



2019 ANNUAL REPORT



Becky Beauchine Kulka
Chair, MRA Board of Directors
CEO, Becky Beauchine Kulka
Diamonds and Fine Jewelry
Okemos



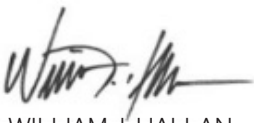
Jeff Joyce
Chair, Retailers Insurance Company
Board of Directors
Vice President and co-owner,
Mieras Family Shoes
Grand Rapids



William J. Hallan
President and Chief Executive Officer
Michigan Retailers Association/
Retailers Insurance Company

Each year, Michigan Retailers Association puts together an Annual Report summarizing organizational highlights involving our services, our membership, and our team of employees. The report is prepared each April, but as you know, we are in the midst of one of the most uncertain times in our nation's history due to the COVID-19 pandemic. While there are countless stories of retailers that have stepped up, retailers are also struggling. Simply put, the storm is fierce.

In light of these events, we'll keep our report short. Both Michigan Retailers Association and Retailers Insurance Company achieved noteworthy successes last year, which are documented below (in an abbreviated format) for posterity. More important than this report is that we are here for you. The Association's strength comes from its members, and we know the difficulty that many of you are facing. Our team is working everyday to ensure that there is no interruption to the services we offer and that business in Michigan gets back to normal as soon as possible. We thank you for your membership and loyalty, and we look forward to hearing your successes when the clouds part.



WILLIAM J. HALLAN
MRA President and Chief Executive Officer



800.366.3699
retailers.com

1

Michigan Retailers Association

MRA's credit card volume reached \$1.417 billion and we continue to process transactions for merchants in all 50 states. We hosted a number of events for our members, including our annual legislative reception, annual golf outing, and the Food Retailers Summit at Crystal Mountain. New member communications included the development of a bi-weekly Food News bulletin and the production of a series of videos through Cold Box Films delivered on social media.

2

Retailers Insurance Company

Total new premium for Retailers Insurance Company reached \$2.5 million and direct premium rose 6 percent to \$10.6 million, a new record. Workers' compensation premium, at \$10 million, remained the lion's share of RIC's portfolio. Surplus grew to \$11.7 million, an increase of 8.4 percent. Net admitted assets rose 8.3 percent to \$25.2 million. Rates were reduced for our policyholders by approximately 5.5%.

3

Governmental Affairs

Gov. Whitmer signed changes into law on Dec. 12 that require marketplace facilitators like Amazon, eBay, Etsy and Google marketplaces to collect taxes on sales by third-party sellers. This helped further close the gap on the sales tax collection disparity between out-of-state, online retailers and in-state retailers. She also signed bills codifying the Wayfair decision, ensuring the state cannot be challenged in court over requiring out-of-state retailers with over \$100,000 in annual sales or 200 annual transactions to collect Michigan's sales tax.

Our efforts to stem the opioid epidemic through stopping fraudulent prescriptions made progress. Bills were started in both chambers and we expect they'll cross the finish line in 2020 once the differences are worked out between the House and Senate-passed versions.

We held off troubling legislation (reintroduced from previous sessions) that would make changes to notice requirements after a data breach occurs. Those bills were stopped on the House floor in December but that fight will continue in 2020.

4

Buy Nearby

The Buy Nearby program broke records in 2019, doing 100 events in 69 cities and handing out more materials than ever before. Presentations were given in six communities to help them devise ways to boost retail. To spread the shop-local message, Buy Nearby/MRA partnered with MLive to do videos highlighting the amenities in four communities (Marshall, Charlevoix, Frankenmuth and Marquette), deepening our relationships with those downtowns and building membership. DTE and Retailers Insurance Co. once again generously sponsored the program.

5

Foundation

The Michigan Retailers Foundation awarded 21 scholarships in 2019 totaling \$30,000. This brings the total amount awarded since the program began in 1999 to \$544,500 and 551 total recipients. Two new scholarships were added in 2019:

- The Orin and Tina Mazzoni and Family Legacy Scholarship, established by former MRA board chair Orin Mazzoni Jr., owner of Orin Jewelers in Garden City and Northville.
- The Willis W. and Mary Jane Marshall Memorial Legacy Scholarship, established by MRA board member Dan Marshall, owner of Marshall Music Co.

