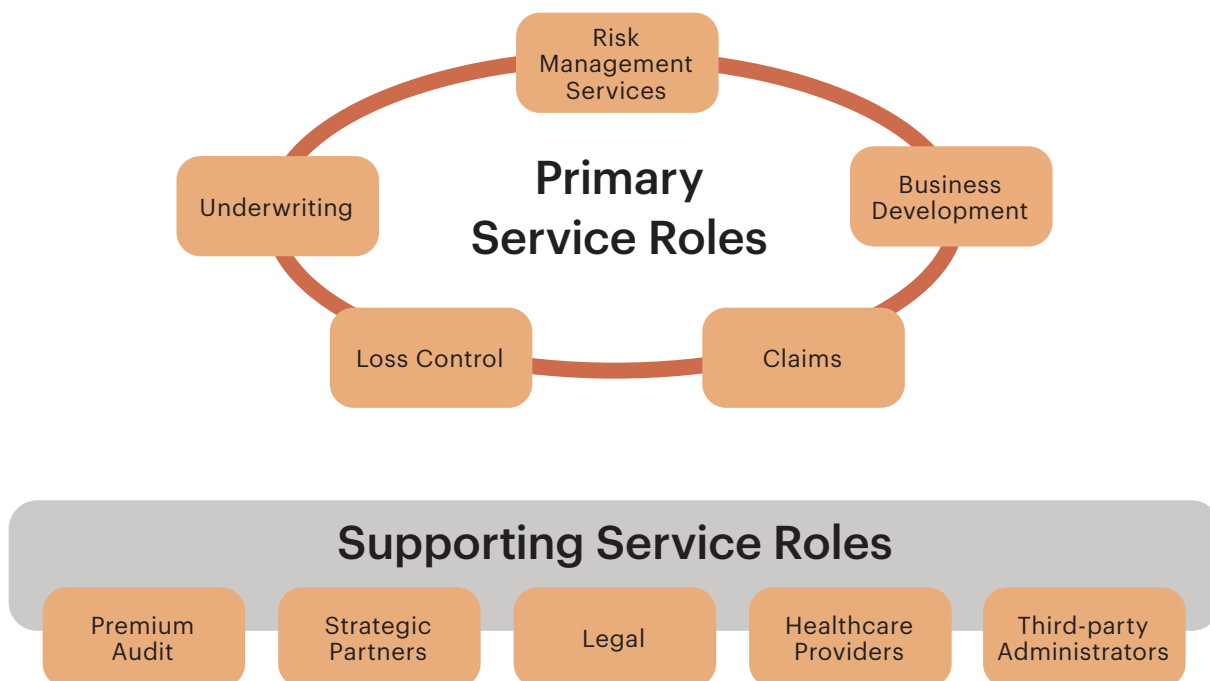
"I work with many middle- and upper middle-market clients, and CopperPoint's Risk Management Services fit my clients to a tee. I look for partners who not only understand the risk but can also deliver services that will prevent loss and mitigate any claim. A lot of carriers can talk the talk, but how they deliver totally separates the playing field. One of the most important differentials, if you will, is the execution. CopperPoint delivers."

Ken Kessler
Executive Vice President, HUB





CopperPoint's integrated **risk management service approach**



Strategic expansion

Each year reaffirms the strength of CopperPoint's dual-growth strategy, and 2024 was no exception. Our strong balance sheet and robust infrastructure continue to attract like-minded carriers committed to service and product excellence. This approach to strategic expansion has fueled organic growth, expanded our geographic reach, deepened our talent pool, and sharpened our competitive edge — fostering cross-pollination in business development across regions, risk categories, and industries.



