



A YEAR ON MAIN STREET

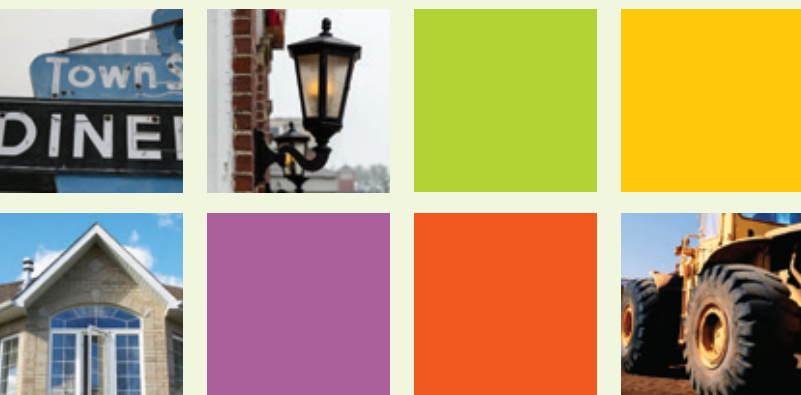
2014 ANNUAL REPORT

THE MAIN STREET AMERICA GROUP






Main Street America chairman and CEO Tom Van Berkel (center) receives the 2014 IIABA Chairman's Award for his unwavering support of the independent agency system and Trusted Choice® from Bob Rusbuldt (left), president and CEO of the Big "I," and immediate past Big "I" chairman Tom Minkler of Clark-Mortenson Insurance. Learn more about Main Street America's commitment to independent agents in the Message from the Chairman on page 3 and the 2014 Trusted Choice® Highlights feature on page 5.

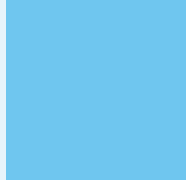


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A professional portrait of Tom Van Berkel, a middle-aged man with short, light brown hair and a friendly smile. He is wearing a dark navy blue pinstriped suit jacket over a white dress shirt and a yellow and blue diagonally striped tie. He is standing against a solid teal background. His right hand is partially visible in his pocket.

■
Tom Van Berkel, *Chairman,
President and CEO*
The Main Street America Group
Jacksonville, Fla.



A Message from the Chairman

Throughout 2014, The Main Street America Group continued to serve our distribution network of 3,000 independent insurance agents and their customers better than anyone else, while also establishing the framework for our company's future success.

We generally fell short of attaining our 2014 financial goals, as higher-than-expected losses in reinsurance and liability lines, as well as slower-than-planned premium growth, led to an overall underwriting loss. We did, however, generate net income of \$37.9 million and reached the significant milestone of surpassing \$1 billion in surplus for the first time in our company's 91-year history. Main Street America's financial position remains very strong, with our premium to surplus ratio declining to .96 to 1.

"We reached the significant milestone of surpassing \$1 billion in surplus for the first time in our company's 91-year history."

Our commercial lines operations grew 5.1 percent in 2014 with a 100.2 combined ratio. A countrywide commercial package policy was developed for risks that do not fit our standard Main Line Business Owners Policy. We also developed our workers' compensation tiered pricing program which will open this coverage to a much broader mix of "Main Street" insureds.

In 2015, Main Street America will continue the rollout of our workers' compensation tiered pricing program and begin implementing our new commercial package policy. Additionally, as part of our ongoing efforts to improve ease of doing business, we will engage agency bridging technology on our Main Street Station platform.

In personal lines, more competitive pricing in auto and home led to Main Street America's strong new business growth in many states in 2014. We also implemented significant enhancements to our Main Street Station personal lines platform, greatly improving the user experience.

We will begin introducing a new business discount for auto and home in 2015. By midyear, we plan to launch a new private passenger auto product, which will offer a simplified pricing model and provide a wide array of discounts and coverage features that will make us very competitive against national and regional carriers.

Main Street America's claims and customer service functions continued to provide superior service to our customers and their insureds last year. At our Agency Councils and Listening Tours, as well as through our surveys, Main Street America's customers consistently gave our claims and customer service teams exceptionally high marks.

Main Street America remains a leader in championing the independent agency system. As the founding company partner of Trusted Choice® in 2001, we continue to co-brand via every possible touchpoint in the marketplace, ranging from product marketing to community activities to quarterly results videos on our company's YouTube channel.

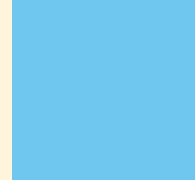
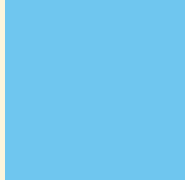
As one of the six original carriers which invested in the development of the new TrustedChoice.com consumer agent portal, we realized independent agents needed a strong online presence in order to compete with direct writers and captives to gain market share. TrustedChoice.com is now available throughout the United States and is driving new business to the independent agent distribution channel. In 2014, the site received 1.8 million visitors and generated 48,000 leads. Our Trusted Choice® feature story on page 5 describes how participating agents are benefiting from this platform.

Our 2014 Annual Report, *A Year on Main Street*, is filled with insightful stories which highlight how we are partnering with our agent-customers to achieve success throughout our "Main Street" niche. I would like to thank our dedicated employees for instilling our company's core values of ownership, relationships and service and helping us deliver "The MSA Experience" to all our customers year after year. And, I would like to thank our customers for their trust in continuing to place their insureds' business with us.

