

LETTER FROM THE CHAIR AND PRESIDENT



David Harmer
Chair



Andrew Halsall
President & Chief Executive Officer

Anniversaries are a time for reflecting – on our achievements, milestones, and successes. GEM is celebrating its 20th anniversary this year and we find ourselves not only looking at two decades of accomplishments but also contemplating all that the future holds.

GEM has achieved much over these 20 years. We have grown our membership and now serve over 3,400 public entities through 21 pools in 16 states. We have increased our liability and workers' compensation coverage limits to align with our members' changing needs. We have added member enrichment programs like summits, member roundtables and member workgroup research to educate all on the relevant topics of today while giving current and future leadership the opportunity to network with their peers. GEM has become a preferred partner in reinsurance and thought leadership.

What's been accomplished to date is essentially proof of concept. In 2003, GEM was formed to serve the long-term interests of public entities and to insulate

them from the volatility of traditional reinsurance markets. Through their exclusive ownership and control, members would determine GEM's vision, strategy and direction. They would be fully invested in GEM's success. Twenty years on, as public entities have borne the impact of a hard reinsurance market, GEM has proven its value as a reliable source of stable capacity.

Twenty years, though, is just a marker in a longer journey. We have much more to do. Through our generative governance model, leveraging the extensive insights and expertise of our members, GEM is positioned to deliver strategic value for the next 20 years and beyond.

Thank you for your confidence in GEM and for being part of this incredible community.

David Harmer, Chair
Andrew Halsall, President & CEO



LAYERING OF SUPPORT

Each of our tenets supports who we are as an organization.

THERE ARE MANY LAYERS TO THE RELATIONSHIPS FORGED AMONG GEM MEMBERS.

GEM is deeply anchored by our three tenets: focused solutions, member control, and pools united, which make up the fabric of GEM and set us apart.

Each tenet adds a layer of support to the GEM membership. For example, through our focused solutions, we ensure that each member has the layers of capacity needed to protect their unique exposures regardless of market conditions.

There are also many layers to the relationships forged among GEM members. Members have come to appreciate the peer friendships they can draw on for counsel and advice, knowledge and expertise, and an understanding of the attributes they share with each other.

All of these layers are intrinsically linked to make GEM a unique partner.

SERVING THE COMMUNITY



The member communities protected by GEM have increased by more than 1,000.

GEM SERVES THE POOLING COMMUNITY BY ELEVATING ITS EXPERTISE.

Since inception, GEM continues to grow with its membership. Through our 21 member pools, GEM now protects more than 3,400 communities, reflecting growth of more than 1,000 in the past five years. Our part in protecting these communities is to ensure the necessary capacity is available to them through our member pools.

In addition, GEM plays an active role in strengthening the pooling community. Through our facilitated thought leadership sessions, GEM provides a platform for knowledge exchange among the members and for learning from external subject matter experts. These opportunities enrich the member experience and elevate the mutual expertise of the group.

CONTROLLING OUR DESTINY



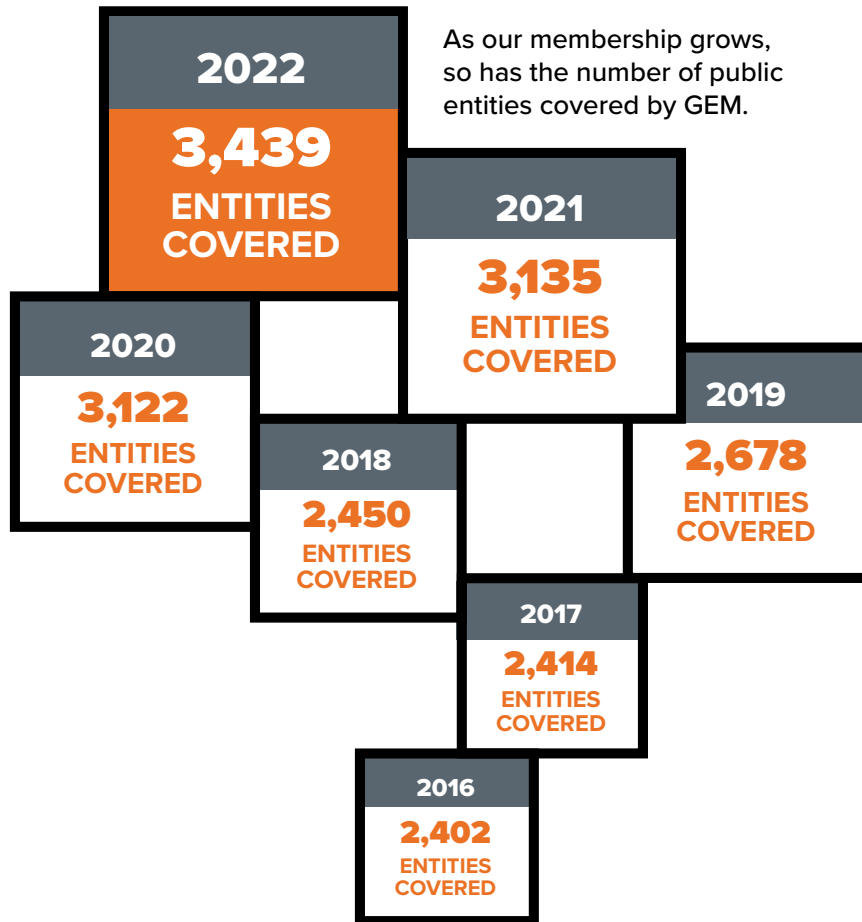
Controlling our destiny means owning our successes and our challenges.

