



Supporting the CPA Profession and Taking  
Care of our Policyholders

# OPERATIONS

## REPORT 2023

# Leading Through Service



By CPAs, For CPAs

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# Message From The Chairman

“CAMICO had another strong year in 2023, as we continue to deliver on our promise of providing the best-in-class insurance program for CPAs.”



**Andrew M. Eassa, CPA**

**Chairman of the Board**

CAMICO had another strong year in 2023, as we continue to deliver on our promise of providing the best-in-class insurance program for CPAs. Our loss prevention services and effective claims management are just two of the programs that are a great part of our success and are designed for you, our CPA policyholders. The company's financial position remains stable and, as you will see from our financial statements, continues to strengthen.

We have remained dedicated to providing attentive customer service and standing by our policyholders with the CPA expertise and guidance they need, no matter the size or complexity of the problem.

In today's changing world, and particularly in the CPA profession, we continue to make progress on our innovative and strategic initiatives by investing in technology, such as opportunities with generative AI and cloud technology, and completing next generation enhancements to CAMICO's various systems. These initiatives include further capabilities with CAMICO's eBusiness (eBiz) platform, continued integrations with our core IT system and upgrades to our Members-Only Site.

In June 2023, CAMICO elected Greg Regan CPA, CFF, MBA, to its board of directors. I would like to officially welcome Greg, as his experience and expertise has been an asset to our board and members with his extensive background and strong commitment to the CPA profession (read more about Regan on Page 9 in this report).

As CAMICO continues to welcome new leaders to its board and senior management team, I want to extend my thanks and appreciation to longtime board member and previous board chairman (2012-2018) Robert P. (Pat) Evans for his decades of service, dedication, and contributions to CAMICO. Evans will be retiring from the CAMICO Board of Directors this June (read more about Evans on Page 8 in this report).

I began my term as board chairman in June 2018, and during that transition, Pat's wisdom and guidance was instrumental in my path and success as leader of the board. To Pat, thank you for your knowledge, talent, and honorable commitment to CAMICO and the CPA profession throughout the years. Your service has played a significant part in CAMICO's strength and success over the course of time.

The collective skills and expertise of CAMICO's board members are impressive and valuable, as we work together with CAMICO's senior management team to drive initiatives forward, enhance the policyholder experience and meet the evolving needs of CPAs.

Moving ahead, we are focused to build on our success in 2023 and create valuable opportunities for the future. Thank you for your support. We are honored to serve you.



# Message From The President

**Ric Rosario, CPA, CGMA**

President and CEO



The year 2023 was a successful one, as CAMICO's financial position remained positive and profitable, enabling the company to continue to grow and provide our policyholders with high-quality care and comprehensive CPA-tailored products and services. Last year, our policyholder surplus totaled more than \$47 million, up from \$45.9 million posted for 2022, and our retention rates remained high, finishing with a consistent renewal rate of 94% for the entire CAMICO program (see Financial Review on Page 16 for more details).

In 2023, we continued to serve as a risk partner to our policyholders, providing unlimited access to our in-house loss prevention experts and resources, such as our advice hotlines, risk management guidance and materials, and NASBA-accredited education and training opportunities. Continuing to anticipate and address the evolving needs of CPAs remains a top priority for CAMICO, offering timely advice and materials

on emerging topics and challenges in the profession. This past year, such topics have included risk exposures related to generative AI solutions and concerns and questions related to the Corporate Transparency Act (CTA). In 2023-24, CAMICO promptly responded and provided policyholders and state CPA societies with the latest content on new beneficial ownership information guidelines under the CTA. These included articles, FAQs, engagement letter templates, and more. Continuing to track and advise on critical issues impacting the profession remains an organizational priority for CAMICO.

Recently marking the 10-year anniversary of our partnership with Berkley Alliance Managers (BAM), the CAMICO-BAM program continues to help CAMICO grow new business and expand our capacity to serve CPA firms of all types and sizes. The CAMICO-BAM program provides greater capacity, flexibility, and options to our policyholders and has played a



“Last year, our policyholder surplus totaled more than \$47 million, up from \$45.9 million posted for 2022, and our retention rates remained high, finishing with a consistent renewal rate of 94% for the entire CAMICO program.”

significant role in improving our key financial ratios.

