



**AMERISAFE<sup>®</sup>**

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AMERISAFE ESG REPORT  
**2022**

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01  
INTRODUCTION

# LETTER FROM OUR PRESIDENT AND CEO

For more than 36 years, AMERISAFE has been driven by an ethos of responsibility and care for workers across the country. Our unique focus on workers' compensation for hazardous industries has allowed us to prioritize and commit to safety above all else - "Safe Above All" - and we are proud of the leading practices and standards we have built as a responsible carrier.

I am proud to introduce this inaugural Environmental, Social and Governance (ESG) Report for AMERISAFE, which follows and expands upon our first disclosures that were aligned with the Sustainability Accounting Standards Board (SASB) Standards and the Task Force on Climate-related Financial Disclosures (TCFD) framework. By enhancing our ESG disclosure, we aim to be transparent about our approaches to and performance across material ESG issues, risks, and opportunities.

AMERISAFE's employees are among the best in the industry - people who care

about what they do and why they do it. To make our workforce even stronger, we remain committed to enhancing our strategies related to employee engagement; diversity, equity, and inclusion; health and wellness; and talent attraction and recruitment.

AMERISAFE is in the early stage of its ESG integration journey, but we are working actively with expert service providers and our stakeholders to meaningfully evaluate and undertake these best practices.

From our headquarters in Southwest Louisiana to our field operations across 27 states, AMERISAFE's long-term success depends on our relationships with all stakeholders: investors, policyholders, agents, employees, injured workers, regulators, and the communities in which we operate. I believe this ESG Report will share our story about how we strive to do right by them through superior service and stewardship, every day.



**G. JANELLE FROST**

*President and  
Chief Executive Officer*

## BUSINESS OVERVIEW

AMERISAFE, Inc. (AMERISAFE) is an insurance holding company, incorporated in Texas in 1985. We began operations in 1986 by focusing on workers' compensation insurance for logging contractors in the southeast United States. Beginning in 1994, we expanded our focus to include the other hazardous industries we serve today.

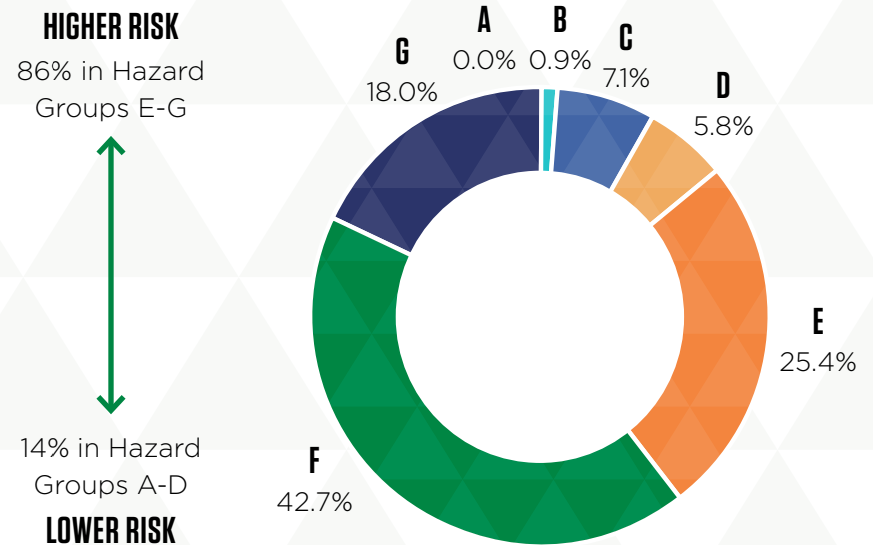
We are a specialty provider of workers' compensation insurance focused on small to mid-sized employers engaged in hazardous industries, principally construction, trucking, logging and lumber, agriculture, manufacturing, telecommunications, and maritime. We have gained significant experience underwriting the complex workers' compensation exposures inherent in these industries. We provide coverage to employers under state and federal workers' compensation laws. These laws prescribe wage replacement and medical care benefits that employers are obligated to provide to their employees who are injured in the course and scope of their employment.

Our workers' compensation insurance policies provide benefits to injured employees for, among other things, temporary or permanent disability, death and medical and hospital expenses. The benefits payable and the duration of those benefits are set by state or federal law. The benefits vary by jurisdiction, the nature and severity of the injury, and the wages of the employee. The employer, who is the policyholder, pays the premiums for coverage.

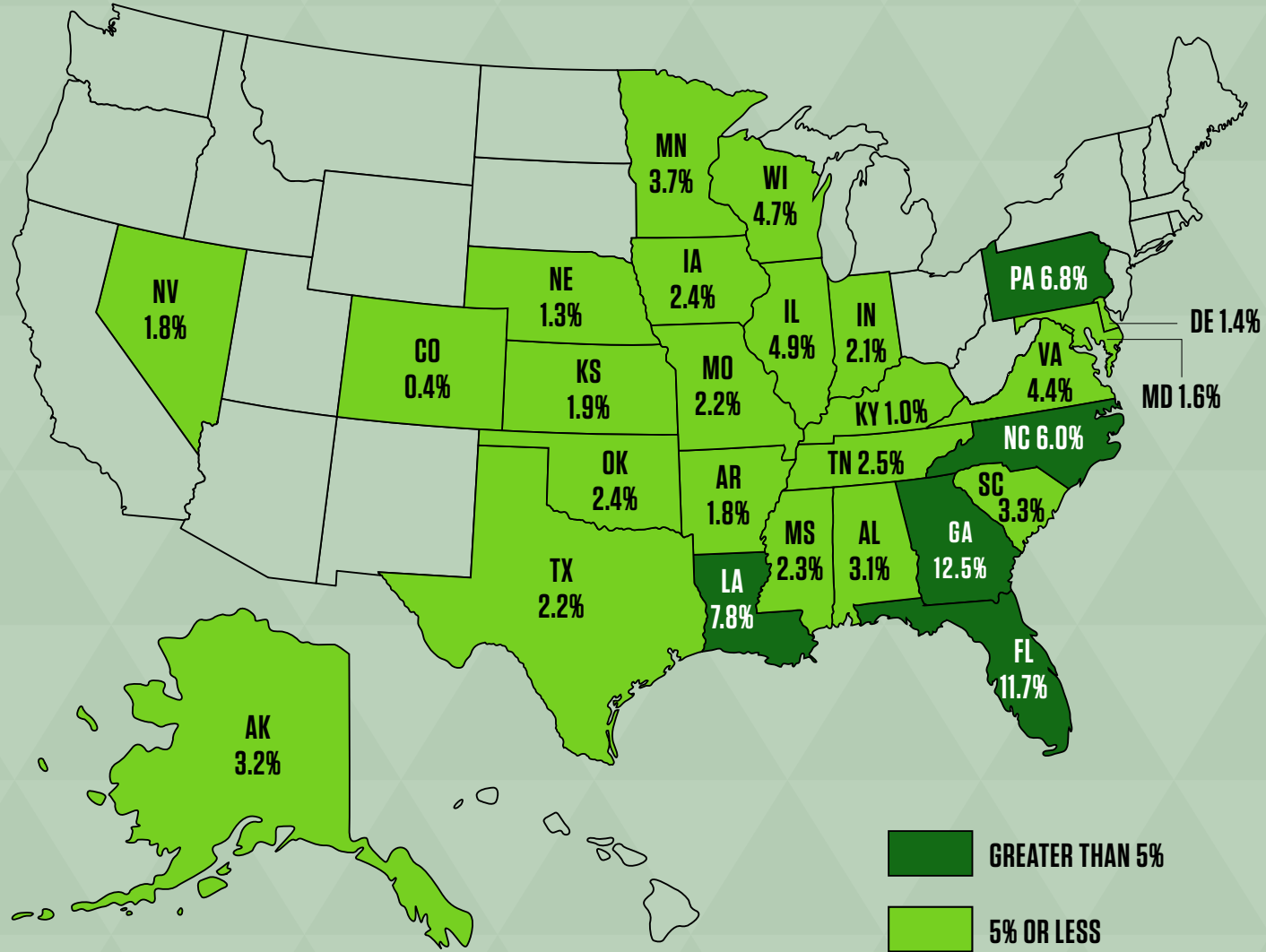
We employ a proactive, disciplined approach to underwriting employers and providing comprehensive services intended to lessen the overall incidence and cost of workplace injuries.