As we embark upon our 92nd year of serving the "Main Street" marketplace, our strong capital position leaves us well-positioned to invest in new products, enhanced technology and competitive pricing. We will continue to serve our customers in a magnificent way and partner with them to profitably grow and achieve our mutual 2015 financial goals.

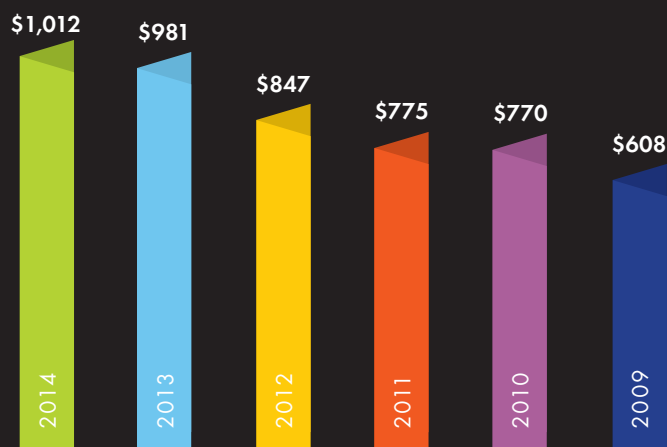
Tom Van Berkel

Chairman, President and Chief Executive Officer



2014 Financial Highlights

SURPLUS GROWTH (dollars in millions)



PREMIUM

- Net premiums written were \$968.6 million, a decrease of \$32.2 million, or 3.2 percent, compared to Main Street America's 2013 premium volume.

COMBINED RATIO

- Combined ratio increased from 100.6 in 2013 to 103.7 in 2014.
- Loss ratio increased by 2.5 percent and the expense ratio increased by .6 percent versus 2013 results.

INVESTMENTS

- Investment returns measured on a statutory basis were \$78.8 million.
- Overall performance of Main Street America's portfolio of 7.49 percent exceeded our blended benchmark of 6.85 percent, providing excess returns of \$11.6 million.
- The company's best-performing asset classes were taxable bonds, municipal bonds and domestic equities.

KEY RESULT MEASUREMENTS (dollars in millions)

	2014	2013	2012	2011	2010	2009
COMBINED RATIO	103.7	100.6	99.9	106.7	99.2	97.4
NET WRITTEN PREMIUM	\$968.6	\$1,001	\$978.2	\$889.4	\$889.7	\$815.0
RETURN ON EQUITY	5.1%	11.1%	11.9%	2.7%	16.8%	18.2%
SURPLUS	\$1,012	\$981.3	\$846.9	\$775.3	\$769.7	\$692.0
PREMIUM-TO-SURPLUS RATIO	.96 to 1	1 to 1	1.2 to 1	1.1 to 1	1.2 to 1	1.2 to 1

INCOME AND SURPLUS

- Net income decreased to \$37.9 million versus \$57.1 million in 2013.
- Statutory comprehensive income was \$41.9 million and resulted in a return on equity of 5.1 percent.
- Total surplus exceeded \$1 billion for the first time in the company's history, reaching \$1.012 billion compared to \$981.3 million at year-end 2013.
- Premium to surplus ratio declined to .96 to 1.
- Total assets grew to \$2.36 billion.

FINANCIAL RATINGS

- A.M. Best affirmed The Main Street America Group's "A" (Excellent) Financial Strength Rating with a Stable Outlook, as well as the company's "a+" Issuer Credit Rating.

For more details about Main Street America's 2014 financial results, please turn to pages 21-23.

2014 Trusted Choice® Highlights



Independent Agents Gaining 'Advantage' from TrustedChoice.com

When the TrustedChoice.com consumer agent portal became available to members of the Independent Insurance Agents of Georgia, Rusty Strawn had a very simple decision to make.

"As soon as we learned about the numerous benefits offered by a TrustedChoice.com Advantage subscription, we immediately signed up for both commercial lines and personal lines," said Rusty, president of Strawn & Co. Insurance, McDonough, Ga. "In fact, within the first week, we had five leads for new business."

As an Advantage subscriber, agents get a personal profile page on TrustedChoice.com, unlimited leads and show up at the top of the site's agent search list.

"For just \$98 a month, our subscription has been paying great dividends for us. In fact, the leads we have received have paid for themselves five-fold," Rusty said.

"All members of the Big 'I' should sign up for a TrustedChoice.com Advantage subscription," Rusty added. "You are leaving a lot of potential business on the table if you don't join. TrustedChoice.com provides all independent agents with the ideal platform to capture new business."

The Main Street America Group was one of six carriers that invested in the development of the "new" TrustedChoice.com

website. Main Street America is also the founding company partner of the Trusted Choice® brand and has exclusively marketed its products and services through independent agents since the company was formed in 1923.

"In recent years, we have seen some of our carriers decide to go direct or test the waters with other distribution channels," said Charles Hartshorne, president of Chas. F. Hartshorne & Son Inc., Wakefield, Mass. "Main Street America has always been loyal to the independent agency system and we really appreciate that."

"The leads we have received have paid for themselves five-fold."

David Otterson, owner of Heinz Insurance Agency Inc., Owatonna, Minn., also praises Main Street America for its unwavering support of independent agents.