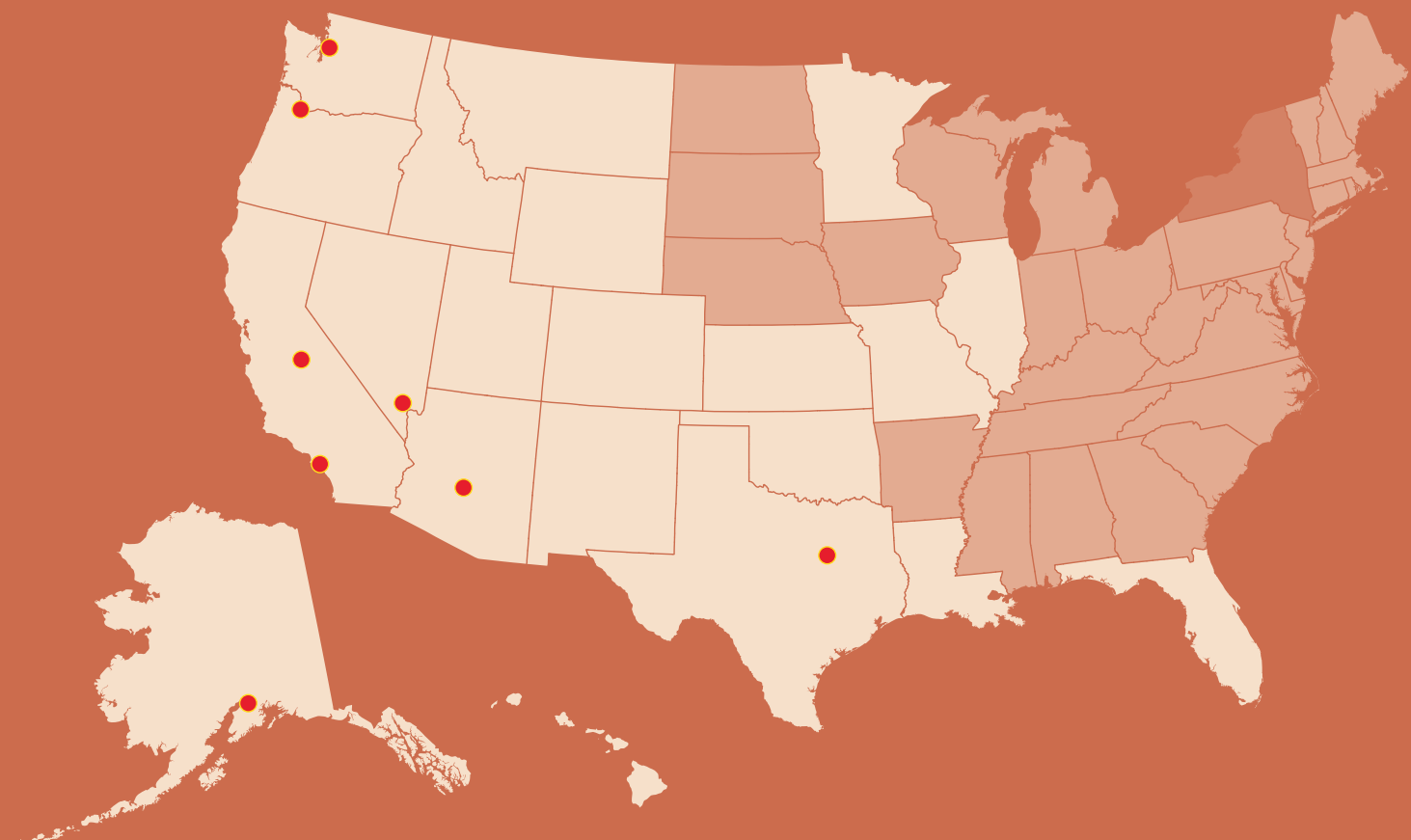
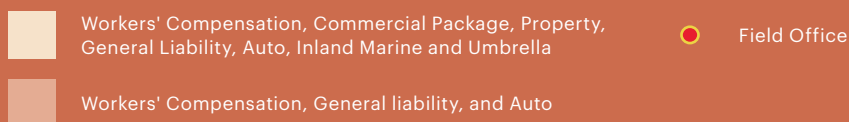
A prime example of CopperPoint's success in creating a springboard for growth through M&A is the expansion of our P&C capabilities. In 2024, momentum in our Property & Casualty (P&C) book remained strong, with nearly 25% of enterprise Gross Written Premium (GWP) in P&C lines. This growth stems from the 2019 acquisition of Alaska National and the integration of its legacy book of business into the CopperPoint platform. The talent, products, and geographies from the legacy Alaska National coupled with the data, technology, scale, and agility of the CopperPoint platform has unlocked potential for all parties and served as an accelerant to enterprise-wide success.