We provide safety services at employers' workplaces as a vital component of our underwriting process and to promote safer workplaces. We utilize intensive claims management practices that we believe permit us to reduce the overall cost of our claims. In addition, our premium audit services ensure that our policyholders pay the appropriate premiums required under the terms of their policies and enable us to monitor payroll patterns that cause underwriting, safety, or fraud concerns.

### 2021 PREMIUMS BY HAZARD GROUP



# 2021 PREMIUM DISTRIBUTION BY STATE



AMERISAFE actively markets insurance in 27 states

# OUR VALUES

At AMERISAFE, we center our company culture along five core values: Service, Ownership, Consistency, Focus, and Frugality.

## CONSISTENCY

AMERISAFE strives for consistency and stability in our business processes, our risk appetite, our behaviors and attitudes, and our results.

## SERVICE

Service at AMERISAFE is delivering on the promises established in our insurance policies, supporting the work activities of our fellow employees, and donating time, talent, and resources to our AMERISAFE family and communities.

## FRUGALITY

Frugality at AMERISAFE is consciously and wisely managing our costs.



# AMERISAFE<sup>®</sup>



## OWNERSHIP

Ownership at AMERISAFE is accepting responsibility for assigned duties, going beyond those desired results, and being accountable for all outcomes.

## FOCUS

Focus at AMERISAFE is workers' compensation insurance for small to mid-sized employers engaged in high hazard industries.



# RESPONSIBLE INVESTMENT

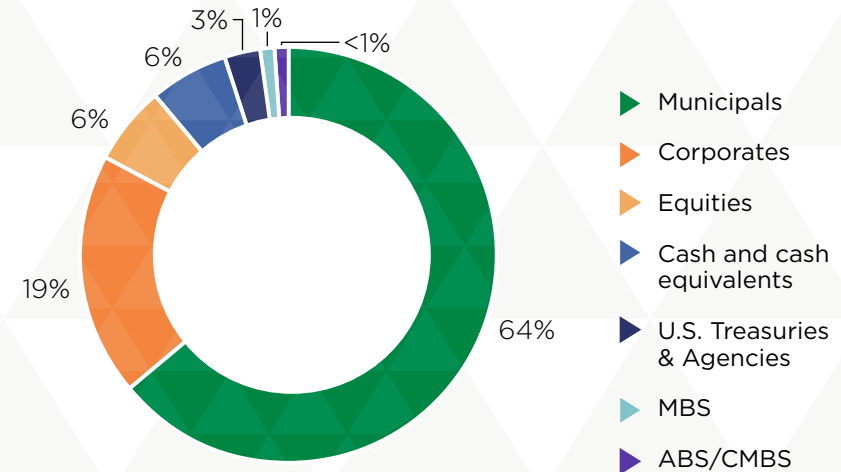
As of December 31, 2021, the carrying value of our investment portfolio, including cash and cash equivalents, was \$1.1 billion. As of December 31, 2021, municipal bonds with maturities greater than one year made up 63.6% of our investment portfolio, including cash and cash equivalents. We generally seek to limit our holdings in equity securities to the lesser of 10% of the investment portfolio or 30% of shareholders' equity, on a fair value basis.

Our Board of Directors has established an investment policy governing our investments, which is reviewed at least annually. The principal objectives of our investment portfolio are to preserve capital and surplus and to maintain appropriate liquidity for corporate requirements. We periodically review our investment portfolio with the Board's Risk Committee for compliance with the policy. Our investment portfolio is managed internally.

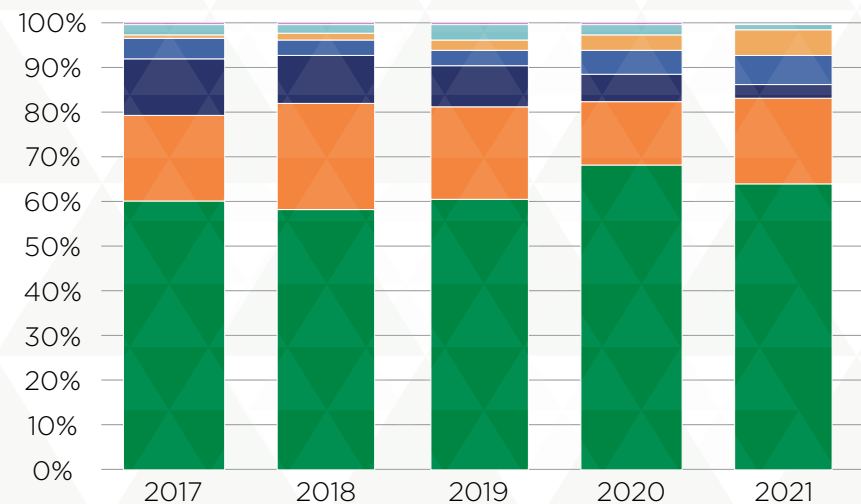
AMERISAFE is heavily regulated, and our investment policy statement must comply with applicable laws. Our Board is aware of the value in integrating ESG into our investment policy and will work with our management level Investment Committee to evaluate and develop any such considerations into its existing investment policy. We also are discussing potential climate-related and social-oriented metrics that could be used in our screening process for municipal bonds.

## PORTFOLIO ALLOCATION

AS OF 12/31/21



## HISTORICAL PORTFOLIO ALLOCATION



A photograph of an industrial site, possibly an oil or gas platform, with a green color overlay. Two workers wearing hard hats and safety gear are standing on a metal platform, looking out over a vast, flat landscape. The image is overlaid with a diamond-shaped grid pattern.

02

GOVERNANCE

# OUR BOARD

AMERISAFE's Board believes that one of its primary responsibilities is to promote a corporate culture of accountability, responsibility, and ethical conduct. Our Board presently consists of eight non-employee directors and one employee director. The Board is divided into three classes, with each class serving three-year terms. The term

of one class expires at each annual meeting of shareholders. As part of AMERISAFE's corporate governance guidelines, the Board has established a policy requiring a majority of the members of the Board to be independent. Currently, other than our CEO, all of AMERISAFE's directors are independent.



**JARED A. MORRIS**  
*Chairman*



**MICHAEL J. BROWN**  
*Director*



**TERI G. FONTENOT**  
*Director*



**G. JANELLE FROST**  
*Chief Executive  
Officer & President*



**PHILIP A. GARCIA**  
*Director*



**BILLY B. GREER**  
*Director*



**MILLARD E. MORRIS**  
*Director*



**RANDALL E. ROACH**  
*Director*



**SEAN M. TRAYNOR**  
*Director*

# GOVERNANCE HIGHLIGHTS

Consistent with strong governance principles, AMERISAFE has adopted:



A majority voting and director resignation policy that requires any director nominee who receives a greater number of votes “withheld” or “against” his or her election than votes “for” his or her election to tender his or her resignation as a director.



A clawback policy regarding the recovery of incentive compensation in the event of a restatement of the Company’s financial statements filed with the SEC or any state authority.



Policies prohibiting our directors, executive officers and employees from hedging or pledging our common stock.



A policy regarding SEC Rule 10b5-1 trading plans requiring, among other things, that each plan be approved by the Company’s Chief Administrative Officer and provided to the Chair of the Nominating and Corporate Governance Committee for review prior to approval; each plan must provide for a minimum 30-day waiting period between the execution of the plan and the initial trade under the plan.



A policy regarding related party transaction oversight and approval.