In 2024, we are focused on continuing to improve CAMICO products and enhance our business processes.

Over the last few years, CAMICO has invested in implementing a new IT system to improve operational efficiencies and better policyholder and agent service capabilities. In the coming years, we also plan to invest in upgrades to CAMICO's Members-Only Site, as continuing to improve our tools to better service our policyholders is an ongoing strategic goal for the company.

CAMICO produced great results in 2023 and our success would not have been possible without our valuable CAMICO staff and team of highly capable (both new and established) senior leaders who are featured in this report. Their dedication, experience, and expertise bring key value to CAMICO, as our passion for helping our policyholders with

their insurance, claims and risk management needs is integral to what we do.

In review, 2023 was successful for CAMICO in assuring the continued security and success of our policyholders, whom we are truly honored to serve. On behalf of CAMICO, thank you for allowing us to work on your behalf, as we continue to adjust our products and services to meet your needs as a CPA today and for CPAs of the future.

# Retiring and New Members to CAMICO's Board of Directors



Longtime board member and previous board chairman (2012-2018) Robert P. (Pat) Evans, CPA, CISA, will be retiring from CAMICO's Board of Directors this June after 21 years of service as a board member and six of those years as chairman. Evans, president of Schieffer Group Management Company in Fort Worth, Texas, was first elected to the CAMICO board in 2003. Nine years later, he was elected as board chair when CAMICO co-founder Louis J. Barbich retired in 2012 after serving as CAMICO's first chairman for 26 years (since the company's founding in 1986). Now, as Evan's CAMICO tenure comes to an end, he shares some of his key takeaways from his experience and leadership with CAMICO for over two decades.

## Evans reflects on his upcoming retirement from CAMICO's board after 20-plus years of service

### How did you first become connected with CAMICO?

**Evans:** I was on the advisory board of DPIC, a national provider of insurance to CPAs, for five years. The provider decided to exit the CPA firm marketplace and placed its policyholders with CAMICO. After the transition of this acquisition, CAMICO asked me to join the board. I observed that CAMICO is committed to its policyholders for the long term and was very pleased to be a part of the board.

### What has been the most rewarding aspect serving on CAMICO's board for over 20 years?

The most rewarding aspect of CAMICO, for me, lies in the sound, positive culture of the company and its commitment to fulfilling the risk management needs of our CPA firms and practitioners. Being a part of a team of high-performing staff, senior management, and the board who are focused on sustaining CAMICO to be the best insurance provider to CPAs has been very rewarding. Over these years, I can say that there are very few companies that accomplish such a high level of performance to its mission.

### Why is now the time to retire?

Now is the time to retire because my role in leading and building the company can and should be transitioned to others who can lead and build CAMICO in the future years. My and our (the CAMICO board) efforts have been to see CAMICO become the leading insurance partner to practitioners in the nation. As a nearly 40-year company, we will be sustainable in the future, where CPAs will continue to have evolving needs, and we will be there for them.

### What has been the driving factor in your dedication and service to the CPA profession?

Having practiced as a CPA for 50 years, I've always been attracted to participative leadership and management. The collegiality of being in a firm and serving clients fulfills me. I think that my philosophy and CAMICO's (philosophy) are completely aligned.

### What skills and knowledge have you brought to the CAMICO board?

My educational background is in the sciences – chemistry to be precise – and in business and accounting. The combination of these two fields of study developed my problem-solving skills (scientific methodology), which have been used throughout my career. Further, I've observed many companies and their leadership over time. My understanding of successful organizations has helped me in resolving problems within companies.