"Main Street America has always been at the forefront of promoting the Trusted Choice brand and that has continued with its investment in launching the new TrustedChoice.com site," David said. "They are a leader in marketing the value of independent agents."

Empire Spectrum LLC partners (sitting left to right) John Tomassi, Kevin Pino and Peter Feltner are joined by their Main Street America business development executive Jon Spacher.





Building an 'Empire' Across The Empire State

In 2004, a few independent insurance agents in New York State determined it would be beneficial if they joined together to promote their products and services in their respective markets across The Empire State.

"We belonged to another small group of agencies and weren't too happy with the direction we were taking," said John Tomassi, president of The Winfield Group, Clifton Park, N.Y. John led the charge with four other "Main Street" agencies to form Empire Spectrum LLC.

"After we launched Empire Spectrum, we slowly started to add other agencies with the same type of operating philosophy that we all shared," John said. "Our criteria included how they run their agency and the approach they took to serving their clients."

Today, Empire Spectrum consists of 18 "Main Street" agencies throughout New York. They serve 65,000 commercial lines and personal lines insureds and are generating total annual premium of \$135 million, with year-over-year growth in excess of 10 percent. Empire Spectrum perennially ranks as one of the top-producing customers for The Main Street America Group's NGM Insurance Company.

"Unlike many other groups of agencies, we are not a cluster. We are a partnership of agencies that think alike, talk alike and act alike," John said.

Kevin Pino, vice president at Hamill Regional Insurance Agency, Rochester, N.Y., said there are many benefits to the Empire Spectrum partnership.

"When we speak to our carriers, we talk to them as our partners," Kevin said. "The partnership also helps us negotiate with vendors and has driven down internal operating costs for our agencies."

Peter Feltner, vice president at The Feltner Group, Spencerport, N.Y., said Empire Spectrum's partners are very selective about which carriers they represent.

"We like to partner with carriers that have the same philosophies as we do. NGM is at the forefront of the markets we represent," he said.

"We strategically get together as a group and work with the carriers we know we can grow with," Kevin said. "We have formed a strong relationship with NGM's management team, including (Northeast Region president) Mark Berger, (field marketing representative) Jon Spacher and their underwriters.

They see it as a partnership and that helps all of us achieve success."

Jon services all 18 Empire Spectrum group members and NGM assigns the same commercial lines and personal lines underwriters to all of the group's agencies.

"Communication between NGM and Empire Spectrum is very open," Jon said. "Any member of the partnership can call me, Mark Berger or one of our underwriters and will receive the same high level of service. We all have each other's best interests in mind." The relationship even includes NGM hosting Empire Spectrum partner meetings at its Syracuse, N.Y., regional office.

Peter said NGM brings a lot to the table to benefit Empire Spectrum's customer base.

"We like to partner with carriers that have the same philosophies as we do. NGM is at the forefront of the markets we represent."

"NGM does a good job offering products with a wide range of classes and very competitive pricing, especially for the small to midsize business owner, which is our niche," Peter said. "We are able to provide our 'Main Street' commercial lines insureds with a full package that includes Main Line Business Owners Policy, commercial auto, workers' compensation and umbrella coverage."

John added, "The small commercial market has become more and more formalized. Many carriers tell us the risk has to fit in a specific box or it's just no good. At NGM, if it doesn't necessarily fit their criteria, they will listen to us explain why we feel it is a good risk. While they may not write everything we bring to the table, they will provide us with a good explanation as to why they can't do it."

Service is another key component of the strong bond between NGM and Empire Spectrum.

"What we sell our customers is a promise that your carrier is going to be there when you need them," Kevin said. "When an insured has a claim, they benefit from the phenomenal level of service provided by NGM. That is delivering on our promise."

Top-Producing Customers Help Drive Main Street America's Strong Surety Results



Meeting at Historic Faneuil Hall in Boston are (left to right) Main Street America surety development executive Connie Lopez, A.A. Dority vice president Philip Crawford, Dority president Richard W. Crawford and Main Street America vice president/head of bonds Brian Beggs.

Having an established network of consistently high-producing independent bonds agents is an essential ingredient to The Main Street America Group's surety operations achieving sustained success year after year.

This winning formula led to another strong performance by Main Street America's bonds unit in 2014 as it generated a 90.8 combined ratio and 12.8 percent growth.

A.A. Dority Company Inc. and Jurisco Inc. perennially rank among Main Street America's top five bonds agent-customers based on their annual production. And it is no surprise that Main Street America is the #1 bonds market in their respective offices. Both agencies specialize in probate bonds.

"We use Main Street America to write probate, license, permit and fidelity bonds for our customers," said Dority president Richard W. Crawford.

"Main Street America's wide variety of bonding capabilities enables us to handle every bond request in a timely, efficient manner and to continue to provide the superior service our customers have come to expect," added Philip Crawford, Dority vice president and Richard's brother.

Dority is one of New England's largest surety agents, serving 10,000 attorneys. Founded in 1899, the fifth-generation family business, located in Boston's financial district, annually produces \$3.5 million to \$4 million in sales. The partnership between the agency and Main Street America began in 1997.

"This has been a mutually beneficial partnership," Philip said.

"Main Street America is always willing to work with us to develop new products and explore new avenues to help us profitably grow our business."

"Their personal attention, flexibility and creativity are second to none," Richard said.