## DIVERSITY

AMERISAFE's Board continues to evaluate and consider broad diversity-related considerations for our director nominees. At this time, we are not considering expanding the current size of the Board.



22%

WOMEN



22%

RACIALLY DIVERSE



61  
YEARS

AVERAGE AGE



8.5  
YEARS

AVERAGE TENURE

## ESG OVERSIGHT

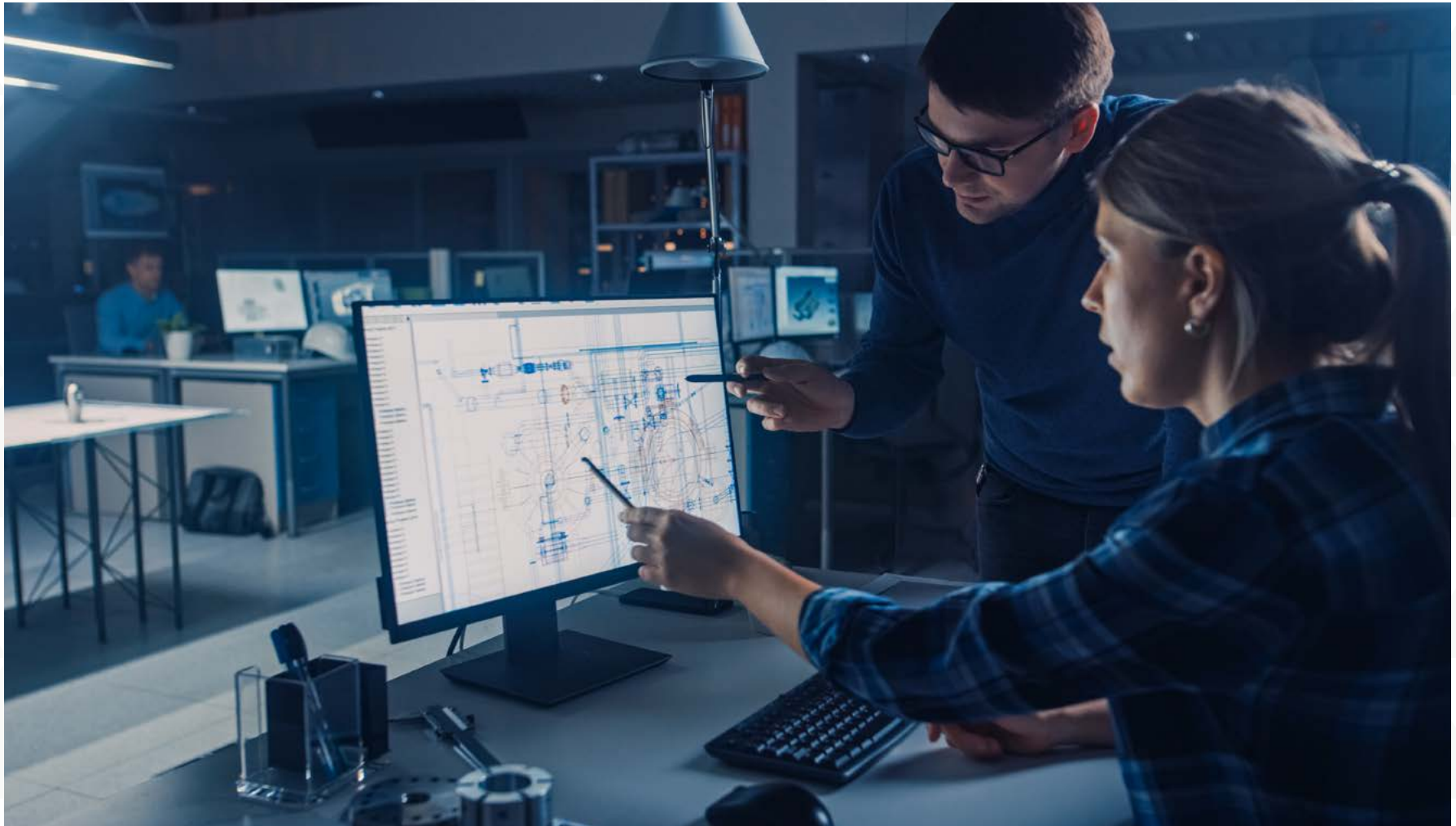
During 2021, we expanded the responsibilities of our Nominating and Corporate Governance and Compensation Committees to formalize the Board's oversight of environmental and social matters. Our Nominating and Corporate Governance Committee is primarily responsible for oversight of the Company's policies and

disclosures related to environmental, safety, corporate social responsibility, and corporate governance matters and coordinates with the Risk Committee with respect to these risks as appropriate. Our Compensation Committee is responsible for oversight of human capital and diversity, equity, and inclusion matters.

# ENTERPRISE RISK MANAGEMENT

Responsibility for ESG at AMERISAFE falls under the guidance of the Nominating and Governance Committee. The mechanism by which AMERISAFE identifies, analyzes, and addresses risks passes through certain risk management structures embedded in the company's operations and

culture. Our Board's Risk Committee identifies direct and indirect risks to AMERISAFE's business operations. These risks may be strategic, operational, or physical. Risks are subsequently ranked based on their urgency to AMERISAFE as a company.



Identified risks are filtered through our Enterprise Risk Management (ERM) program which proactively assesses, monitors, and responds to risks to our business. The ERM program is headed by our Chief Risk Officer and is overseen by the Board's Risk Committee (which includes all members of the Board). The Committee is responsible for the ERM's performance and execution. In 2022, AMERISAFE added a Management Risk Committee to our ERM architecture. The Management Risk Committee is responsible for identifying emerging risks resulting from both internal and external changes that may threaten the profitability or solvency of the company.

All potential strategic, underwriting, reserve, investment, and operational risks to our business are collated into a risk universe. The risk universe is then arranged by management and executives into a 3 Tier system ranking business risks by their respective urgency:

- Tier 1 Risks are regularly reported at the Board level.
- Tier 2 Risks are addressed by senior management via the ERM system.
- Tier 3 Risks are monitored by management and support staff.

The Board will occasionally review Tier 2 and Tier 3 risks. On an annual basis, company management will review our risk universe.

Under the ERM, identified risks will be addressed by a range of risk management responses. These include the following:

- Board Risk and Audit Committees
- Management Underwriting Committee
- Management Investment Committee
- Management Disclosure Committee
- Management Safety Committee
- Risk and Information Services department
- Corporate Insurance program
- Internal Audit function
- Sarbanes Oxley control framework
- Actuarial analyses
- Catastrophe modeling
- Financial and Capital modeling
- Business Continuity and IT Disaster Preparedness planning
- Detailed budgeting and expense management
- In-house Human Resources, Regulatory and Legal departments
- Annual Risk Universe review
- Management reporting of key operational performance indicators

# INFORMATION SECURITY AND DATA PRIVACY

AMERISAFE employs an active Information Security Plan which provides a comprehensive overview of the company's security program relating to the controls to protect the confidentiality, integrity, and availability of AMERISAFE resources.

Administrative, physical, and technical controls are integrated together to provide a layered approach in protecting company assets and reducing total risk.

The application of these controls allows us to pursue compliance strategically and tactically with laws and regulations, integrate security responsibilities throughout the organization, and create a maturity model to allow for continual improvement while following leading IT security standards in our industry. Information Security's principal responsibilities fall under the Vice President Information Security, and accountability falls under the Vice President of IT and the supervision of the company's Chief Risk Officer.



