

2023

GEM
ANNUAL
REPORT



NOT ONLY IS GEM
A GREAT STRATEGIC
PARTNER FOR US
BUT IT IS ALSO
PROFESSIONALLY
REWARDING FOR
ME GIVEN THE
VERY FINE PEOPLE
WHO COMPRISE
THIS ORGANIZATION
AND THE MEMBERSHIP.

– *Steve Stanczak, Chief Executive Officer, CVMIC*

LETTER TO THE MEMBERS



Bryan Anderson
Board Chair



Andrew Halsall
President & CEO

Dear Member,

Meaningful relationships, whether social or professional, drive trust, confidence and reliance. At its core, GEM exemplifies the value of relationships. It is a point of distinction between us and other carriers. The community we have built over the last 20-plus years continues to strengthen with each member added and the diverse perspectives and expertise they bring. In 2023, for example, Cities and Villages Mutual Insurance Company (CVMIC), who serves more than 50 cities and villages in the state of Wisconsin, joined the GEM family. Like every other member, they bring value not only to our risk portfolio, but also by sharing their knowledge and experiences.


Our role in each member's coverage program is where the uniqueness of the GEM relationship begins. For a pool to deliver stability to its own members, it needs similar stability from its reinsurers. The volatile renewals in the reinsurance market in recent years served as a reminder that stability can't be taken for granted. In contrast, throughout the market turmoil, GEM continued to provide reliable capacity at a stable price. We were able to step in for our members where other reinsurers stepped back. Our relationships with our own reinsurance partners, all strong and respected carriers, were crucial to this outcome.

Connections among members are central to the success of GEM. We provide a forum for our members to network with their peers and build these relationships. There are collaborative work groups for members' senior staff, and roundtable sessions during our quarterly meetings for members to interact through shared experiences and insights. In addition, our annual Summit adds a further dimension by including external subject matter experts to build our knowledge on key topics.

GEM is a platform for pooling risk and knowledge. We depend on the contributions of our individual members. But ultimately, GEM's success is super-charged by the connectivity and collaboration created by the relationships among our community.

Sincerely,

Bryan Anderson, Board Chair
Andrew Halsall, President & CEO

The background of the slide is a dark grey-blue color. It features several large, overlapping circles in a lighter shade of the same color, creating a layered, abstract effect. The text is centered and uses a clean, sans-serif font.

GEM BEGINS WITH REINSURANCE BUT QUICKLY TRANSFORMS INTO A RICH PARTNERSHIP

GEM PARTNERSHIPS OFFER MORE THAN
COVERAGE CAPACITY TO SUPPORT
EFFECTIVE MEMBER PROGRAMS.
THEY CREATE SYNERGIES THAT
CONTRIBUTE TO THE MUTUAL GROWTH
AND SUCCESS OF ALL POOLS.