Main Street America surety development executive Connie Lopez, who has serviced the agency since 2011, added, "When we identify a new source of revenue that Dority has pinpointed, we make it a viable opportunity and provide them with the necessary tools to drive new business in the door."

Jurisco, based in Tallahassee, Fla., is a second-generation agency serving law firms across the country, with its heaviest concentration of customers in Central and South Florida. The firm, founded in 1987, began its partnership with Main Street America in 2006.

"Main Street America delivers the way we need them to in order to effectively serve our customers," said Jurisco chief executive officer Alex Hanley. Main Street America writes nearly 70 percent of the agency's bonds. "Their level of service is exceptional and that's why they are always our first preference for issuing a bond to our customers. They get the bond issued on time and that keeps our customer happy," he added.

Wendy Swenson, Main Street America's surety development executive who has been servicing Jurisco since 2012, has helped the agency steadily grow its footprint.

"We are a very strong partnership," Wendy said. "We have worked together on marketing strategies, such as a co-branded ERISA bonds program for Jurisco's customers. I am always focused on bringing new opportunities to the table."

"Main Street America's team is always available to support us. They care about us growing our business and do everything they can to make that happen. They make us feel like we are their only customer," Alex said.

Both agencies are continuously seeking to grow their client base. Dority has generated growth using an "old school/new school" marketing approach. For nearly 70 years, they have gone door-to-door handing out agency-branded calendars to every law firm in the Boston marketplace. In addition, Dority is using social media to promote their business more than ever before and also recently launched a new agency website.

"We face a constant challenge to keep our name in front of new generations of clientele and are using a wide variety of approaches to make that happen," Richard said.

Alex added, "Referrals are critical to Jurisco's growth. We have a strong reputation in the marketplace and are recommended quite often by county courts. While any property/casualty agent can write a bond, they don't understand the probate business like we do. That's why we relate so well to attorneys. We speak their language."

"(Main Street America's) level of service is exceptional and that's why they are always our first preference for issuing a bond to our customers."



(left to right) Jurisco senior underwriter April Reagan, Jurisco CEO Alex Hanley, Main Street America director of surety development and services Lisa Gall Kight, and Main Street America surety development executive Wendy Swenson meet at picturesque Alfred B. Macloy Gardens State Park in Tallahassee, Fla.



Supporting Our 'Main Street' Communities

In 2014, The Main Street America Group and its employees supported nearly 200 nonprofit organizations, reaffirming our commitment to making a positive impact in the communities where we live and work.

NGM CHARITABLE FOUNDATION AND AUSTIN MUTUAL FOUNDATION

Main Street America's NGM Charitable Foundation supports local nonprofit organizations across the United States focused on health and welfare, educational, cultural and civic needs. In 2014, the Foundation donated nearly \$130,000 to worthwhile causes throughout the eight metropolitan areas where Main Street America has offices. More than \$50,000 of this much-needed support was the result of our employees' generosity, whose personal donations were matched dollar-for-dollar by the Foundation.

The Austin Mutual Foundation, the nonprofit arm of Main Street America's Austin Mutual Insurance Company, donated nearly \$55,000 to charitable causes in 2014. The Foundation's giving strategy supports educational and community outreach programs, disease research and awareness groups and other worthwhile causes in Midwest, Southwest and Pacific Northwest states.

UNITED WAY

Main Street America is a strong supporter of the annual nationwide United Way campaign. In 2014, we donated more than \$70,000 to local United Way agencies (combined employee payroll deductions and company matches). Our local office fundraising events included bake sales and gift-basket raffles. Our annual live auction in Jacksonville, moderated by celebrity auctioneer Brian Sexton of the Jacksonville Jaguars, featured items donated by Main Street America's corporate officers.

COMPANIES WITH HEART

For the seventh consecutive year, Main Street America was honored for its philanthropic efforts by a leading business periodical. Jacksonville's 904 Magazine recognized our organization as one of its "Companies with Heart."

SCOUT DAY AT THE SYMPHONY

Main Street America sponsored the Jacksonville Symphony Orchestra's annual "Scout Day at the Symphony." The 2014 event featured a special family concert and hosted members of the Girl Scouts of Gateway Council and the Boy Scouts of America North Florida Council.

HOLIDAY FOOD AND TOY DRIVES

Main Street America annually conducts year-end holiday season food drives and toy drives at all of our office locations. In 2014, our employees donated nearly 2 tons of goods to eight local food banks. During the 2014 holiday toy drive, our employees donated more than 500 toys to benefit the U.S. Marine Corps' Toys for Tots global campaign and Project Share, which supports children in the Monadnock Valley area of Southwest New Hampshire.

EMPLOYEE VOLUNTEER ACTIVITIES

Main Street America annually provides each company employee with a paid volunteer day, which enables them to spend an entire day (or two half days) volunteering at a nonprofit organization of their choice. In Jacksonville, a team of our employees used their volunteer day to support Beaches Habitat for Humanity, a nonprofit that builds and promotes high quality, affordable housing that enhances neighborhoods and improves the quality of lives for individuals and families. Volunteers spent an entire day building scaffolding, installing and caulking windows and siding, and painting interiors and exteriors of three homes.

We also had a group of employees and their family members volunteer at the 20th annual VSA (Very Special Arts) Festival at Jacksonville's Cummer Museum of Art & Gardens. The volunteers provided hands-on art experiences for more than 2,300 Northeast Florida public school students with disabilities.