## ADMINISTRATIVE CONTROLS

- IT Incident Response Plan
- IT Risk Management Plan
- Business Continuity Plan (BCP)



## PHYSICAL CONTROLS

- Centralized electronic card access control system
- Uninterruptible power supply units
- Environmental controls



## TECHNICAL CONTROLS

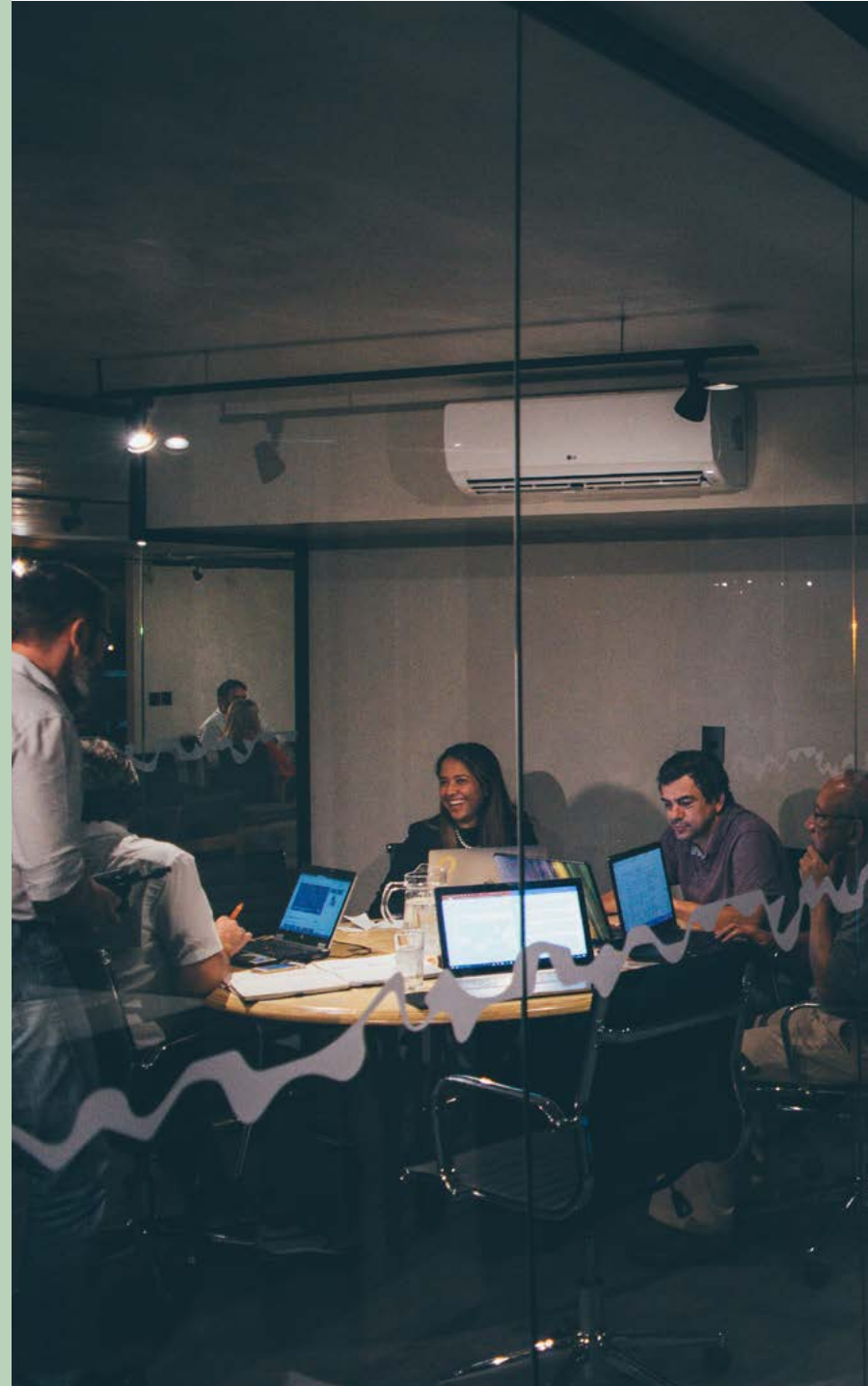
- Firewalls
- Signature and behavior-based monitoring
- Intrusion detection systems
- Encryption and backups
- Mobile device management



# KEY POLICIES

Our corporate governance guidelines, code of business conduct and ethics, committee charters, majority voting and director resignation policy, and certain other governance policies are available on AMERISAFE's website. These policies are reviewed on an annual basis.

- [Corporate Governance Guidelines](#)
- [Code of Business Conduct and Ethics](#)
- Confidentiality Policy
- Conflict of Interest Policy
- Corporate Disclosure Policy
- Restrictions on Securities Transactions Policy
- Hedging Policy
- Pledging Policy
- Sexual Harassment and General Harassment Policies
- Discrimination Policy
- Equal Employment Opportunity Policy



03

ENVIRONMENTAL



# OUR FACILITIES AND OPERATIONS

AMERISAFE is headquartered in a 60,000 sq ft office space in DeRidder, Louisiana. Additionally, we maintain a 3,200 sq ft warehouse facility in DeRidder as well as 3,500 sq ft of office space in Omaha, Nebraska that is leased by American Interstate Insurance Company (AIIC) and Silver Oak Casualty, Inc. (SOCl). As a specialty provider of workers' compensation insurance, we recognize that our environmental impact from the spaces that we operate out of may have a minimal footprint, but a footprint regardless. To reduce our environmental footprint, we have identified practices to utilize resources more efficiently and operate effectively at our facilities. Some examples of our practices in place include:

- Nearly 100% electronic records, reducing reliance on paper and ink
- Improved systems for monitoring air conditioning and heating
- Recycling options for paper, cardboard, and batteries
- Replacement of fluorescent and incandescent lighting with LED lighting
- Donating or recycling used IT equipment



As a result of our efforts, paper usage across AMERISAFE has fallen 60% over the past five years.



# ENVIRONMENTAL PERFORMANCE DATA

## ENERGY USAGE (KWH<sup>1</sup>)



### ELECTRICITY

#### Consumption

2020	2021
1,238,930	1,405,021



### FUEL FROM COMPANY VEHICLES

#### Consumption

2020	2021
535	438

TOTAL (2020)	TOTAL (2021)
1,239,368	1,405,556

## OFFICE PAPER USAGE <sup>2</sup>



### TOTAL PRINTED PAGES

2020	2021
2,434,051	2,398,493



### EQUIVALENT NUMBER OF TREES CONSUMED

2020	2021
292	288

1. In 2020, the COVID-19 pandemic and two hurricanes impacted AMERISAFE's business operations in a manner that significantly reduced the company's energy usage. Consequently, our energy consumption figures in 2021 exceed those of 2020. However, AMERISAFE has successfully reduced its energy consumption year-on-year, and our figures from 2021 are in agreement with this longer-term trend.

2. Our figures relating paper consumption to a number of trees consumed are based on figures from PaperCut.

# CLIMATE RISK AND RESILIENCY

As a monoline workers' compensation insurer, we do not have the same exposure to weather-related events that most property and casualty insurers do. Currently, our Enterprise Risk Management program, led by our Chief Risk Officer, assesses climate-related risks in terms of the potential impact on the industries of our policyholders and their employees.

However, given our focus on high-risk industries, we recognize the need to consider certain geographic metrics in assessing our exposure to climate related factors as they

affect the risks we insure. In addition, we recognize we have some operational risk in light of our Louisiana headquarters and have an internal Disaster Recovery Plan in place to mitigate this risk. This plan is designed with the goal to enable AMERISAFE to continue to work efficiently in the event of a climate-related extreme weather event.

Our process for identifying climate-related risks and opportunities mirrors our processes for identifying other risks in our ERM program.



## TRANSITION TO A LOW CARBON ECONOMY AND GREEN JOBS

AMERISAFE recognizes there is a significant transition to a low carbon economy currently underway. This shift is creating new and growing existing green jobs in various industries domestically and internationally. For example, the work required to install solar panels or wind turbines can be similar to installing a roof or working on cell phone towers – however, these types of jobs would be categorized under different class codes. AMERISAFE is exploring how to track our coverage of these green jobs among our policyholders and measure growth over time.



