

Elevating Tomorrow with Purpose




Chesapeake
Employers Insurance™
Your workers' compensation specialist

2024 Annual Report

A message from Mark Isakson



A handwritten signature in black ink that reads "Mark Isakson". The signature is stylized, with the first name "Mark" written in a cursive-like font and the last name "Isakson" written in a more blocky, stylized font.

***President & CEO
Chesapeake Employers' Insurance Company
A purpose-led, nonprofit company***

Dear Policyholders,

As I reflect on 2024, one word elevates to the top: **Purpose.**

In 2024, Chesapeake Employers Insurance set out to connect what we do with why we do it and the difference we make to those we exist to benefit. Through conversations with hundreds of team members, policyholders, injured workers, agent partners, and other stakeholders, we uncovered something powerful—our shared belief in the dignity of work and the resilience of the people behind it.

That belief shaped our new purpose: ***Elevating the Promise of Work and the Potential of People.***

Our purpose isn't a brand slogan. It's the lens through which we see everything—from how we support your injured employees on the road to recovery, to how we help your business foster a safer workplace, to how we show up for each other every day.

Our purpose also demonstrates how Chesapeake Employers operates as a powerful economic engine that benefits your business, your employees, and the communities we serve. As a nonprofit insurance company, we don't answer to shareholders—we answer to you. It's a business model that prioritizes people over profit—and delivers real value where it matters most.

In 2024, we declared a \$50 million policyholder dividend—the largest in our company's history. This marked our seventh consecutive year of issuing dividends, bringing the total returned to Maryland employers to \$120 million.

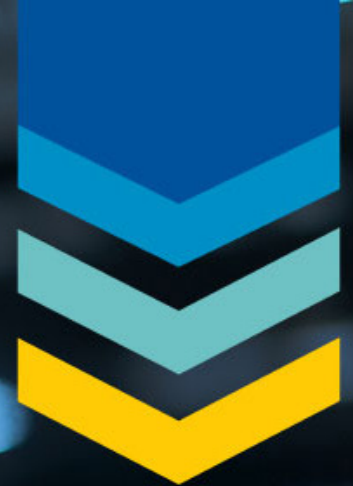
Additionally, we reduced our overall net rates by 4% in 2024, and 37% cumulatively over the past nine years. These dollars go back into your business, and we love hearing your stories of how they're reinvested through better wages, job creation, safer workplaces, and growth opportunities.

Through every dividend check, rate reduction, safety initiative, and injured employee we help return to work, we're putting our purpose into action—and proving that when we support businesses, together we elevate Maryland's entire economy.

We also looked inward throughout 2024 and began aligning our work culture with our purpose. We are investing in our people and empowering our teams to innovate and collaborate in new ways to better serve you and your employees, now and in the future. In doing so, we support the people behind the work that supports you.

Our vision is to be a catalyst for businesses, workers, and communities—driving safer workplaces, supporting recovery with compassion, and strengthening the partnerships that keep Maryland working. That's the future we're building—one where work is safer, more secure, and filled with promise.

We believe tomorrow is filled with possibility, and we are committed to ***Elevating the Promise of Work and the Potential of People.***



**Chesapeake Employers
is unique.**

**We are a nonprofit
company that exists to
benefit our stakeholders,
not shareholders.**

Nearly **35%**
AVERAGE PREMIUM RETURNED
to dividend-earning policyholders
in 2024

\$50 MILLION
Policyholder Dividend in 2024

Average **37%**
**RATE REDUCTION OVER
THE PAST NINE YEARS**

Purpose as an Opportunity Multiplier

When your business thrives, jobs become more secure, communities grow stronger, and opportunities multiply. As Maryland's only nonprofit workers' compensation insurance company, we've made it our mission not just to insure Maryland's workforce, but to reinvest directly in the success of the businesses that employ them.

Whether it's returning \$50 million in dividends to our policyholders or reducing rates for the ninth consecutive year, our actions are grounded in the belief that when we ***Elevate the Promise of Work and the Potential of People***, everyone benefits—today and tomorrow.



“ Our business is deeply human. Every day our work touches lives and communities. We measure success by our collective impact improving lives and livelihoods across Maryland and the Mid-Atlantic. ”

**> Mark Isakson,
President & CEO,
Chesapeake Employers**

> 18,600 +
policyholders
protected

Insured nearly
> 1 in 5
Maryland employers
Based on policy premium

> 1,700+
agent partnerships

Ground by Purpose, Committed to People

At Chesapeake Employers, we believe insurance is more than a policy—it's a promise. A promise to protect what matters most: lives and livelihoods. Today, business owners and workers of all kinds face barriers to fulfilling their full potential. At Chesapeake Employers, our singular focus is on helping these individuals overcome challenges, reduce uncertainty, and flourish. Our purpose

Elevating the Promise of Work and the Potential of People

captures what we believe at our core, why we exist, and how we show up for those who count on us. As Maryland's largest provider of workers' compensation insurance, we exist to serve you.