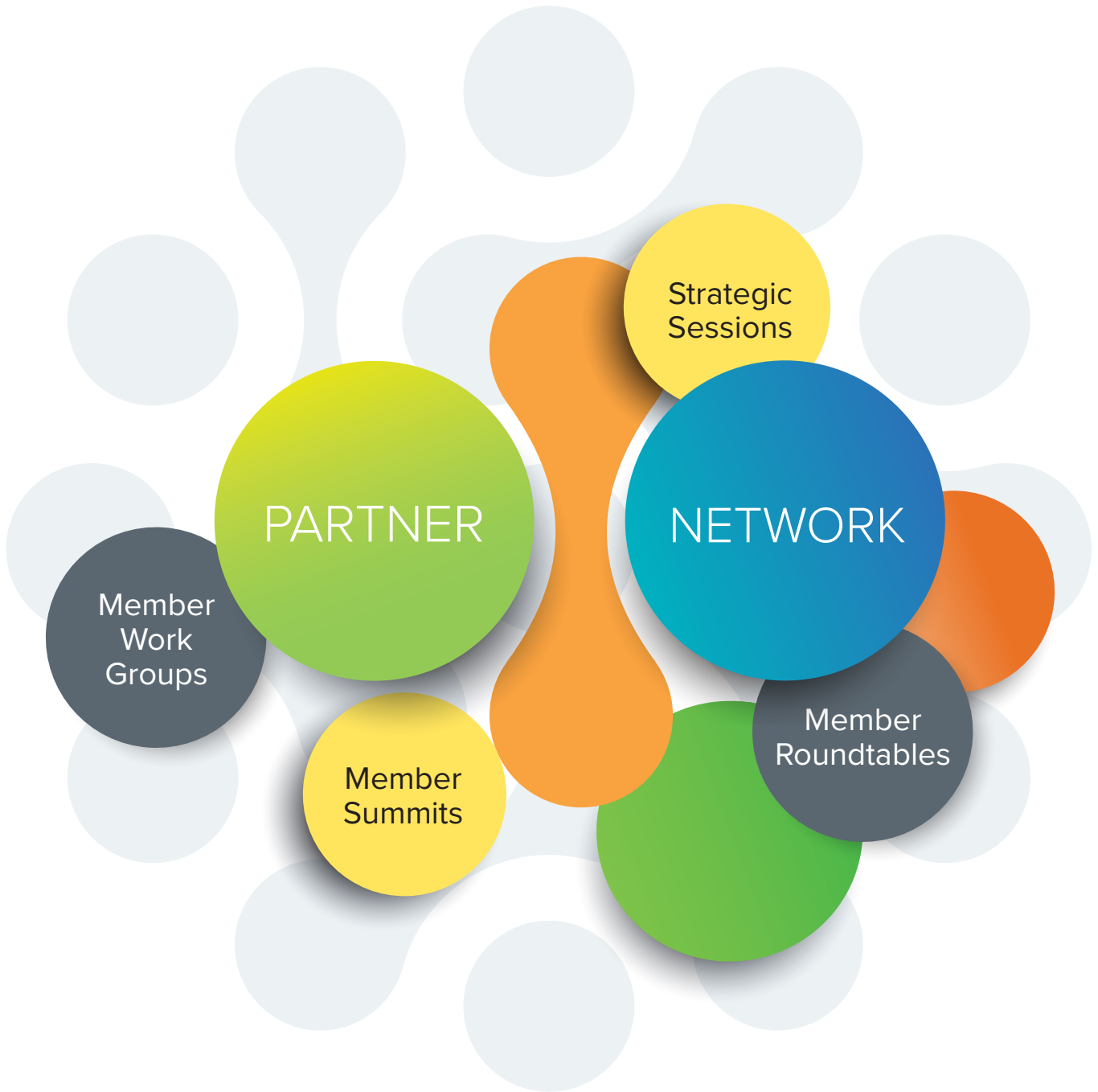


United in purpose, GEM is a community of member pools devoted to mitigating public entity risk. This fundamental principle guides our approach to strategy, governance, and operations, and shapes GEM's long-term vision.



GEM MEMBERSHIP ENRICHES PEER TO PEER CONNECTIONS

THE COLLABORATIVE NETWORK FORMED
BY GEM MEMBERS ENHANCES THE SENSE
OF FELLOWSHIP AND CAMARADERIE.
THE INSIGHTS SHARED ARE INVALUABLE FOR
PERSONAL AND PROFESSIONAL GROWTH.



GEM fosters a culture of continuous learning among fellow members. Each connection supports the exchange of ideas, offers advice based on mutual experiences, and identifies emerging trends that shape the future of pools.



GEM MEMBERS ARE STRONGER TOGETHER

THE COMBINED STRENGTHS
AND INSIGHTS FROM THE MEMBERSHIP
GENERATE IMPROVED PROBLEM-SOLVING
AND POOL INNOVATION.



Although members may differ in their underlying demographics, we are interconnected. We work together to elevate best practices and gain the advantages of pools united.

STRONG MEMBER
COMMITMENTS
CONTRIBUTE TO
GEM'S LONG-
TERM STABILITY,
FOSTERING
FINANCIAL
GROWTH AND
SUSTAINABILITY.

FINANCIAL
HIGHLIGHTS

\$000 omitted

2019 2020 2021 2022 2023

ACTIVITY

Gross Written Premium	\$13,276	\$20,314	\$23,755	\$28,570	\$33,448
Net Written Premium	7,906	10,892	16,009	18,847	22,755
Losses and Loss Adjustment Expenses	4,905	7,460	8,952	15,038	19,309
Investment Income ¹	5,744	5,397	566	(7,483)	7,339
Net Earnings/(Loss) ²	7,245	6,907	4,584	(6,026)	8,582

¹ includes realized and unrealized gains/losses, interest and other income

² also known as Comprehensive Income/(Loss) **NET POSITION**

NET POSITION

Cash and Investments	82,444	94,476	103,881	107,602	124,758
Net Reserves for Unpaid Losses and Loss Adjustment Expenses	48,623	50,979	56,362	65,366	72,544
Members' Paid-In Capital Contributions	12,274	12,593	12,694	13,194	14,193
Retained Earnings ³	<u>17,962</u>	<u>24,687</u>	<u>29,272</u>	<u>23,246</u>	<u>31,827</u>
Members' Equity	<u>\$30,236</u>	<u>\$37,280</u>	<u>\$41,966</u>	<u>\$36,440</u>	<u>\$46,020</u>

³ includes Accumulated Other Comprehensive Income

BOARD OF DIRECTORS

GEM STAFF

Andrew Halsall
President & CEO

Diane Caley
Manager – Board & Executive Services

Christy Dell’Orfano
Underwriting Analyst

Tom Forth
Claims Supervisor

Martin Jackson
Chief Financial Officer & Treasurer

Ben Kraus
Director of Underwriting & Risk

Carol MacDougall
Accounting Assistant

Melanie McDonough
Claims Manager

Debbie Stickle
Manager – Operations & Finance



Bryan Anderson
Board Chair
*Michigan Municipal Risk
Management Authority*



Brett Davis
Vice Chair
*Park District Risk
Management Agency*



Merna Lechman
Secretary
*Montana Municipal
Interlocal Authority*

BOARD OF DIRECTORS (continued)



Pallin Allen
*Wisconsin Municipal Mutual
Insurance Company*



Ann Bennett
*Washington Cities
Insurance Authority*



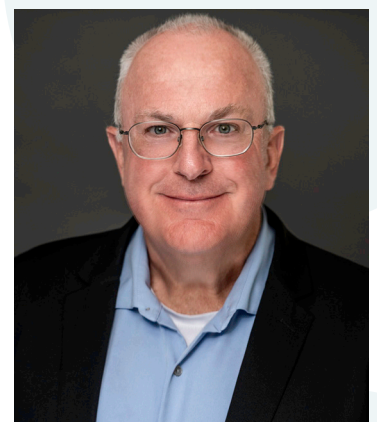
Sheryl Brandt
Enduris



Ryan Cole
*Arizona School Risk
Retention Trust*



David Harmer
Virginia Transit Liability Pool

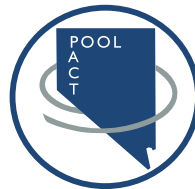


Alan Kalt
*Nevada Public Agency
Insurance Pool*



Gregory Womack
*Texas Council Risk
Management Fund*

GEM MEMBERS



GEM MEMBERS (continued)



gem



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