## CASE STUDY: HURRICANE LAURA

In August 2020, our headquarters in DeRidder, Louisiana, was significantly impacted by Hurricane Laura (Category 4) with winds of 150 miles per hour at landfall. There was widespread damage to homes, trees, and the power infrastructure of the area. AMERISAFE's business continuity plans were in place, including internet and IT system redundancies and our ability to operate on generator power. The storm impacted nearly half of our employee base.

Our dedicated employees, both in DeRidder and throughout the country, were able to continue to serve our customers without significant disruption to business operations, despite their personal circumstances. Aided by volunteers throughout the community and electrical professionals from throughout the country, recovery efforts continued and most power was restored to the community within a month, although rebuilding and roofing repairs took considerably longer.

AMERISAFE's Safety Committee meets twice a year to discuss events relevant to the company's safety plan, lessons learned from past experiences, and how our plan can be improved in the future.





04  
SOCIAL



# OUR POLICYHOLDERS

## OUR PEOPLE-FIRST APPROACH

A large part of being a responsible insurer is reflected in the service we provide to our policyholders, as providing insurance has dual functions as a means of protection and a transfer of risk. Our approach to serving policyholders must be grounded in a people-first mindset.

Our customer base is largely comprised of relatively small policyholders without the resources to have their own safety departments. Our field safety professionals (FSPs) conduct interviews with potential companies before relaying their feedback to our underwriters. FSPs will ask prospective policyholders about the safety training their employees are given. That information helps the underwriter determine if they want to quote a given company. Often, we provide safety services to our insureds as a function

of our underwriting analysis to ensure we are insuring policyholders that prioritize safety in their businesses. If this reduces claims it is a win-win for us and our policyholders. This advice can overlap with environmental concerns as well: for example, air quality and ventilation are key health and safety concerns for us when we conduct an inspection with a prospective policyholder.

At AMERISAFE, we do not delegate underwriting to agencies, marketers, or any third-party providers. We hire underwriters and train them to be highly disciplined when quoting and binding business, and our over 30-year history gives us an advantage when it comes to insuring high hazard industries.



## CLAIMS

Even with the most comprehensive safety services, accidents happen. At AMERISAFE, we believe that all injured workers deserve to be treated with respect. Our mission is to handle all claims with concentrated, immediate, and highly personable management and care. Regardless of the nature of injury, AMERISAFE will be there for the policyholder and injured worker.

Our face-to-face approach requires that our Field Case Managers (FCMs) live in proximity to our policyholders, allowing them to react quickly when the need arises. To further ensure the best experience possible for the policyholder and injured worker, our FCMs are supported by Nurse Case Managers and other knowledgeable resources so the FCM can be dedicated to the needs of the injured worker.

With, on average, 49 claims per FCM, our FCMs are able to have more direct contact with injured workers. In most cases, only one dedicated FCM will be the point of contact, guiding injured workers through medical treatment, rehabilitation, return to work, and maximum recovery. We understand expedient recovery and early return to work is the optimum outcome for all parties.





## SAFE ABOVE ALL

Protecting the people we serve is what matters most. That's why we hire Field Safety Professionals (FSPs) with first-hand experience in the industries we underwrite. We provide safety services at employers' workplaces as a vital component of our underwriting process and to promote safer workplaces. In most cases, our underwriters request a safety visit by one of our own FSPs before quoting a potential policy.

With FSPs on the ground living where policyholders work, we can make sure workers are Safe Above All by providing a clear observation of safety practices and offering verbal recommendations even before a business owner requests a policy from us.

Through our safety practices, we seek to help our policyholders prevent traumatic and debilitating injuries to workers. This has been a core principle of the company since its founding and one of the areas where we believe we have sustained positive impact on workers and communities.

## SAFETY PROGRAMS

In addition to our knowledgeable staff, we also offer a wide range of resources through our online Education and Training Center. This allows employers and their workers to receive additional information regardless of the time

or place. AMERISAFE offers a variety of Safety Programs tailored to fit the industries we service. Additionally, we offer online video training free of charge to our policyholders. Below is a list of topics available to our policyholders.

- Safety Policy Statement and Statement of Responsibilities
- Accident Investigation
- Arborist Safety
- Bloodborne Pathogens
- CDL Operators Cell Phone Policy
- Cell Phone Safety
- Confined Space Entry
- Considerations for Drug and Alcohol Policy
- Electrical
- Fall Protection
- Fire Prevention and Emergency Action
- Forklift Safety
- Hand and Power Tools
- Hazard Communication
- Hearing Conservation
- Housekeeping
- Job Safety Analysis
- Lifting Guide
- Lockout/Tagout
- Machine Guarding
- Management Commitment Statement
- Material Hoists
- Overhead Cranes
- Personnel-Lifting Devices
- Personal Protective Equipment
- Respirable Crystalline Silica
- Respiratory Protection
- Safety-Health Training and Orientation (New Hires)
- Safety Inspection
- Safety Meeting Report
- Scaffolding
- Sling
- Slip, Trip, and Fall
- Stairways and Ladders
- Trenching
- Truck Mounted Cranes
- Tube and Coupler Scaffolds
- Vehicle Safety
- Welding
- Workplace Security (Violence)

# CLAIMS FREE AWARDS

One of the best performance indicators for our Safety Department and initiatives is the growing number of AMERISAFE policyholders reaching multi-year milestones with no claims (a perfect safety record).

At year-end 2021, we were proud to recognize the following numbers of policyholders reaching these important milestones:



## FIVE YEARS

367

POLICYHOLDERS

## TEN YEARS

70

POLICYHOLDERS

## 20 YEARS

13

POLICYHOLDERS

## OUR EMPLOYEES

Throughout our 36-year history, the retention, growth and development of our employees has been critical to our success. In order to continue to deliver on our mission of providing quality insurance services to our policyholders, it is crucial that we continue to attract and retain talented employees that are aligned with our mission.



## EMPLOYEE HEALTH AND SAFETY

We are committed to the health, safety, and wellness of our employees, as the success of our business is fundamentally connected to the well-being of our people. In 2021, AMERISAFE continued to monitor the health and safety of our employees in response to the ongoing COVID-19 pandemic. While much of 2020 initially involved efforts to minimize non-essential travel, promote work-from-home, and limited in-person visits due to COVID-19, we began returning our Safety, Claims, Premium Audit and Sales employees to the field and employees back to the home office in June of 2020, following local, state, and federal health and safety guidelines. AMERISAFE continues to maintain guidelines for admission to the home office and for those employees working in the field to ensure the safety of them, their families and our customers during the pandemic. Also, in 2021, AMERISAFE encouraged its employees to get vaccinated offering a vaccine incentive of \$100, as well as time off for vaccinations and testing.

We also provide employees time off for annual wellness exams, reimbursements of health club memberships, confidential counseling services, quarterly wellness luncheons, and an annual health fair to promote a culture of wellness. Additionally, employees who complete an annual wellness exam and are enrolled in AMERISAFE's health insurance, receive a monetary incentive prior to the end of the calendar year.

## EMPLOYEE ENGAGEMENT

A happy and engaged workforce is essential to delivering on our promises to policyholders and other stakeholders. We are proud of the people who come to work at AMERISAFE who are inspired to do the right thing and help people stay protected and cared for.

We provide employees with a 401K plan with company matching contributions, health insurance plans, dental, vision, and other employee benefits. AMERISAFE has also established an endowment to provide scholarships to dependents of our employees and members of the community of our home office, recognizing the importance of educating future generations. Since 2016, we have maintained a partnership with the Community Foundation of Southwest Louisiana to provide tax-free assistance to

employees that have experienced a catastrophic event through an employee assistance fund. In addition to funding provided by AMERISAFE, this fund also allows employees to make one-time or recurring monetary donations to assist their fellow employees either by direct payment to the foundation, or through payroll deductions.