### What would you like to note about CAMICO's value to its policyholders and the profession?

We (at CAMICO) are going way beyond being an Errors and Omissions (E&O) insurance policy for our practitioners. Our value comes in the form of situational advice before an issue develops, as well as when one is potentially occurring. Our value is awareness of the profession's issues and matters that may impact our policyholders from risks, now or in the future. We aspire to be a thought leader and risk partner with our firms wherever possible. So many insurance carriers are selling a policy and that's it. We are selling much more...a relationship with an insurance company run by CPAs serving CPAs.





Greg Regan, CPA, CFF, MBA, is the newest member elected to CAMICO's Board of Directors (June 13, 2023). Since 2014, he has served as a non-board committee member, previously on both CAMICO's Investment Committee and CAMICO's Risk Management Committee. Regan is the partner-in-charge of Hemming Morse's Forensic and Financial Consulting Services Group and has testified in federal and state courts on forensic analyses including accounting investigations, economic damage analyses, and shareholder disputes. He has served in multiple leadership roles with the American Institute of Certified Public Accountants (AICPA), and in 2013 was appointed to the organization's Forensic and Valuation Services Executive Committee. Regan shares on his involvement with CAMICO, his strengths as a leader and on his fulfilling career in forensic accounting.

## Regan shares on his leadership strengths, new role with CAMICO

### What do you enjoy most about serving on CAMICO's Board of Directors?

**Regan:** I first became involved with CAMICO through an invitation from CAMICO's CEO, Ric Rosario, who I had developed an admiration for while we both served on the Finance Committee for Serra High School in San Mateo. Since that time, I have served on various CAMICO committees and apprenticed to become a Board member. It came as no surprise to me to learn that Ric has assembled an incredibly talented management team at CAMICO from Underwriting, to Claims, to Finance and IT. The same can be said about CAMICO's Board: bright people abound. Each meeting, I have the opportunity to learn and interact with colleagues that care deeply about serving the insurance needs of the accounting profession.

### What are some of your strengths as a leader in your field?

I pride myself on my ability to work collaboratively with people. This ability is foundational to my experiences working with the attorneys, judges, juries, and regulators that I work with as a forensic accountant. I especially enjoy sharing the experience and knowledge that I have accumulated with others to build the next generation of CPAs.

### What is most rewarding about your role at Hemming Morse?

(Regan serves as the partner-in-charge of Hemming Morse's Forensic and Financial Consulting Services Group)

The best thing about being part of Hemming Morse is similar to working with CAMICO. We provide a highly specialized service. It is rewarding when our insights assist our clients in resolving their high stress moments whether in litigation or during an investigation.

### What is one piece of advice you have for CPAs today?

Specialize. Figure out what you're good at and what you enjoy. Is it a particular type of service, an industry, or a particular type of client? Become the best you can and commit to continuous learning. As part of this effort, build your network of CPAs. The greater the specialization, the more valuable your referral network becomes.

### What are some key patterns that you see in accounting investigations?

The patterns are reciprocal. The perpetrator often holds an incorrect belief that he is smarter than anyone else. On the other hand, victims often overextend their trust to the perpetrator, owing to a desire to believe the story being told to them. The truth lies in the data—trust but verify.

### Is there anything else you would like to share about yourself or CAMICO?

CAMICO is a critical organization to the accounting profession. Our specialization in the field of protecting accountants enables our policyholders to sleep easier at night and focus on delivering value to their clients. The consistency of our delivery of good service has earned deep and deserved loyalty from our policyholders. You'll never know how much you'll need a trusted partner like CAMICO until you do!

# Protecting and Supporting CPAs for 37 years



1986

## CAMICO's Inception

Amid California CPA firms facing a liability insurance crisis, the California Society of CPAs convened a task force to brainstorm solutions. They recommended the creation of a company that would operate solely for the benefit of its CPA members. CAMICO opened its doors for business on June 24, 1986 with just two full-time employees reporting to the President.



1990

## Loss Prevention and Engagement Letters

CAMICO started advocating the benefits of engagement letters and pioneered the establishment of a stand-alone Loss Prevention department for CPAs, the use of engagement letters for non-audit work and loss prevention advice hotlines, among other things. In 1998, CAMICO published the first edition of the engagement letter book, "CPA's Guide to Loss Prevention Practices."