Key verticals, including construction, agriculture, healthcare, and hospitality, remained a strategic focus in 2024 as they enabled us to continue delivering the CopperPoint value proposition in a focused way — with highly specialized services and expertise. Last year, CopperPoint's focus on the construction sector saw further strengthening with the expansion of inland marine expertise, while continued investments in the agriculture sector have broadened our offerings and industry-specific knowledge.

By the end of 2025, we will have successfully transitioned three companies to a unified cloud-based system powered by Guidewire, unleashing new market potential, including continued expansion into additional states.

Our M&A strategy has brought new talent, product capabilities, and geographic reach, reinforcing our ability to introduce innovative solutions in new markets. We will continue to pursue opportunities to partner with carriers who help broaden our geographic reach, add talent and expertise, and bring new products and services that make each of our respective companies stronger together.

Coverage territory



Legacy of impact

Our giving program is one of the most visible expressions of our caring and supportive culture, and each year, we work to do more to support CopperPoint's community impact pillars: Healthy Families; Enriching Education; and a Thriving Workforce.

In 2024, the CopperPoint team once again made a meaningful impact in our communities through volunteering, corporate matching, and board service. In total, we donated more than \$2.2 million to over 260 organizations across our footprint, and our employees also logged more than 1,000 hours of volunteer work.

This year, our quarterly enterprise-wide campaigns raised a record-breaking \$575,000 — an average of over \$700 per employee. Incredible!

Our dedication to educational accessibility remained strong, with eleven college scholarships totaling \$52,500 and over \$300,000 in tax credits distributed among nine organizations working to improve classrooms. Additionally, our unique collaboration with agency partners — matching contributions to support local causes — amplified our impact, with over \$600,000 in donations.

It was a year where we deepened our commitment to community, making a lasting difference together.





**Over \$2.2M total
community giving**

**\$540,500 in nonprofit/
chamber sponsorship
and board allocations**



**\$600,000 contributions
through 92 agency/
broker partnerships**

**\$575,000 in quarterly
enterprise-wide
campaigns**

**\$240,000 in enterprise-
wide matching gifts**

**\$200,300 in civic and
educational accessibility**



Financial overview

Strong performance, boundless potential

Consistency and stability marked CopperPoint's 2024 performance as we continued the upward trend that began when we established our growth strategy in 2016.

- Policyholders' surplus topped \$1.84 billion at December 31, 2024.
- Total assets of \$5.3 billion have increased 46% since the end of 2016.
- Net income remained strong in 2024 at \$166 million.