HIGHER EDUCATION

Through the NGM Charitable Foundation, Main Street America has established a \$25,000 scholarship program at the University of North Florida (UNF) to fund educational opportunities for students enrolled in the College of Education and Human Services. Kristen Saunders, a junior majoring in elementary education, was the 2014 recipient of the annual Main Street America Endowed Urban Education Scholarship.



■ Main Street America's year-round support of Jacksonville's Woodland Acres Elementary School includes hosting a fifth grade field trip at its corporate headquarters and conducting a summer reading book drive and book fair.

PRIMARY AND SECONDARY EDUCATION

As part of UNF's Urban Professional Development Schools program, Main Street America continued its partnership with Woodland Acres Elementary School. In 2014, a dedicated team of our Jacksonville employees volunteered to tutor students once a month at the Duval County (Fla.) Public School, located in the economically challenged Arlington area of the city.

In addition to onsite tutoring at the school, our year-round support of Woodland Acres also features several other impactful activities including a fifth-grade field trip to Main Street America's corporate headquarters, a summer reading book drive and a back-to-school supply drive. Additionally, we financed the launch of the school's new positive student behavior rewards program and funded the purchase of 25 tablets which will be used to tutor struggling readers in grades 3-5.

In Keene, we continued our partnership with the Keene High School North Campus, a specialty school for "at risk" youth. Many of our employees volunteered as student mentors and participated in several on-campus and off-campus enrichment activities.



■ Standing in front of the historic Strawn & Co. Insurance building are (left) agency president Rusty Strawn and Main Street America business management executive Dennis Simpson.



Historic Setting for Profitable Growth

Located inside a pre-Civil War home in the heart of McDonough, Ga., Strawn & Co. Insurance has been serving “Main Street” insureds for five decades throughout an eight-county area commonly known as “South Atlanta.”

Strawn, which was founded in 1972 as a captive carrier’s agency before transitioning to an independent agency in 1994, services more than 6,000 small businesses and families with its 24 employees out of its historic office location. In 2014, the agency generated \$18.5 million in premium and has grown 33 percent since 2011. Its product mix is 71 percent commercial lines, 23 percent personal lines and 6 percent financial products.

Since The Main Street America Group appointed Strawn in mid-2012, the agency has been adding new chapters to the history books by delivering exceptional results for its new market. In 2014, Strawn’s year-over-year premium growth of its Main Street America book was 35.5 percent, with a stellar 44 loss ratio.

“Appointing Strawn is part of our targeted growth strategy in Georgia,” said Dennis Simpson, Main Street America’s business management executive who supports the agency. “We are always looking for agencies that have an aggressive production force, consistently drive new business and treat their customers very well. We also wanted an agency focused on small business. Strawn’s business model was an ideal match for our criteria.”

Strawn president Rusty Strawn, son of agency founders Norman and Kaye Strawn, couldn’t agree more.

“Main Street America’s underwriting appetite went hand-in-hand with our agency’s sales strategy,” he said. “This includes a focus on retail and services businesses, as well as the construction industry. These are all of our target markets. Plus, the automation Main Street America offers us with its Main Street Station commercial platform makes it easy for us to write new business with them.”

Rusty continued, “Additionally, Main Street America’s premiums are very competitive in our marketplace and they offer comprehensive coverages which help our customers address the exposures they face day after day.”

Exceptional service and relationships are also key components of the profitable partnership between Strawn and Main Street America.

“We pride ourselves on our unprecedented customer service and so does Main Street America. They do a great job communicating with our staff and they provide an incredible level of service to us and our customers, which is not the case with some other carriers we represent,” Rusty said. “We have had great experiences with Main Street America quickly processing policy changes and endorsements. And their claims service has been exceptional as well, which makes our customers very happy.”

“We pride ourselves on our unprecedented customer service and so does Main Street America.”

He added, “We have great relationships with everyone we work with there. This includes Dennis Simpson, (Southeast Region president) Gregg Effner, (regional sales director) Logan Presnell, and their underwriting, customer service and claims teams.”

Rusty also cited the direct access he has to Main Street America’s corporate management team as a member of the company’s Southeast Region Agency Council.


“The council is a highly effective communications process,” he said. “Main Street America’s management recognizes the concerns council members bring to the table from other agents in their respective states and they react to it.”

Also like Main Street America, Strawn is a leading advocate of the independent agency system and the Trusted Choice® brand.


“The most important benefit independent agents offer consumers is choices,” Rusty said. “People today want choices in everything they do and insurance is no different.”

He added, “We joined Trusted Choice a few years ago because we believe that if independent agents work together to promote their brand and products, we will all be successful.”

See related story on page 5.

A group of four professionals, three men and one woman, are posed on the stone steps leading up to the front entrance of a building. The man on the far left is standing on the ground, leaning against a black wrought-iron railing. The woman and the other two men are standing on the steps. They are all dressed in business attire. The building has a white facade with dark shutters and a sign that reads "HARTSHORNE BUILDING" in large, dark letters. The scene is set outdoors with some greenery visible in the background.

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Standing outside the front entrance of Chas. F. Hartshorne & Son are (left to right) Main Street America New England Region president Steve Berry, Main Street America business development executive Kara Milair, agency vice president John Spinello and agency president Charles Hartshorne.