2002

## Members-Only Site Launch

CAMICO moved its Loss Prevention resources online in 2002, making the resources available 24-7-365 to policyholders. Today, the Members-Only Site contains a massive library of resources such as sample engagement letters, educational articles, resource centers, and more. We want to see you, the policyholder, thrive by giving you the resources you need – in addition to insurance coverage for the unforeseen.



2008

**The Great Recession**

CAMICO provided Loss Prevention advice and steps CPAs could take to mitigate and manage the risks stemming from economic downturns and investment entities. Continuing to anticipate and address the evolving needs of CPAs remains a top priority for CAMICO, offering timely advice and materials on emerging topics and challenges in the profession.



2020

**COVID-19 Pandemic**

The year 2020 was dominated by the ramifications of the COVID-19 pandemic. For the benefit of our policyholders, Loss Prevention developed a Coronavirus Resource page on the Members-Only Site, which includes access to guidance and materials to mitigate risks. CAMICO also developed eAlerts to communicate time-sensitive practice and risk management issues, including sample engagement letters, client notification letters, and FAQs.



2024

**State Society Endorsements**

Over the years CAMICO has been endorsed by State CPA Societies and Associations and today, CAMICO has 18 in total. The endorsements reaffirm CAMICO's mission to stay closely in step with the changes in the profession and to provide stable, state-of-the-art liability insurance solutions to CPA firms of all sizes and scopes of practice.

# CAMICO Leaders Reflect on their Service and Leadership



**SUZANNE M. HOLL, CPA**  
**Executive Vice President**

"I am honored and privileged to serve as leader in an organization so committed to supporting the CPA profession. My role allows me the opportunity to deliver the expertise, support, and risk management solutions necessary to protect CPA firms. I enjoy and thrive in being part of a collaborative team that is focused on serving as risk partners to our CPA firms through high-touch service, timely resources, and top-quality products. I am thankful for the innovative mindset of the organization, which allows us to lead the way into the future - to ensure we have the right services and products in place to meet the needs of CPA firms as the profession changes and evolves."



**JAGDEEP RANDHAWA, CPA**  
**Vice President of Information Technology**

"CAMICO has recognized my contributions, appetite for learning and growth, and has given me exposure to diverse aspects of technology, people, and business management, including becoming a CPA. CAMICO exists to serve our policyholders and the CPA profession, which resonates with my personal values of service, humanity, and doing something larger than myself. I love working at CAMICO because everything I do helps improve the policyholder experience."





**MICHAEL A. RAY, CPA**  
**Chief Financial Officer**

“Serving in a leadership position at CAMICO is a privilege that I cherish. I find fulfillment in creating a collaborative and positive work environment while making a meaningful impact through service to others. I am surrounded by employees and directors of our board who are dedicated to fulfilling CAMICO’s mission. In my role at CAMICO, I find it most rewarding to support a wide range of stakeholders, including policyholders, employees, directors, strategic partners, regulators, and rating agencies. As the CFO, I am in a unique position where I help protect and serve our CPA policyholders by providing them with guidance and assistance in navigating complex professional challenges.”



**SHANNON COMER, CPCU**  
**Vice President of Claims**

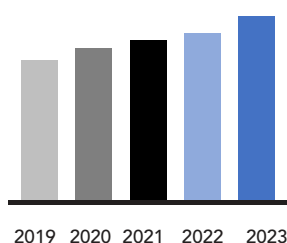
“I enjoy getting to work with the rest of the leadership team and really seeing how we can service our policyholder in a complete way. CAMICO is different because we really care about our policyholders. It’s not just a business, we are partners with our policyholders and risk management is a big focus: being by the policyholder’s side and taking preventive measures so that a claim doesn’t occur.”