FINANCIAL PERFORMANCE

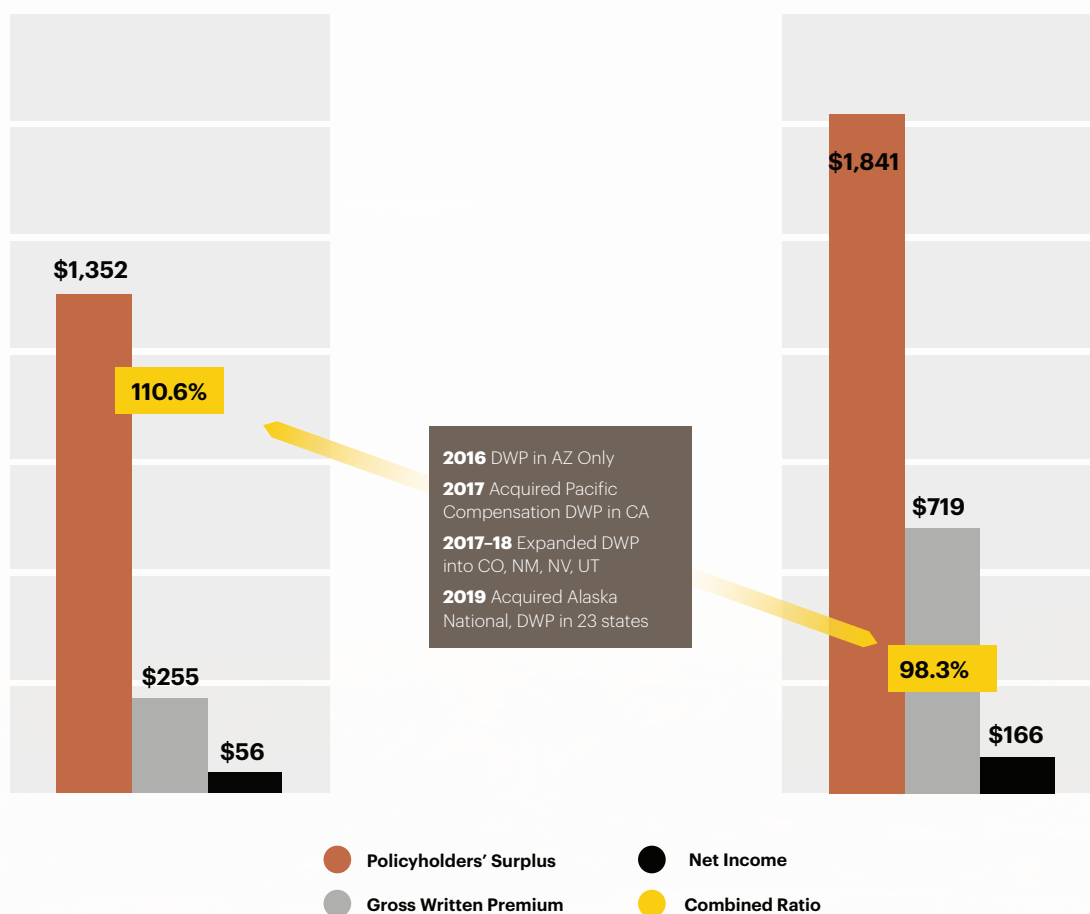
\$ IN MILLIONS

2016 results:

\$3.61 Billion in Total Assets

2024 results:

\$5.3 Billion in Total Assets

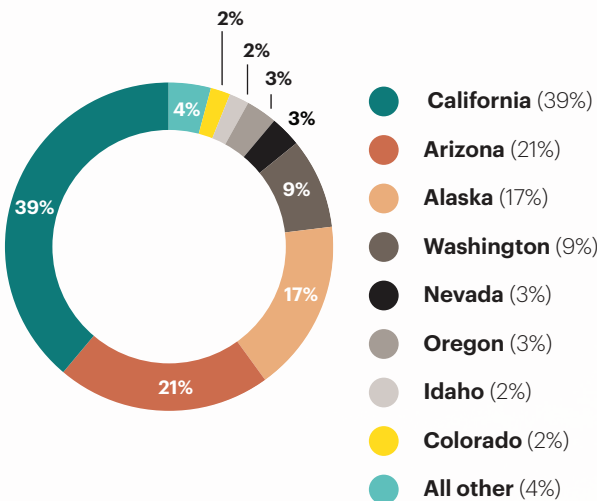


Accelerating success, expanding opportunity

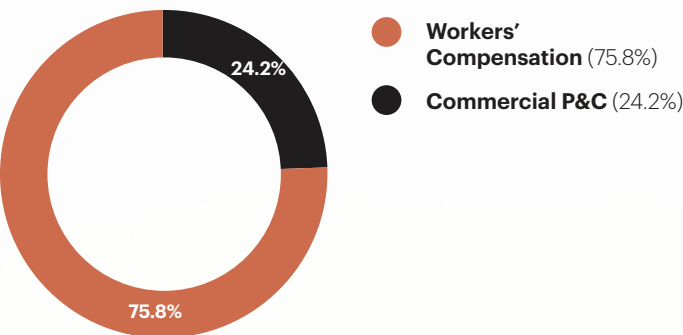
As a Specialty Insurance company with expertise in Workers' Compensation and a select but expanding multiline P&C offering to complex, severity-driven exposures in targeted states, our overall 2024 performance remains impressive — whether measured by breakdown across region, business line, premium or our select verticals.