NGM and Hartshorne: Quarter Century of Sustained Success in New England Town

When The Main Street America Group's management team was looking to grow the company's footprint in New England in 1991, they came knocking on the right door in the Boston suburb of Wakefield, Mass.

"At the time, we were in a position where a number of auto carriers were leaving Massachusetts and we were looking for alternatives to place our business," said Charles Hartshorne, president of Chas. F. Hartshorne & Son Inc.

Hartshorne, a fifth-generation independent agency located at the corner of Main and Chestnut streets in downtown Wakefield, was founded in 1870 and is one of the town's longest established and successful businesses. Today, the 145-year old agency offers its customers a full slate of auto, home, business and life insurance products.

"NGM had a great reputation in the industry and they had the types of programs that would benefit our agency and our customers," Charles said in recalling how the partnership began.

Agency vice president John Spinello added, "From the start, we knew this was going to be a very successful relationship because their products seemed to be a perfect fit for our customers. In fact, they fit us a like a glove."

Twenty-five years later, the partnership between Hartshorne and NGM is prospering. NGM is its No. 1 market, with 70 percent of the business being commercial lines. The agency's loss ratio for its NGM book is very solid and they also have an extremely high retention rate for all of the carrier's product lines.

"NGM offers an excellent variety of comprehensive coverages for our commercial insureds and our personal insureds. Because of this, we are able to package a lot of business for our customers," Charles said.

"We don't have another company that matches up like NGM does with its Main Line Business Owners' Policy classifications," he added. "NGM has the ability to write a business owners' policy program and can combine it with their workers' compensation coverage. Other carriers often turn down workers' comp."

The close relationship between the two organizations and Hartshorne's open communication with Main Street America's leadership team are contributing factors to the successful partnership. Charles cited the strong bond between the agency's staff, NGM's underwriters and Kara Milair, Main Street America's business development executive, who has been servicing the agency since 2007.

"Kara is very hands on and is always available to meet with us. This high level of service is not the norm with other carriers," Charles said. Additionally, he cited the uniqueness of Main Street America's Listening Tours, where the company's senior and regional management teams conduct "Town Hall" meetings with its agents. The meetings are an open forum with no formal agenda.

"From the start, we knew this was going to be a very successful relationship because their products seemed to be a perfect fit for our customers."

"They listen to our concerns and our needs and then make decisions based on our input. Two-way communication like this, between a carrier and its agents, really stands out in a very positive way," he said.

Kara said the NGM-Hartshorne partnership has all of the right ingredients for long-term, sustained success.

"We match up with Hartshorne in all phases," she said.

"We have the same core values and same rich history as they do. They are a hard-working, nose to the grindstone type of organization like we are. It's almost like looking in the mirror when working with them. It's such a pleasure to work with the entire Hartshorne team because they are on top of everything."

With the agency's classic signage in the background, Heinz Insurance owner David Otterson (left) is joined by Main Street America business management executive Tim Spreiter.





Long-Lasting Partnership Benefits Agency and its Insureds in the Heartland for 7 Decades

As a former field sales representative for a regional property/casualty company, David Otterson knows what it takes to form profitable, long-lasting agency-carrier relationships.

"We were appointed by Austin Mutual Insurance Company in the late 1940s and they are our longest-tenured market," said David, owner of Heinz Insurance Agency Inc., Owatonna, Minn. In 1998, David bought the agency, located in the business district of a quaint Midwest town of 26,000 residents, which is about 60 miles due south of the Twin Cities.

"Austin Mutual has been a strong partner with every owner of our agency for more than 60 years," David said. "Over these many decades, we have seen agency owners, company presidents and underwriters come and go, but through it all, Heinz Insurance and Austin Mutual have formed a strong partnership that continues to prosper."

David defines Heinz Insurance as a "small, downtown Main Street agency." Its market includes the local area and surrounding communities. The agency's product mix features personal lines, commercial lines, farm, bonds, health and life insurance. In 2014, the agency generated nearly \$4 million in premium.

"Referrals are a large part of our business plan, and because of our centralized downtown location, we get many walk-in prospective clients," he said.

David likes the way Austin Mutual does business. The Minnesota-domiciled carrier, which became an affiliate of The Main Street America Group in 2012, is perennially one of Heinz's top-five markets, and ranks as the agency's No. 2 personal lines carrier.

"Austin Mutual still does business the old-fashioned way – by developing an impactful relationship with the agency and its staff," he said. "You can still pick up the phone or email (Main Street America executive) Jeff Kusch to discuss a specific account or just find out what is going on with the company." David also likes that Austin Mutual is able to offer the agency's customers a full suite of personal lines products, ranging from auto to homeowners to umbrella.

David added, "Austin Mutual's underwriters are willing to work with you and listen when you really need their help to renew an account or place a piece of new business that doesn't quite fit the mold. This is the way business should be conducted with

a valued partner and Austin Mutual has definitely been an excellent partner to Heinz Insurance."

He also knows how important it is to place the agency's customers with an "A" rated carrier.

"Our customers benefit most by not only placing their trust with Heinz Insurance, but also having their insurance policy placed with a financially strong carrier that provides the needed coverage and service when things really matter and they have a claim," David said. "Austin Mutual and Main Street America will be there to provide the trusted claim service and ease the customer's mind throughout the claim process."

Tim Spreiter, Main Street America's field representative who supports the agency, said the strong relationship with Heinz is a two-way street.