Elevating the Promise of Work means recognizing that work is more than a job. We believe work holds the power to transform lives, to uplift families, and to strengthen communities.

Elevating the Potential of People is about seeing the human side of what we do. Behind every policy and every claim is a person. Whether it's a business owner, like you, navigating the challenges of running a business, or your employee recovering from an injury, we walk that road together with compassion and work to minimize the uncertainty.

To us, purpose is a way of thinking, acting, and leading. And we are honored to live that purpose in service to you, our policyholders, every single day.



Purpose as a Guide

Our purpose is at the core of our business strategy. It is a new mindset for how we fulfill our promise to those we exist to benefit. For our business tomorrow is about the difference we make today — advancing the potential of businesses and workers.



Explore how we fulfill our promise to you by watching our Anthem, scan the QR code.

Purpose in Action: Stories That Matter

A purpose is only as powerful as the difference we make by putting it to work—and at Chesapeake Employers, we see our purpose come to life in the stories of those we serve every single day.



“ I have never in my career experienced anything like what Chesapeake Employers has done for us. I’m used to paying for a service, getting the service, but never getting anything back in [the form of] an investment. ”

Sherry Nolte,
CEO, Harford Center

About **97%**
of customers are receiving a
POLICYHOLDER DIVIDEND
in 2024

Dreams & Dividends

One such example is The Harford Center, a nonprofit organization that supports adults with developmental disabilities in Harford County, Maryland. The policyholder dividend they received allowed them to redirect much-needed resources toward program enhancements, staff development, and the individuals they support. At Chesapeake Employers, this is what it means to elevate the potential of people. When our policyholders succeed, their communities benefit, and the ripple effect of that success is felt across Maryland.



**They dreamed big.
They earned bigger.
Scan now to watch the story.**



> **96%+**
claims
satisfaction

> Nearly
5,000
injured workers cared
for in 2024

PRS Guitars' Encore: Elevating Trust and Service

Throughout the year, we heard many stories of employers reinvesting in safety, employees recovering after injuries, and agents forming deeper, more trusted relationships with their clients. These moments remind us that our purpose is not abstract. It's present in the decisions we make, the partnerships we build, and the futures we help protect. For example, at Paul Reed Smith Guitars, safety and craftsmanship go hand in hand. When workplace injuries do happen, the claims experience must be in tune with PRS Guitars' high expectations. By prioritizing service, trust, and employee well-being, Chesapeake Employers helps elevate the promise of their work and unlock the potential of every person behind their craft.



PRS Guitars builds the tone.
We support the craft.
Scan now to watch the story.



➤ We provide
**24-hour,
3 point contact,
quick response**
for catastrophic injuries

One Step at a Time: A Journey of Recovery

In the blink of an eye, everything changed for a young construction worker the day he fell from a building and suffered a catastrophic workplace accident. Left paralyzed by his injuries, his future was suddenly filled with uncertainty. But his story is not one of defeat—it's one of resilience and the power of support.

With determination, he began a new journey—one defined not by what he lost, but by what he would fight to regain. Chesapeake Employers' claims and health specialists worked closely with his care team to ensure he had access to advanced medical care, rehabilitation tools, and state-of-the-art technologies that could help restore his strength and mobility.

One of the most significant breakthroughs in his recovery was the introduction of a robotic-assisted walking system—an innovative device that helps individuals with lower limb paralysis stand and walk again. Learning to use this device required intense physical therapy and tremendous focus. Step by step, session by session, he retrained his body and mind—teaching muscles to respond, balance to return, and confidence to build.

Every milestone—taking a step, standing independently, envisioning life beyond the wheelchair—represented progress not only physically, but emotionally. Eventually, he hopes to use the robotic-assisted walking system to regain full independence: to climb stairs, stand at his children's graduations, walk his daughter down the aisle, and drive a car again.

His journey is ongoing, and today, he is walking again. More importantly, he is living again—with hope, independence, and a renewed sense of purpose.

Real-life stories like his remind us why we exist: to be there when it matters most and to guide our policyholders and their injured employees on the road to recovery.



Community Partnerships and Investments

By investing in education, job preparation, and workplace safety we help today's workers thrive and tomorrow's workers prepare for success.

A recent example includes our support for Junior Achievement, last year helping bring JA to the Eastern Shore, following our investment in the Baltimore location in 2023. As students experience the Chesapeake Employers insurance stores at JA, they learn the role insurance plays in our economy and society. Watch the video below to see how Junior Achievement, some of our agent partners on the Eastern Shore, and Chesapeake Employers fuel students' dreams of becoming impactful leaders and productive members of society.