GEM HAS MORE OPTIONS AND GREATER FLEXIBILITY TO RESPOND TO MEMBER NEEDS.

GEM knows we can't control the reinsurance market, but we can strive to control our own destiny. This means owning our successes and our challenges. Both are inherently present in the world of insurance. The difference with GEM is that we are agile, quick to adapt to the unexpected such as reinsurance market volatility – or a pandemic – and financially stable to confidently plan for the future. We do the work and take control

by achieving the goals the membership and Board have strategically put in place to lead us toward our long-term vision.

Member control gives us more options and greater flexibility to respond to members' needs. It is the driving force behind our programs, our growth and our governance. Being at the helm and partnering with trusted reinsurers, we call the future our own.



As our membership grows, so has the number of public entities covered by GEM.

FINANCIAL HIGHLIGHTS 2022

\$000 omitted

	2018	2019	2020	2021	2022
ACTIVITY					
Gross Written Premium	\$12,435	\$13,276	\$20,314	\$23,755	\$28,570
Net Written Premium	8,508	7,906	10,892	16,009	18,847
Losses and Loss Adjustment Expenses	6,615	4,905	7,460	8,952	15,038
Investment Income ¹	237	5,744	5,397	566	(7,483)
Net Earnings/(Loss) ²	652	7,245	6,907	4,584	(6,026)

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

² also known as Comprehensive Income/(Loss)

NET POSITION					
Cash and Investments	74,831	82,444	94,476	103,881	107,602
Net Reserves for Unpaid Losses and Loss Adjustment Expenses	49,052	48,623	50,979	56,362	65,366
Members' Paid-In Capital Contributions	12,637	12,274	12,593	12,694	13,194
Retained Earnings ³	<u>11,854</u>	<u>17,962</u>	<u>24,687</u>	<u>29,272</u>	<u>23,246</u>
Members' Equity	<u>\$24,491</u>	<u>\$30,236</u>	<u>\$37,280</u>	<u>\$41,966</u>	<u>\$36,440</u>

³ includes Accumulated Other Comprehensive Income

GEM STAFF

Andrew Halsall

President & Chief Executive Officer

Diane Caley

Manager – Board & Executive Services

Ben Kraus

Director of Underwriting & Risk

Christy Dell’Orfano

Underwriting Analyst

Melanie McDonough

Claims Manager

Martin Jackson

Chief Financial Officer

Debbie Stickle

Manager – Operations & Finance

Carol MacDougall

Accounting Assistant

BOARD OF DIRECTORS



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(Chair)

Virginia Transit Liability Pool



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(Vice Chair)

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Brett Davis

(Secretary)

*Park District Risk
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Ann Bennett
*Washington Cities
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Sheryl Brandt
Enduris



Ryan Cole
*Arizona School Risk
Retention Trust*



Alan Kalt
*Nevada Public Agency
Insurance Pool*



Merna Lechman
*Montana Municipal
Interlocal Authority*



Gregory Womack
*Texas Council Risk
Management Fund*

**GEM IS OWNED
BY ITS MEMBERS**





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