*"We know what they do well
and they know what we do well.
The trust factor goes both ways,
which makes for a great partnership."*

"Heinz uses Austin Mutual in the best possible ways to serve their customers," Tim said. "We know what they do well and they know what we do well. The trust factor goes both ways, which makes for a great partnership."

Tim said the focus of this relationship in 2015 will be growing the agency's Austin Mutual commercial lines book, in addition to sustaining profitable growth in personal lines.

"David knows how important commercial lines is to profitably growing their agency and we are now offering their customers our full suite of Main Street America's commercial products on our Main Street Station platform," Tim said. "This includes our Main Line Business Owners Policy (Main Line BOP), commercial auto, workers' compensation and commercial umbrella products."

David said, "The large number of eligible new classes of business offered by Main Line BOP will have a significant impact to our current clients as well as new customers. Main Line BOP will enable us to provide a more comprehensive product priced competitively for several additional classes of business."



Board of Directors

Left to right:

WILLIAM D. GUNTER JR.

Chairman
Rogers, Gunter, Vaughn Insurance Inc.
Tallahassee, Fla.

IDALENE F. KESNER

Dean
Indiana University
Kelley School of Business
Bloomington, Ind.

TERRY L. BAXTER

Retired Executive
Lyme, N.H.

DAVID FREEMAN

Adjunct Professor of Management
Central Connecticut State University
New Britain, Conn.

JAMES E. MORLEY JR.

Director
Washington Advisory Group
Washington, D.C.

COTTON M. CLEVELAND

President
Mather Associates
New London, N.H.

THOMAS M. VAN BERKEL

*Chairman, President and
Chief Executive Officer*
The Main Street America Group
Jacksonville, Fla.

JOHN A. DELANEY

President
University of North Florida
Jacksonville, Fla.

ERIC S. ELLIOTT

President and Chief Executive Officer
Prime Therapeutics LLC
Eagan, Minn.

ALBERT H. ELFNER III

Retired Executive
Boston, Mass.

R. CHRIS DOERR

Retired Executive
Jacksonville, Fla.



Senior Leaders

Sitting (left to right)

ED KUHL

*Executive Vice President,
Chief Financial Officer
and Treasurer*

DOUG EDEN

*Senior Vice President,
Head of Field Operations*

STEVE PEETERS

*Executive Vice President,
Insurance Operations
and Chief Operating Officer*

Standing (left to right)

BRUCE FOX

*Vice President,
General Counsel
and Secretary*

AMY FREDERICK

*Vice President,
Information Technology
and Chief Information Officer*

TOM VAN BERKEL

*Chairman, President
and Chief Executive Officer*

TONI PORTERFIELD

*Senior Vice President,
Head of Human Resources*

Circle of Excellence



KATHLEEN CAROCCI
Senior Underwriter
Commercial Lines Product
Northeast Region



EMILY NARDELLO
Operations Technical Supervisor
Integrated Customer Solutions
Keene



ELLEN SLIWOSKI
Supervisor
Claims Administration
Auburn

2014 Honorees

Six employees have been inducted into the 2014 class of
The Main Street America Group's prestigious Circle of Excellence.

Established in 1985, Main Street America's Circle of Excellence is an annual recognition program for our company's employees. Circle of Excellence members are nominated by fellow employees and selected by the company's senior management team for their embodiment of the organization's core values of ownership, relationships and service. Nearly 250 employees have been inducted into Main Street America's prestigious Circle of Excellence over the past 30 years.



SHIVKUMAR SUKALE
Technical Lead
Information Technology
Jacksonville



MELONNIE SUMMERS
Business Development Executive
Field Operations
Oklahoma



WENDY SWENSON
Surety Development Executive
Bonds
National

2014 Financial Results

CONSOLIDATED STATUTORY-BASIS BALANCE SHEETS
UNAUDITED (\$'000)

	AS OF DECEMBER 31, 2014	AS OF DECEMBER 31, 2013
ASSETS:		
Investments:		
Tax-Exempt Bonds	\$ 473,332	\$ 602,138
Taxable Bonds	1,073,542	947,095
Common Stocks	190,313	149,434
Preferred Stocks	424	701
Cash and Equivalents	47,098	56,603
Other Investments	194,251	155,728
Total Cash and Investments	1,978,962	1,911,700
Agents' Balances	232,680	238,398
Reinsurance Recoverables	4,352	9,118
Deferred Tax Asset	82,738	82,656
Other Assets	62,797	64,340
Total Admitted Assets	\$ 2,361,529	\$ 2,306,212
LIABILITIES AND		
POLICYHOLDERS' SURPLUS:		
Loss Reserves	367,926	349,100
IBNR	258,462	252,953
Unpaid Claims Expenses	117,692	114,873
Unearned Premiums	467,004	480,696
Expenses and Taxes Payable	36,419	42,808
Claim Checks Outstanding	25,606	23,225
Other Liabilities	76,415	61,265
Total Liabilities	\$ 1,349,524	\$ 1,324,920
Policyholders' Surplus	\$ 1,012,005	\$ 981,291
Total Liabilities and Policyholders' Surplus	\$ 2,361,529	\$ 2,306,212

2014 Financial Results

CONSOLIDATED STATUTORY-BASIS STATEMENTS OF OPERATIONS AND CHANGES IN SURPLUS
UNAUDITED (\$000)