# 2023

## Financial Highlights

(IN THOUSANDS OF DOLLARS)

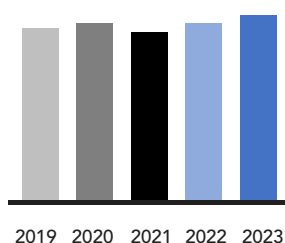
### ADMITTED ASSETS



### RESERVES FOR UNPAID

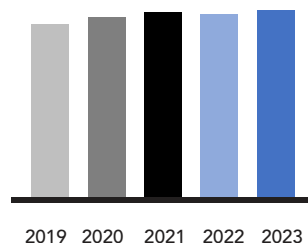
#### LOSS AND LOSS

#### ADJUSTMENT EXPENSE

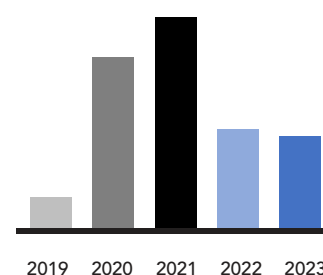


### POLICYHOLDERS'

#### SURPLUS



### NET INCOME



2019	97,546
2020	100,691
2021	102,806
2022	104,674
2023	109,298

2019	34,336
2020	35,291
2021	33,539
2022	35,295
2023	36,863

2019	43,550
2020	45,268
2021	46,398
2022	45,922
2023	47,036

2019	386
2020	2,020
2021	2,480
2022	1,177
2023	1,098

(IN THOUSANDS OF DOLLARS)

### OPERATING PERFORMANCE

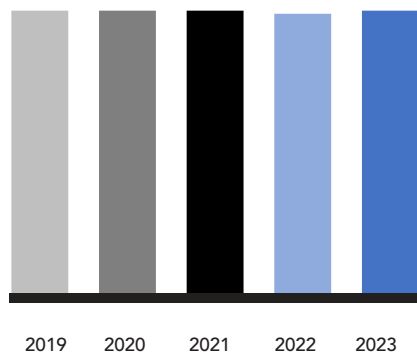
	2023	2022
Premium Written	<b>37,146</b>	35,803
Underwriting Gain	<b>154</b>	41
Investment Results	<b>1,646</b>	1,411
Federal Income Taxes Incurred	<b>702</b>	275
<b>Net Income</b>	<b>1,098</b>	<b>1,177</b>

### BALANCE SHEET

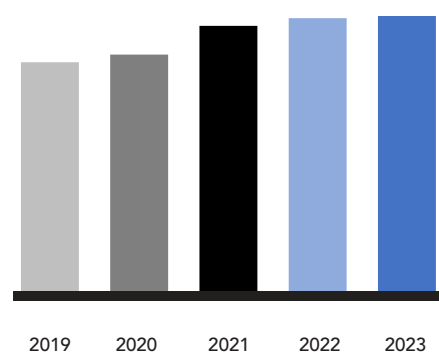
	2023	2022
Invested Assets	98,863	94,494
Other Assets	10,435	10,180
<b>Total Assets</b>	<b>109,298</b>	<b>104,674</b>
Reserves	36,863	35,295
Other Liabilities	25,399	23,457
Policyholders' Surplus	47,036	45,922
<b>Total Liabilities and Surplus</b>	<b>109,298</b>	<b>104,674</b>



**POLICYHOLDER  
RETENTION LEVELS\***



**GROSS WRITTEN PREMIUM\***  
(IN THOUSANDS OF DOLLARS)



2019	94%
2020	94%
2021	94%
2022	93.5%
2023	94%

2019	56,864
2020	58,647
2021	65,330
2022	67,120
2023	70,586

\* The data represents both the CAMICO Mutual Insurance (CMI) program and the CAMICO-BAM program. The CMI program serves firms with policy limits of \$2 million or less. The CAMICO-BAM program is available to firms with larger policy limits and those firms requiring accountants' professional liability insurance coverage with a carrier rated "A+" by A.M. Best.