2024 results:
\$719 Million (GWP)

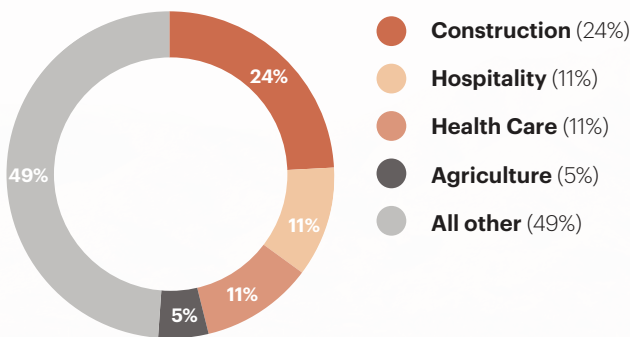
2024 GWP BY STATE



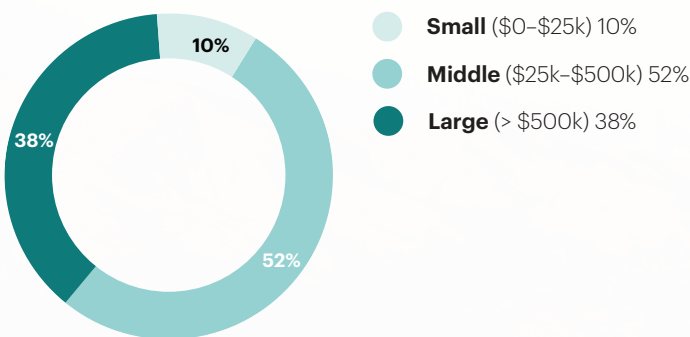
2024 GWP BY LINE OF BUSINESS



2024 WRITTEN PREMIUM BY INDUSTRY VERTICAL



2024 WRITTEN PREMIUM BY PREMIUM SEGMENT



Consolidated statutory financial statements

STATUTORY STATEMENTS OF ADMITTED ASSETS, LIABILITIES AND POLICYHOLDERS' SURPLUS (YEARS ENDED DECEMBER 31, 2024 AND 2023)

IN THOUSANDS, UNAUDITED

Admitted assets	2024	2023
Investments		
Bonds	\$3,073,791	\$3,162,739
Equity securities	620,397	557,824
Goodwill	164,901	144,842
Mortgages	215,298	259,296
Real estate, net	–	1,441
Cash, short-term investments and other invested assets	702,326	515,873
Total cash and invested assets	\$4,776,713	\$4,642,015
Other Assets		
Premiums and considerations due	239,027	250,269
Accrued investment income	25,323	24,581
Other assets	246,384	268,393
Total admitted assets	\$5,287,447	\$5,185,258
Liabilities and Policyholders' Surplus		
Liability for losses and loss adjustment expenses	\$2,358,736	\$2,442,281
Unearned premium reserve	280,479	287,886
Borrowed money (and interest thereon)	326,925	351,537
Provision for reinsurance	2,327	2,831
Other liabilities	477,780	449,391
Total liabilities	\$3,446,247	\$3,533,925
Policyholders' surplus	1,841,200	1,651,333
Total liabilities and policyholders' surplus	\$5,287,447	\$5,185,258

STATUTORY STATEMENTS OF OPERATIONS (YEARS ENDED DECEMBER 31, 2024 AND 2023)