Future insurance professionals at work. Scan now to watch the story.



**MARYLAND
TOUGH**
—  —
**BALTIMORE
STRONG**

> 1,400
safety
consultations

> 50+
safety webinars
hosted

> 1,300
employees trained
through webinars &
in-person trainings

Elevating One Another in a Time of Crisis

Another pivotal moment came on April 8, 2024, when the Francis Scott Key Bridge collapsed—a tragic event that deeply affected our state, our neighbors, and the working families of Maryland. In response, we joined the Maryland Tough Baltimore Strong initiative with a \$50,000 contribution to the Baltimore Community Foundation, standing with those impacted and helping fund the long road to rebuilding ahead. That's what it means to elevate one another in a time of crisis.



“ Having a relationship with the team at Chesapeake Employers is paramount to my ability to get our employees back to work... Workplace safety is the most important thing. **”**

› Christie Woodard,
HR Director, Paul Reed Smith Guitars

› **1,400**
safety
consultations

› **50+**
safety webinars
hosted

› **1,300**
employees trained
through webinars &
in-person trainings

Invested in Injury Prevention

Workplace safety isn't just part of what we do—it's at the heart of what we do. We believe that your employees deserve to go home safely at the end of the day, and we are proud to partner with you to prioritize their wellbeing. Our Safety Services team brings a deep understanding of the unique needs and exposures across a wide range of industries. With many of our safety professionals holding advanced certifications, we offer expert-level guidance tailored to the real-world challenges you face every day.

Through webinars, classroom workshops, hands-on training, and safety certification programs, we help Maryland employers build cultures of safety from the ground up. And we're constantly innovating—partnering with technology firms to offer immersive tools like Virtual Reality (VR) safety training and on-site ergonomic assessments. Our goal is to minimize risk, reduce injuries, and elevate the potential of every business and employee we serve. Because when safety is prioritized, everyone wins.



“Our medical utilization distinguishes itself through innovation that challenges the status quo, leading to more care options for injured workers, faster access to care, and lower costs for identical services.”

**> Danielle Quinn, PharmD
Pharmacy Program Director,
Chesapeake Employers Insurance**

**> Average prescription cost was
\$137**
Less than half the Maryland average of \$315

**> Cost per patient was
\$832**
Compared to \$2,733 among other carriers

Pharmacy Program Success Keeps Costs Down and Care High

At Chesapeake Employers, responsible medical oversight is about delivering better care for injured workers while protecting policyholders from rising claims costs. Nowhere is that balance more evident than in our pharmacy program. In 2024, our prescription oversight strategy continued to deliver meaningful results—containing costs and enhancing medical care appropriateness.

We're not just managing prescriptions—we're managing outcomes. Our pharmacy program ensures that injured workers receive appropriate, effective medications while avoiding unnecessary or high-risk drugs. This disciplined approach drives real savings.

These outcomes have a direct benefit for all our policyholders. That's because medical costs factor into statewide workers' compensation rates and business owners' individual premiums. Not only does our pharmacy program help you, but it also impacts workers' compensation costs for all Maryland employers.



“We are here to serve all Maryland employers operating through the Mid-Atlantic region.”

> Dan Navarro
Vice President, Policyholder Services
Chesapeake Employers Insurance



Growth Fueled by Purpose

At Chesapeake Employers, underwriting is more than a process—it's a purpose-driven approach that helps us safeguard Maryland's workforce and empower businesses to thrive.

We see risk differently. Our ability to quote and price nearly every Maryland business, regardless of industry or risk profile, sets us apart as a stable, trusted partner for employers across the state and beyond.

In 2024, our approach to underwriting delivered measurable results, and helped more Maryland business owners gain access to reliable workers' compensation coverage. With an almost 50% increase in new business premium compared to 2023, this growth reflects our commitment to serving all Maryland employers—from high-risk operations to low-loss businesses—with dependable workers' compensation coverage.



Financial Highlights

Years Ended December 31

	2024	2023
Premiums earned	\$ 185,244,171	\$ 191,779,333
Net investment income.....	\$ 77,084,740	\$ 72,920,788
Loss & loss adjustment expenses incurred	\$ 54,465,126	\$ 53,244,502
Underwriting gain (loss)	\$ 62,632,391	\$ 67,806,080
Dividends expense	\$ 65,719,811	\$ 65,028,671
Total assets.....	\$ 2,575,885,017	\$ 2,515,346,962
Total surplus.....	\$ 1,338,325,367	\$ 1,234,151,241
Loss/LAE ratio	29.4%	27.8%
Expense ratio	68.8%	68.7%
Combined ratio	98.2%	96.4%