# Financial Review

(IN THOUSANDS OF DOLLARS)

In 2023, CAMICO continued to strengthen its financial position. Net income for the year was \$1,098, and policyholders' surplus was \$47,036. All key financial ratios, tracked by regulatory institutions and rating agencies such as the California Department of Insurance and A.M. Best Company, have also continued to be at the highest levels in CAMICO's history.

CAMICO's operating structure has played a key role in continuing CAMICO's key ratios at their current levels. The CAMICO program offers professional liability insurance coverage provided by CAMICO Mutual Insurance Company (for limits of \$2 million or less) and CAMICO Insurance Services (CIS), CAMICO's insurance agency and wholly-owned subsidiary, as a general agency (GA) for higher limits. The CIS/GA program has resulted in reduced exposure, significantly lower loss ratios, lower severity, and consistent loss experience to CAMICO Mutual on the policies with limits less than or equal to \$2 million.

Approximately 47% of policyholder premiums and 12% of policy count were underwritten through the CIS/GA program at year-end 2023. Regardless of whether CAMICO Mutual or CIS/GA provides coverage, all policyholders receive the same best in-class services they have come to expect of CAMICO. Member retention rates remained high, with a renewal rate of 94.0% for the entire CAMICO program. This rate is consistent with the company's historical average.

In 2023, CAMICO continued generating profitable growth and further embed superior policyholder service into the CAMICO culture. These tie into our goals for 2024 – to continue growing surplus to a level that allows for profitable topline growth and enhancing ease of doing business with CAMICO in every area. CAMICO maintains a strong reinsurance program featuring a Loss Ratio Protection treaty that provides coverage up to 25% of subject premium if aggregate losses exceed a 67% loss ratio. The company also carries Contingency ECO/





XPL coverage of \$5 million excess of \$2 million.

The company's program is cost effective and provides excellent coverage for CAMICO's book of \$2 million policy limits where we see materially less severity and slightly higher frequency. Given CAMICO's excellent financial strength, the company elected to pay down surplus notes by \$1 million in 2023 and 2022.

CAMICO's investment policy continues to be conservative with 93% of its portfolio allocated to high-quality, short-duration bonds. The average quality of the portfolio is A1 with a duration of four years to pay claims and limit inflation and interest rate risk. Cash and invested assets represent 90% of all admitted assets.

On December 31, 2023, CAMICO had total cash and invested assets of \$98,863, up \$4,369 over the prior year end, due to positive cash flow from operations and additional investments in mutual

funds and cash equivalents. Net investment gain of \$1,646 was an increase of \$235 over the prior year. Gross premiums written on a combined basis (CAMICO Mutual and CIS/GA) at \$70,586 (an increase of \$3,466 from 2022) reflect a responsible, modest topline increase as we strive to grow the company profitably while maintaining disciplined risk selection and pricing.

In review, 2023 was successful for CAMICO in assuring the continued security and success of our policyholders. CAMICO's mission to be the stable source of top-quality insurance and risk management services designed for CPAs throughout the country has guided the company well and will continue to do so.

# 2023 Loss Prevention Services

Advice Calls

**7,000**

Loss Prevention Services responded to approximately 7,000 advice calls from policyholders in 2023.

Reviewed Engagement Letters

**2,500**

CAMICO reviewed and tailored over 2,500 engagement letters for policyholders in 2023.

EPLI Matters

**450**

CAMICO assisted Employment Practice Liability Insurance policyholders with approximately 450 HR/employment practice-related advice call matters in 2023.