IN THOUSANDS, UNAUDITED

	2024	2023
Net premiums earned	\$676,105	\$645,463
Operating Expenses		
Loss incurred	316,715	317,411
Loss adjustment expenses incurred	108,917	100,877
Other underwriting expense incurred	236,052	239,681
Total operating expenses	\$661,684	\$657,968
Net underwriting gain (loss)	14,421	(12,506)
Investment Income		
Net investment income	172,372	165,639
Net realized investment gains	15,687	(10,655)
Net investment gain	188,059	154,983
Other expenses	(2,698)	(3,497)
Net income before policyholders' dividends and federal income tax	199,782	138,981
Provision for policyholders' dividends	147	187
Federal income tax expense	33,902	26,535
Net income	\$165,733	\$112,258
Loss and LAE ratio	63.0%	64.8%
Expense ratio	35.3%	36.0%
Combined ratio	98.3%	100.8%

Company leadership

Board of Directors

MARC SCHMITTLEIN

President & CEO | Executive Chairman of the Board

MARITA ZURAITIS

Lead Independent Director

THOMAS BRADLEY

Board Member

MONICA DIGILIO

Board Member

LORIANN VAUGHAN

Board Member

MICHAEL MATHIAS

Board Member

MIKE TULLY

Board Member

Executive Leadership

MARC SCHMITTLEIN, CPCU, AAI * +

President & CEO | Executive Chairman of the Board

RACHEL DAVIS-SCHULTZ * +

Executive Vice President, Chief Human Resources Officer,
Enterprise Operations & Chief of Staff

KEVIN KINROSS, ESQ * +

Executive Vice President, General Counsel
& Chief Compliance Officer

KELLY RUUD, CPA, CPCU * +

Executive Vice President, Chief Financial Officer

JOHN CAREY, CPCU, ARM +

Senior Vice President, Chief Underwriting Officer

DAVE KUHN, CPCU, ARM +

Regional President, California Region,
Executive Vice President, Enterprise Distribution

DANA FERESTIEN +

Senior Vice President, Regional President,
Alaska & Pacific Northwest

MIKE SHARR +

Senior Vice President, Regional President,
Southwest Region

BARB FUCHS +

Senior Vice President, Data Management and Analytics

MICHAEL GOLDMAN, CPCU, ERM +

Senior Vice President, Corporate Development

BRAD LONTZ +

Senior Vice President, Chief Information Officer

KRIS MATHIS, JD, WCCP, SIP +

Senior Vice President, Chief Claims Officer
& Risk Management Services

MARK MOONEY +

Vice President, Underwriting Systems and Product

* Executive Committee Member

+ Partners Group

A future of possibilities

For the past century, we have continuously evolved, always looking ahead to what's next. To prepare for the future, we recognized the necessity of a strong infrastructure—one that could support both innovation and growth. That understanding led us to make significant investments in technology, people, and processes, ensuring we had the foundation needed to thrive in an ever-changing world. These investments were made with intention, focusing on delivering thoughtful, premium experiences that set new standards in our industry.

With a solid infrastructure in place, the next step was to build a platform that could drive meaningful progress. This phase was marked by careful planning, strategic execution, and an unwavering commitment to excellence. Every decision we made was guided by our core values and a vision for what was possible. The result is a platform that not only meets today's needs but is also poised to adapt and scale for the future. This work has brought us to an exciting inflection point—a moment where all the pieces have come together, setting the stage for what's ahead.

Now, as we celebrate our 100th anniversary, we do so with a clear vision and boundless optimism. The past has been defined by resilience, innovation, and an unrelenting pursuit of excellence. The future will be shaped by these same principles, allowing us to continue breaking new ground and delivering exceptional value.

With a century of experience behind us and a future filled with opportunity, we are more confident than ever that **the best is yet to come.**

ARIZONA

Phoenix — Headquarters

ALASKA

Anchorage

CALIFORNIA

Fresno

Irvine

NEVADA

Las Vegas

OREGON

Portland (Lake Oswego)

TEXAS

Irving

WASHINGTON

Seattle



1925 *Centennial* 2025

All companies are rated A
(Excellent) by AM Best.

copperpoint.com