Statement of Operations, Statutory - Basis

Years Ended December 31

	2024	2023
Underwriting income:		
Net premiums earned.....	\$185,244,171	\$191,779,333
Losses incurred.....	\$ 28,502,146	\$ 11,978,131
Loss adjustment expenses incurred	\$ 25,962,980	\$ 41,266,371
Commissions.....	\$ 25,075,426	\$ 24,758,428
Other underwriting expenses, net.....	\$ 38,285,378	\$ 40,471,166
Provision for bad debt	\$ 4,785,850	\$ 5,499,157
Underwriting gain (loss)	\$ 62,632,391	\$ 67,806,080
Net investment income.....	\$ 77,084,740	\$ 72,920,788
Net realized gain on investments.....	\$ 1,096,896	\$ (4,248,162)
Net investment gain.....	\$ 78,181,636	\$ 68,672,626
Other income.....	\$ 524,903	\$ 473,511
Dividends to policyholders.....	\$ (65,719,811)	\$ (65,028,671)
Total other loss	\$ (65,194,908)	\$ (64,555,160)
Income before federal taxes.....	\$ 75,619,119	\$ 71,923,546
Federal income tax expense.....	\$ (12,920,118)	\$ (10,944,934)
Net income	\$ 62,699,001	\$ 60,978,612



Balance Sheet Statutory - Basis

	<i>Years Ended December 31</i>	
	2024	2023
Admitted Assets		
Bonds	\$ 1,985,777,312	\$ 1,974,508,300
Preferred stock	\$ 13,054,314	\$ 9,633,566
Common stock	\$ 220,255,834	\$ 198,576,884
Real estate, occupied by Chesapeake Employers	\$ 6,808,974	\$ 7,046,094
Cash, cash equivalents and short-term investments	\$ 65,526,922	\$ 50,329,671
Other invested assets	\$ 165,079,082	\$ 146,041,247
Receivable for securities	\$ 82,000	\$ 842,957
Total cash and invested assets	\$ 2,456,584,438	\$ 2,386,978,719
Accrued interest on investments	\$ 16,171,325	\$ 15,986,006
Premiums receivable	\$ 58,367,363	\$ 59,716,953
Receivables under reinsurance contracts	\$ 2,690,915	\$ 1,224,438
Other assets	\$ 42,070,976	\$ 51,440,846
Total admitted assets	\$ 2,575,885,017	\$ 2,515,346,962
Liabilities and Surplus		
Liabilities:		
Reserves for losses and loss adjustment expenses	\$ 872,372,000	\$ 953,209,000
Accounts payable and accrued expenses	\$ 22,829,590	\$ 22,504,392
Borrowed money and accrued interest	\$ 140,585,047	\$ 146,799,399
Unearned premiums	\$ 71,704,152	\$ 66,827,743
Other liabilities	\$ 130,068,861	\$ 91,855,187
Total liabilities	\$ 1,237,559,650	\$ 1,281,195,721
Total surplus	\$ 1,338,325,367	\$ 1,234,151,241
Total liabilities and surplus	\$ 2,575,885,017	\$ 2,515,346,962

AM Best affirmed the Financial Strength Rating of A (Excellent) and the Long-Term Issuer Credit Rating of "a" for the Chesapeake Employers' Insurance Company as of May 24, 2024. The outlook assigned by AM Best to both ratings is stable. Chesapeake Employers' reserves are opined by Deloitte Consulting, LLP and a complete Statement of Actuarial Opinion may be obtained upon request from the Chief Financial Officer of Chesapeake Employers' Insurance Company.

The 2024 condensed financial statements, including the balance sheet have been derived from complete statutory-basis financial statements, which were audited by Johnson Lambert, LLP.



Looking Ahead: The Future of Tomorrow's Work

As we look ahead to 2025 and beyond, Chesapeake Employers remains focused on building a future that reflects our purpose in service to you and your workers. From advancing safety technologies to delivering greater value to our policyholders in Maryland and beyond, our work will remain centered on safeguarding your employees and empowering your business.



L-R: Suzanne Carter Thompson, Board Chair; John J. Scott, Jr., Vice Chair; Tedd Alexander, Member; Spencer P. Cavalier, Member; Franklin J. Hajek, CPA, Member; Keturah McGhee, Member; Sally Jameson, Member; Martin G. Madden, Member; Jason M. Schupp, Member.

2024 Board of Directors

Thank you to our Board of Directors for their steadfast commitment to protecting Maryland business owners and their employees. Their leadership and guidance continue to strengthen Chesapeake Employers, ensuring we remain a stable, reliable partner that you can count on for comprehensive workers' compensation coverage across all types of businesses.

Tomorrow's Work

When we think about tomorrow's work, it's important to reflect on the impact we strive to make and our commitment to you and your employees. Through the lens of our purpose, this perspective shapes everything we do and reminds us why our commitment to all Maryland businesses matters so deeply.




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Employers Insurance[™]
Your workers' compensation specialist

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