Letter Templates

**175+**

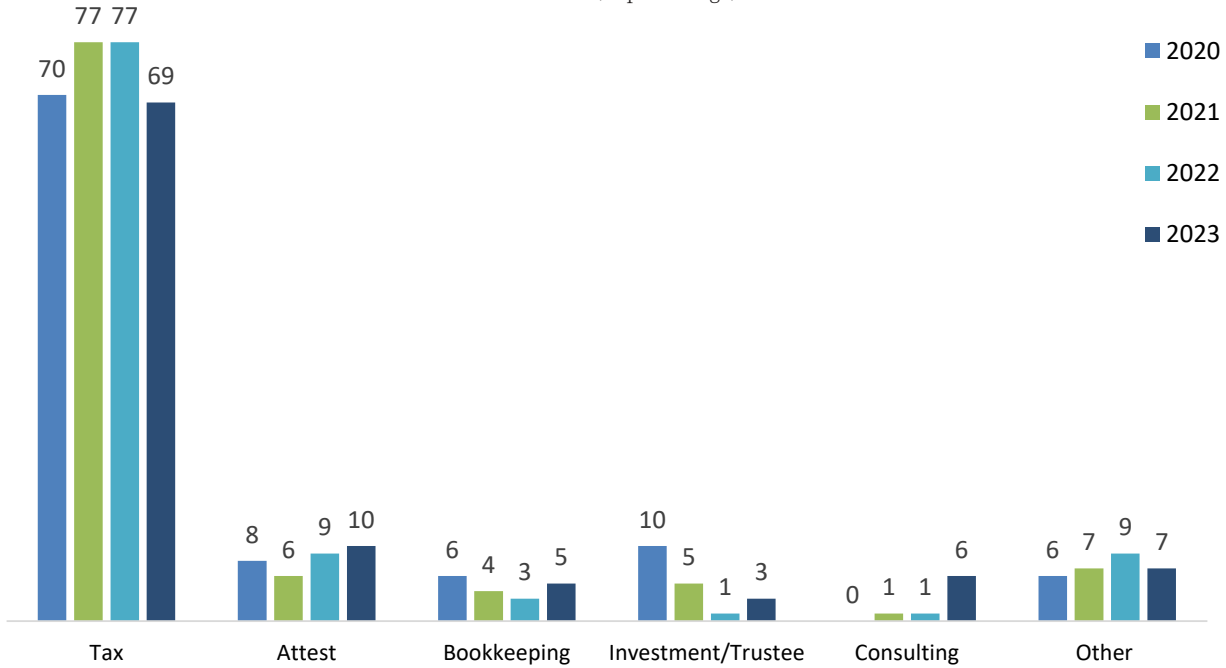
There are 175-plus engagement and disengagement letter templates available free of charge to policyholders on the CAMICO Members-Only Site.



# 2023 Claims Activity

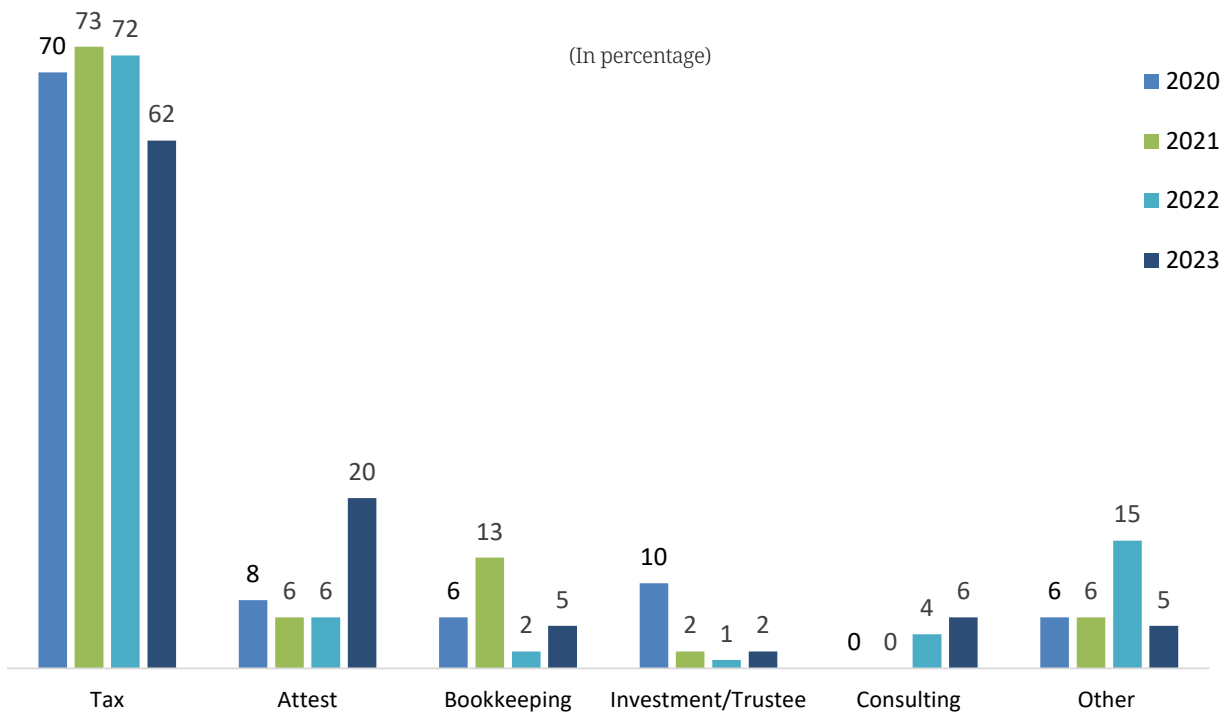
## CLAIMS FREQUENCY BY ENGAGEMENT TYPE \*