In 2021, we conducted a workforce assessment to understand AMERISAFE's HR policies and procedures and a review of employee benefits. We also conducted an employee engagement survey in early 2022, during which we heard from employees that they feel they have resources they need to do their jobs, the training needed to do their jobs, and that their roles made good use of their skills and abilities.

## 2021 EMPLOYEE ENGAGEMENT AND DEVELOPMENT PERFORMANCE

10.7  
YEARS

AVERAGE EMPLOYEE TENURE

14%  
2020

TURNOVER RATE

16.9%  
2021

2.9%

2021 INTERNAL  
PROMOTION RATE

65%

PARTICIPATION RATE

EMPLOYEE ENGAGEMENT SURVEY (JANUARY 2022)

56%

ENGAGEMENT RATE

## TRAINING AND DEVELOPMENT

We invest in the professional development of our employees. This includes various insurance certification and licensing programs and other professional development education, training, and certifications. We also work with our employees to provide training in leadership development, professional development, project management skills, and interpersonal skills development.

## TALENT ATTRACTION AND RECRUITMENT

Approximately half of our employees work from our headquarters in rural Southwest Louisiana. For some career fields, recruiting the right candidates in our region can be a challenge in a tight labor market. To overcome these challenges, some of the talent pipeline development strategies AMERISAFE has implemented include the following:

- Broadening our relationships with universities, community colleges, and local high schools through career fairs and community outreach.
- Periodically evaluating our compensation and benefits to ensure we are competitive in the markets we serve.
- Working with specialized recruiting organizations that focus on underrepresented talent such as veterans, candidates of color, and those with disabilities.



AMERISAFE employees sharing career information with students at the McNeese State University.



# DIVERSITY, EQUITY, AND INCLUSION

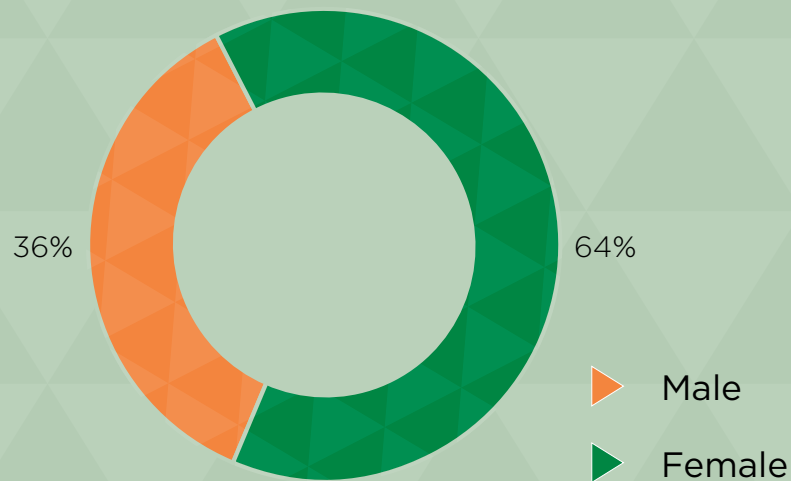
The unique differences of each individual are representative of our exceptional workforce, where service to each other is the foundation of service to our customers. We embrace and support these differences as we continue to cultivate a culture of diversity, equity, and inclusion (DEI). With the support of our Board, we are focused on our DEI strengths and opportunities and executing on a strategy to support further progress. We strive to promote inclusion through our company values and behaviors.

AMERISAFE provides equal employment opportunities to all individuals. We do not consider a person's race, sex,

religion, color, national origin, sexual orientation or gender identification, disability, medical or genetic information, pregnancy, military status, age, or any other factor prohibited by law in making hiring, promotion, training, assignment, compensation, discipline, benefits, employment, and termination decisions.

To support our DEI efforts, AMERISAFE has set a goal for 2022 to have 100% of our employees be trained in unconscious bias.

## GENDER



Women represent 54% of AMERISAFE's leadership\*, including our CEO.

\*Senior Vice President level and above

# OUR COMMUNITIES

We actively engage with and support local communities through numerous charitable and social organizations in the communities in which we operate. We believe that this commitment helps in our efforts to attract and

retain employees. To encourage a culture of giving back to the communities in which we operate, all AMERISAFE employees may take advantage of paid time off for volunteer activities.

## 2021 IN NUMBERS



202

**TOTAL HOURS  
AMERISAFE EMPLOYEES  
SPENT VOLUNTEERING**



9

**TOTAL STUDENTS  
SUPPORTED BY AMERISAFE'S  
SCHOLARSHIPS**

## IMPACT COMMITTEE

In 2022, AMERISAFE launched a new Impact Committee to help the company focus our charitable giving and corporate volunteering efforts. The Impact Committee comprises employees at various levels of the company, different departments, and locations. It is responsible for selection of recipients of monetary donations over the course of each calendar year, as well as coordinating volunteer opportunities for employees to engage in within the communities we serve.

## AMERISAFE FAMILY SCHOLARSHIP

The AMERISAFE Family Scholarship is presented to a graduating senior that is a child, stepchild, grandchild, or legal dependent of a full-time AMERISAFE employee. The scholarship is funded by AMERISAFE and awarded through the Community Foundation of Southwest Louisiana each year. Selection for the family scholarship is completed through the Foundation, with no input from any officer or employee of AMERISAFE.

## AMERISAFE COMMUNITY SCHOLARSHIP FUND

Each year, the AMERISAFE Community Scholarship Fund awards a scholarship to a graduating high school senior in Beauregard or Vernon Parish who is pursuing higher education at either a two-year or four-year institution. The scholarship is funded by AMERISAFE and awarded through the Community Foundation of Southwest Louisiana each year. Selection for the community scholarship is completed through the Foundation, with no input from any officer or employee of AMERISAFE.

## COMMUNITY ENGAGEMENT



In the aftermath of Hurricane Laura, AMERISAFE employees helped to clean up Bryant Park in our hometown of DeRidder, LA, doing everything from painting playground equipment, clearing debris, to weed maintenance.



Employees stepped up to provide Christmas presents to local children through Toys for Tots during the 2021 holiday season.



AMERISAFE's sales team, along with safety and communications team members, helped restore wetlands at Galveston Bay Foundation, planting some 600 plants and making a monetary donation.



In honor of Insurance Careers Month (February) AMERISAFE donates to each local Future Business Leaders of America (FBLA) chapters. Our Vice President of Human Resources and Payroll presented the check to the Rosepine High School FBLA chapter.



05

ABOUT THIS REPORT

# ABOUT THIS REPORT

This is AMERISAFE's first Environmental, Social, and Governance (ESG) Report. In this report, we reference ESG reporting frameworks and standards, including the Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-related Financial Disclosures (TCFD). The quantitative metrics included in this report cover AMERISAFE's operations for the 2021 calendar year, and qualitative information includes initiatives through the second quarter of 2022. The environmental information included in this Report is preliminary, unaudited, and subject to revision. This Report may include data and statistics from third parties. We believe these sources are reliable but have not independently verified this information.

## FORWARD-LOOKING STATEMENTS

Statements made in this report that are not historical facts, including statements accompanied by words such as “will,” “anticipate,” “expect,” or similar words are forward looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 regarding AMERISAFE's plans and performance. These statements are based on management's current expectations, assumptions, and projects as of the date of this Report. You should exercise caution in interpreting and relying on forward-looking statements because they involve known and unknown risks, uncertainties, and other facts which are, in some cases, beyond our control and could materially affect actual results, performance, or achievements. You are encouraged to review the disclosures, including risk factors, included in the Company's filings with the Securities and Exchange Commission, including AMERISAFE's Annual Report on Form 10-K for the year ended December 31, 2021. AMERISAFE cautions you not to place undue reliance on the forward-looking statements in this Report. AMERISAFE does not undertake any obligation to publicly update or revise any forward-looking statements to reflect future events, information or circumstances that arise after the date of this Report.

# SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) RESPONSE



The SASB Standards guide the disclosure of financially material sustainability information by companies to their investors. Available for 77 industries, the Standards identify the subset of environmental, social, and governance (ESG) issues most relevant to financial performance in each industry. To support the information needs of investors and other stakeholders, AMERISAFE has provided the following information based on the SASB Standard for the Insurance industry.

## TRANSPARENT INFORMATION AND FAIR ADVICE FOR CUSTOMERS

### FN-IN-270A.1

*Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of insurance product-related information to new and returning customers*

AMERISAFE was not involved in any legal proceedings of this nature.

### FN-IN 270A.2

*Complaints-to-claims ratio*

In 2021, our complaints-to-claims ratio was 1 to 4,594. We have an extremely low number of complaints and corresponding complaints-to-claims ratio due to our high touch model and focus on customer experience. Our Legal and Regulatory Departments work closely with regulatory agencies and the corresponding customer to resolve complaints promptly.

One reason for our low number of complaints is because we prioritize high quality customer service. Compared to other carriers, AMERISAFE has more interaction with its policyholders through personal contact with employers and claimants. We provide immediate service to claimants, contacting injured workers within 48 hours of the assigned indemnity claim and help the injured worker and/or family understand the claims process, available benefits, and treatment options. We also work to maintain relationships with policyholders through workplace safety visits during each policy cycle.

As of December 31, 2021, we averaged 49 indemnity claims per field case manager, which we believe is significantly less than the industry average. Our low number of claims caseloads allow us to dedicate more time to injured workers and employers. This helps promote consistency of outcomes and expectations.

### FN-IN 270A.3

#### Customer retention rate

Our policy renewal rate on voluntary business that we elected to quote for renewal was 93.5% in 2021, 94.4% in 2020, and 94.1% in 2019. These renewal rates are disclosed in our public filings with the SEC and on the Policyholders page of our website. This is calculated as the number of policyholders who chose to renew with us after we offered them a renewal quote. This methodology is not currently reported by geography.

### FN-IN 270A.4

#### Description of approach to informing customers about products

Our insurance product is sold and marketed through partner independent agents and wholesale brokers. As such, AMERISAFE has limited direct communication with the prospective policyholder customers prior to issuing a policy. The agencies and brokers we work with directly inform customers about the policy coverage available. Therefore, we work closely with those agencies and brokers to ensure they are able to transparently provide appropriate education and information on workers' compensation, our safety services approach, our premium audit process, and our claims process. These agencies and brokers spend extensive time communicating with customers and gathering information about customers' needs.

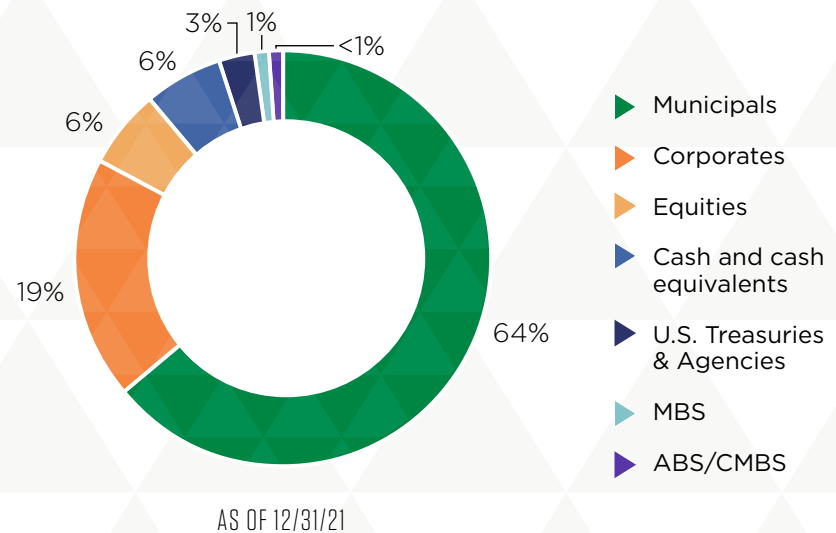
Once we receive a customer's information, and if the customer meets our underwriting criteria, our underwriters provide a quote and payment plan options. If we need additional information after the policy decision has been made, we communicate with the agents and brokers to obtain additional information from policyholders. All policies are audited after they are issued. We directly contact any non-paying policyholders to avoid issuing notices of cancellation. We also have training manuals for our employees and agents that discuss our processes around transparency and frequency of communication.

## INCORPORATION OF ESG FACTORS IN INVESTMENT MANAGEMENT

### FN-IN 410A.1

#### Total invested assets, by industry and asset class

AMERISAFE's total invested assets, as of December 31, 2021, was \$1.1 billion USD, and our investment portfolio allocation is as follows:



**FN-IN 410A.2**

*Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment management processes and strategies*

We are heavily regulated, and our investment policy statement must comply with applicable laws in each state in which we operate. As such, the majority of our investments typically are held until maturity. In addition, our approach is to be more conservative than state law requires. For instance, our investment policy states we do not invest in derivatives, even though some state laws allow it.

Our in-house Management Investment Committee consists of our Chief Executive Officer, Chief Financial Officer, Chief Risk Officer, Chief Administrative Officer/Compliance Officer, and Chief Underwriting Officer. Our Board is actively aware of the value in integrating ESG into our investment policy and will work with our management level Investment Committee to evaluate and develop any such considerations into its existing investment policy. We also are discussing potential social-oriented metrics that could be used in our screening process for municipal bonds.

**POLICIES DESIGNED TO INCENTIVIZE****FN-IN 410B.1**

*Net premiums written related to energy efficiency and low carbon technology*

This metric is not directly applicable to AMERISAFE, as we are a monoline workers' compensation insurance provider.

**RESPONSIBLE BEHAVIOR****FN-IN 410B.2**

*Net premiums written related to energy efficiency and low carbon technology*

AMERISAFE offers Evolved Safety, a service that provides 24/7 safety training to policyholders and their employees. These training offerings are available on a standard non-fee basis with additional trainings available for an additional fee. In addition, during 2020, 92.5% of new voluntary business policyholders were visited prior to offering a premium quote, which includes an assessment of the employers' safety practices. Our safety team also conducts periodic workplace visits, assists in recommending enhanced safety management programs, and conducts post-accident reviews.



## ENVIRONMENTAL RISK EXPOSURE

### FN-IN 450A.1

#### *Probable Maximum Loss (PML) of insured products from weather-related natural catastrophes*

As a monoline workers' compensation insurance company, we do not have the same exposure to weather-related catastrophe losses as property insurers; accordingly, such catastrophe events are not a significant input for our modeling purposes. For example, we do not consider hurricanes to present significant risk to our business because insured employees in the lines of business we underwrite typically are not working during a hurricane or other extreme weather-related events.

While we typically insure smaller, more mobile work forces that work at different locations and are less likely to be aggregated in one location, we are exploring whether to take additional geographic metrics into consideration when assessing climate-related risks. For example, when we model PMLs for concentration of payroll in cities where we have policyholders, we may consider the city's earthquake exposure (in addition to other exposures such as terrorism or industrial accidents). As earthquakes are natural disasters that can have significant impacts on our policyholders, we are mindful of policies that are in fault zones.

Potential weather-related events and other natural catastrophes that may impact our reinsurance program are modeled. AMERISAFE purchases two programs for reinsurance: 1) a working layer, providing coverage for individual claims pertaining to catastrophic claims (e.g., permanently disabled), and 2) catastrophe insurance for mass casualty events.

### FN-IN 450A.2

#### *Total amount of monetary losses attributable to insurance payouts from (1) modeled natural catastrophes and (2) non-modeled natural catastrophes, by type of event and geographic segment (net and gross of reinsurance)*

We complete catastrophe modeling annually to identify the PML associated with natural catastrophe events. Our policyholders have not had any losses directly associated with a natural catastrophe event; therefore, we have \$0 in losses attributable to insurance payouts from natural catastrophe events.