	AS OF DECEMBER 31, 2014	AS OF DECEMBER 31, 2013
STATEMENT OF OPERATIONS:		
Net Premiums Written	\$ 968,563	\$ 1,000,720
Premiums Earned	982,255	1,010,599
Losses Incurred & ALAE	643,924	638,185
Claims Expenses	26,577	27,388
Commissions	179,270	185,782
Other Expenses	164,024	161,634
Total Underwriting Expenses	1,013,795	1,012,990
Net Underwriting Gain (Loss)	(31,540)	(2,391)
Net Investment Income	48,459	51,412
Realized Investment Gains	18,549	9,247
Other Income and Expenses	4,824	3,634
Income (Loss) Before Taxes	40,292	61,902
Income Taxes	2,393	4,799
Net Income	\$ 37,898	\$ 57,103
STATEMENT OF SURPLUS:		
Surplus, January 1	\$ 981,291	\$ 846,896
Change in Surplus:		
Net Income	37,898	57,103
Net Unrealized Gain from Investments	2,724	27,923
Change in Non-Admitted Assets	(1,695)	46,691
Change in Net Deferred Tax Asset	6,028	1,075
Dividends to Stockholders	(8,476)	(9,204)
Other Changes	(5,765)	10,808
Change in Surplus	30,714	134,395
Surplus, December 31	\$ 1,012,005	\$ 981,291

2014 Financial Results

CONSOLIDATED STATUTORY-BASIS STATEMENTS OF CASH FLOW
UNAUDITED (\$'000)

	AS OF DECEMBER 31, 2014	AS OF DECEMBER 31, 2013
CASH FLOWS FROM UNDERWRITING ACTIVITIES		
Net Premium	\$ 973,182	\$ 1,022,688
Losses	(609,624)	(637,293)
Claims Expenses	(26,577)	(27,388)
Commissions	(182,248)	(183,500)
Other Expenses	(161,284)	(158,985)
Net Cash Provided By Underwriting Activities:	(6,552)	15,522
Investment Income, net of expenses	66,709	68,693
Income Taxes	(5,655)	(4,847)
Capitalized Spending	3,651	24,379
Miscellaneous Transactions	(23,179)	(10,100)
Pension Contribution	0	(3,000)
Net Cash Provided By Operating Activities:	34,973	90,647
Cash Flows From Investing Activities:		
Proceeds from Fixed Maturities Sold	707,108	556,651
Proceeds from Equity Securities Sold	55,187	44,153
Other Proceeds	(25,362)	(26,593)
Purchase of Fixed Maturities	(705,513)	(586,072)
Purchase of Equity Securities	(82,422)	(48,420)
Net Cash Used in Investing Activities:	(51,002)	(60,280)
Cash Flows From Financing Activities:		
Proceeds from Borrowing Activities	15,000	0
Dividends to Stockholders	(8,476)	(9,204)
Net Cash Used in Financing Activities:	6,524	(9,204)
Net Change in Cash and Cash Equivalents	(9,505)	21,164
Cash and Cash Equivalents, Beginning of Year	56,603	35,440
Cash and Cash Equivalents, End of Period	\$ 47,098	\$ 56,603

Office Directory



CORPORATE HEADQUARTERS

4601 Touchton Road East
Suite 3400
Jacksonville, FL 32246
(800) 207-0446

REGIONAL OFFICES

New England Region

Territory includes Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont
55 West Street
Keene, NH 03431
(800) 258-5310

Northeast Region

Territory includes Delaware, Maryland, New York, Pennsylvania
220 Salina Meadows Parkway
Suite 200
Syracuse, NY 13212
(800) 962-5515

Southeast Region

Territory includes Florida, Georgia, Mississippi, North Carolina, South Carolina, Tennessee, Virginia
4601 Touchton Road East
Suite 3300
Jacksonville, FL 32246
(800) 226-0875

Western Region

Territory includes Arizona, Idaho, Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Montana, Nebraska, Nevada, North Dakota, Oklahoma, Oregon, South Dakota, Utah, Washington, Wisconsin
15490 101st Avenue North
Maple Grove, MN 55369
(800) 328-4628

SATELLITE OFFICES

Indiana

6325 Digital Way
Suite 101
Indianapolis, IN 46278
(800) 428-7081

Nebraska

3905 S. 148th Street
Suite 100
Omaha, NE 68144
(800) 642-8572

Virginia

5101 Cox Road
Suite 100
Glen Allen, VA 23060
(800) 446-7649

NATIONAL CLAIMS CENTER

27B Midstate Drive
Suite 100
Auburn, MA 01501
(877) 425-2467

COMMERCIAL SURETY

New Jersey

17 Woodport Road
Suite 2B
Sparta, NJ 07871
(973) 729-1006

THE MAIN STREET AMERICA GROUP

NGM INSURANCE COMPANY

OLD DOMINION INSURANCE COMPANY

AUSTIN MUTUAL INSURANCE COMPANY

GRAIN DEALERS MUTUAL INSURANCE COMPANY

MAIN STREET AMERICA ASSURANCE COMPANY

GREAT LAKES CASUALTY INSURANCE COMPANY

MSA INSURANCE COMPANY

SPRING VALLEY INSURANCE COMPANY

MAIN STREET AMERICA PROTECTION INSURANCE COMPANY



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