(In percentage)



## CLAIMS SEVERITY BY ENGAGEMENT TYPE \*

(In percentage)



\* The data represents both the CAMICO Mutual Insurance (CMI) program and the CAMICO-BAM program. The CMI program serves firms with policy limits of \$2 million or less. The CAMICO-BAM program is available to firms with larger policy limits and those firms requiring accountants' professional liability insurance coverage with a carrier rated "A+" by A.M. Best.

# Management Team



**Ricardo R. Rosario,**  
**CPA, CGMA**

President and CEO



**Michael A. Ray,**  
**CPA**

Chief Financial  
Officer and Treasurer



**Suzanne M. Holl,**  
**CPA**

Executive Vice President



**Jagdeep Randhawa,**  
**CPA**

Vice President of Information  
Technology



**Stephen W. Dixon,**  
**M.S./HRM**

Vice President of Human  
Resources and  
Administrative Services



**Shannon Comer,**  
**CPCU**

Vice President of Claims



**Gary Florian,**  
**CPCU, RPLU**

Vice President of  
Underwriting and Policy  
Services



**John T. Takayoshi**

Vice President of Enterprise  
Risk Management and  
Compliance







# Board of Directors



**Ricardo R. Rosario,**  
**CPA, CGMA**

President and CEO



**Andrew M. Eassa,**  
**CPA**

Chairman of the Board



**Carmen J. Aguiar, CPA, PFS,**  
**CGMA, NACD.DC, CFP®**

Chair of Risk  
Management Committee



**Robert P. Evans,**  
**CPA, CISA**

Member



**Carolyn C. Riticher,**  
**CPA**

Chair of Compensation &  
Benefits Committee



**Stephen M. Tatone,**  
**CPA**

Member



**Bryan C. Polster**

Chair of  
Investment Committee



**James Sunseri**

Chair of Audit Committee



**Timothy J. Summers**

Chair of Governance/  
Nominations Committee



**Greg J. Regan, CPA, CFF, MBA**

Member

## ANNUAL POLICYHOLDERS' MEETING

Tuesday, June 18, 2024, 4:30 P.M. (PT)  
1800 Gateway Drive, Suite 200  
San Mateo, CA 94404



[www.camico.com/youtube](http://www.camico.com/youtube)



[www.camico.com/linkedin](http://www.camico.com/linkedin)



[www.camico.com/twitter](http://www.camico.com/twitter)



[www.facebook.com/camicomutualinsurance](http://www.facebook.com/camicomutualinsurance)

## CORPORATE OFFICERS

Ricardo R. Rosario, CPA, CGMA  
President and CEO

Michael A. Ray, CPA  
Chief Financial Officer and Treasurer

Suzanne M. Holl, CPA  
Executive Vice President  
and Corporate Secretary



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CAMICO Board of Directors

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