**FN-IN 450A.3**

*Description of approach to incorporation of environmental risks into (1) the underwriting process for individual contracts and (2) the management of firm- level risks and capital adequacy*

AMERISAFE considers the climate-related considerations relevant to our policyholders' location during its underwriting process and analyzes the potential impact to capital as a result of possible natural catastrophe events.

For the reasons discussed elsewhere herein, we do not believe environmental risks present a material company level risk to our business at this time. As noted above, we are in the early stages of considering potential environmental risk exposures of certain industries for which we provide workers' compensation coverage.

**SYSTEMIC RISK MANAGEMENT****FN-IN 550A.1**

*Exposure to derivative instruments by category: (1) total potential exposure to noncentrally cleared derivatives, (2) total fair value of acceptable collateral posted with the Central Clearinghouse, and (3) total potential exposure to centrally cleared derivatives*

We do not invest in derivatives. As such, we have no exposure to any derivative instruments of any category.

**FN-IN 550A.2**

*Total fair value of securities lending collateral assets*

None

**FN-IN 550A.3**

*Description of approach to managing capital and liquidity-related risks associated with systemic non-insurance activities*

Our investment policy is conservative in accordance with applicable insurance laws in the states in which we write business. As such, our capital is primarily invested in long-term municipal and corporate bonds. AMERISAFE substantially exceeds minimum Risk Based Capital requirements established by state insurance regulators. We do not participate in any systemic non-insurance activities.

## ACTIVITY METRIC

FN-IN 000.A

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*Number of policies in force, by segment: (1) property and casualty, (2) life, (3) assumed reinsurance.*

As of December 31, 2021, AMERISAFE had more than 8,000 voluntary business policyholders with an average annual workers' compensation policy written premium of \$31,000. The ten largest voluntary business policyholders accounted for 1.9% of in-force premiums.

Workers' compensation insurance is not property insurance. Our insurance provides for wage replacement and medical care benefits to the employees of our policyholders. As a monoline insurer, workers' compensation is our only line of business. We do not write life insurance or reinsurance.

# TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)



## GOVERNANCE

*Describe the board's oversight of climate-related risks and opportunities.*

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*Describe management's role in assessing and managing climate-related risks and opportunities.*

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The Financial Stability Board's Task Force on Climate-related Financial Disclosure (TCFD) has developed a voluntary, consistent climate-related financial risk disclosure for use by companies in providing information to investors, lenders, insurers and other stakeholders. AMERISAFE's TCFD report is organized around the framework's four main pillars, which are governance, strategy, risk management, and metrics and targets.

Our Nominating and Corporate Governance Committee is primarily responsible for oversight of risks and opportunities presented by ESG matters, including climate-related risks. Where appropriate, the Nominating and Governance Committee coordinates with the Risk Committee with respect to climate-related risks and opportunities. Comprising all of AMERISAFE's Board of Directors, the Risk Committee is responsible for assessing risks and challenges the company is facing. While the Board generally considers climate impacts to be indirectly related to AMERISAFE's operations and business strategy, we recognize that climate change impacts industries in which our policyholders operate and may therefore indirectly affect our business and operations.

Our Enterprise Risk Management (ERM) program, led by our Chief Risk Officer, assesses climate-related risks in terms of the potential impact on the industries of our policyholders. These industries include construction, trucking, logging and lumber, manufacturing, agriculture, maritime, and other industries.

## STRATEGY

### *Climate-related risks and opportunities identified over the short, medium, and long term*

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### *Impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning*

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### *Resilience of strategy using a 2C or lower scenario*

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Compared to other lines of business, workers' compensation insurance is largely unaffected by natural disasters. We do not write property risks, and workers in the industries we insure are unlikely to be working during catastrophic weather-related events.

Presently, we are determining whether to use scientific modeling to assess how physical climate-related risks – including extreme weather events that will grow in frequency, intensity, and duration as the effects of climate change intensify – may impact our policyholders and their employees. We are currently determining how to quantify the indirect impacts of climate-related risks on our business and our policyholders' businesses.

With respect to our operations, we recognize that our headquarters in DeRidder, Louisiana is exposed to hurricane risks. As part of the annual report we file with the State of California, which highlights our organization's exposure to climate change risks, we report our office's distance from the Gulf of Mexico alongside other climate risk factors.

Our internal Disaster Recovery Plan helps AMERISAFE mitigate climate-related risks to our business. The Disaster Recovery Plan ensures the restoration of our Information Technology (IT) platform following a disaster. This plan establishes protocols and critical business continuity measures to guide AMERISAFE IT personnel and employees before, during, and after a disaster. Our Disaster Recovery Plan allowed our business operations to continue functioning in critical areas, even after our main DeRidder, Louisiana location was disrupted by two major storms in 2020 and one major storm in 2021.

We recognize that climate-related risks may also provide an opportunity for AMERISAFE to share resources that can innovate worker safety and education around climate risks as they affect our policyholders' industries, and in the future, we may explore these opportunities with our safety training providers and partners.

As we write workers' compensation, we have no property-related exposure, and are therefore yet to conduct a climate-related scenario analysis.

## RISK MANAGEMENT

### *Processes for identifying and assessing climate-related risks*

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The Nominating and Corporate Governance Committee has responsibility for oversight of ESG risks, including those indirectly raised by climate-related issues, and coordinates with the Risk Committee on such risks as appropriate. The Risk Committee has responsibility for the identification of current and emerging risks broadly across organizational and functional boundaries.

### *Processes for managing climate-related risks*

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When AMERISAFE's strategic, operational, and physical risks are identified, including those indirectly impacted by climate-related issues, risk mitigation plans are developed as part of our ERM program. The Chief Risk Officer is primarily responsible for the administration of the ERM program and supports periodic risk management training to ensure both employees and the Board are appropriately informed of their responsibilities and have plans to manage AMERISAFE's top risks. Because of the nature of our business, climate change is not one of our top ten risks at this time.

### *Integration of risk processes into overall risk management*

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We maintain a risk universe of strategic, operational, and physical risks that are assessed on an annual basis to determine what the most significant risks are to the company, what controls are in place to address these risks, and what their potential impacts are. Our department heads are responsible for executing on plans throughout the year to address or mitigate our key, identified risks.

## METRICS AND TARGETS

### *Metrics used to assess climate-related risks and opportunities*

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AMERISAFE is exploring operational and geography-based metrics for managing climate-related risks and opportunities. In terms of operational metrics, we track our main office's electricity usage and our printed paper usage by department, with an aim to reduce our paper consumption. As a result of our efforts, paper usage across AMERISAFE has fallen 60% over the past five years.

In terms of broader climate-related risk exposures from our policyholders, we are evaluating whether geography-based metrics can help us assess the risks of weather-related events to our policyholders. We currently account for earthquakes in assessing our PMLs and may expand this to other weather-related perils.

Scope 1 and 2 GHG emissions

We currently do not track our Scope 1 and 2 emissions, but we are planning to undertake an inventory of our operational GHG emissions for the 2022 calendar year.

Targets used to assess climate-related risks and opportunities

AMERISAFE has not currently established such targets. As we continue to assess the risks that climate change directly or indirectly presents to our business and operations, we may do so in the future.

We have established other operational sustainability goals, such as reducing our paper usage. To achieve this, we have instituted a recycling initiative to track how much paper is being printed by each department (which is in turn converted into a trees and emissions consumed metric to raise awareness), ensure that recycling bins for paper are clearly marked and available in all breakrooms, and that our waste hauler comes to recycle all of our shredded paper. We are also investigating ways to make our business operations use less paper but are somewhat limited by regulatory barriers such as state guidelines requiring policyholders to affirmatively choose to not receive information in paper form.



**AMERISAFE<sup>®</sup>**

**FOR MORE INFORMATION PLEASE VISIT**

[WWW.AMERISAFE.COM](http://WWW.AMERISAFE.COM)