Member giving

Michigan Retailers Foundation

Contributors FY 2018-19

Albert Ellenberger Lumber Co	Dr. Louis E. Boggs	Jans Bar	Miera's Family Shoes Inc.	Peter Sobelton
Anthony G Michael Inc.	Farmington Shoe Repair	Jeff Joyce	Kimberly Mills	Splash of Color Tattoo
Arbor Farms Market	Andrew Gemmen	Becky Beauchine Kulka	Larry Mullins	Barb Stein
Chad Ayers	Golden Shoes	John Leppink	Bryan Neiman	Joe Swanson
Baron's	Bill Golden	Little Forks Outfitters Inc.	Orin Jewelers	Tender
Becky Thatcher Designs	Goldstein Bershad & Fried PC	Maloney Carpet	Packaging Corp. of America	Turf Care Mole Man
Ben Franklin Mooney's Store Inc.	Great Lakes Foods	Mapes Furniture	Rod Phillips	Tyner Furniture
Big Top Market	James P. Hallan	Maple Street Mall	Roll Models Inc	Thomas Ungrodt
Billings Feed Store	William Hallan	Dan Marshall	Pilgrim Investment Co	Jim Walsh
Bo Brines	Ken Hayward	Orin Mazzoni	Retailers Insurance Company	Warshawsky Insurance
Briscoe Giftbox	Hi-Lite Super Market	Joe McCurry	Jean Sarasin	Watervliet Hardware
Dapple-Gray Bed & Breakfast	J & M Holdings, Inc.	Cheryl Medler	Schwark Family	Winglemire Furniture
Devries Jewelry Store	Holland Area Convention & Visitors Bureau	Mercuryhead Gallery	Service Floor Covering	
Don Wilson Insurance Agency		Larry Meyer	Sign of the Pineapple	

Buy Nearby Contributors

FY 2018-19

Ronald Alexander	Steve DeYoung	Sally Laukitis	Kristen Nichols	David Szidik
Jane Allison	Thomas Ellenberg	Jack Maloney	Griffin	Becky Thatcher
Bo Brines	Chris Gee	Bryan Mazey	Ben Perrin	Leonard Timmer
Becky Calabro	Bill Golden	Mike Mazzoni	Donna Piotrowski	Cathy Tubbergen
Mark Childs	William Hare	Orin Mazzoni Jr.	Stewart Powell	Curt Vanderwall
Dennis Connors	Gary Healy	John McAuliffe	Sharon Pugh	William Vandis
Doug Dancer	Carl James	Anthony Michael	D. Larry Sherman	Don Wilson
Karen Daskas	Jeff Joyce	Mike Mooney	Tom Scott	Marvin Yono
David Devries	Andrew Konjarevich	Gene Mylener	Kim Sinicki	

Michigan Retailers Association Political Action Committee

Contributors 2019

Chad Ayers	Pat Fagerlin	Patrick Kerwin	Larry Meyer	Barb Stein
Becky Beauchine Kulka	Andrew Gemmen	Brad Knab	Bryan Neiman	Joe Swanson
Erik Briggs	Bill Golden	Ken Lasher	Ally Nemetz	Tom Tuggle
Bo Brines	Jim Goshman	Johh Leppink	Rod Phillips	Tom Ungrodt
Mark Castillo	Bill Hallan	Tullio Liberati	Burke Sage	Jim Walsh
Tom Clement	Jim Hallan	Dan Marshall	Jean Sarasin	Doug Watters
Rich Cole	Bill Hillman	Brad Martin	Bob Scott	T.J. Weaver
Kurt Dettmer	Meegan Holland	Orin Mazzoni	Donald Shampine	Gary Young
Craig Dipenhorst	Amy Jolley	Joe McCurry	Chris Smith	
Amy Drumm	Jeff Joyce	Cheryl Medler	Peter Sobelton	

2019 Legislative Reception

Sponsors

Amway	Dykema	Meijer	National Association of	Rite Aid
Arctic Glacier	Juul	National Confectioners	Chain Drug Stores	SpartanNash
Busch's Fresh Food Market	Kroger	Association	Retailers Insurance Company	Walgreens
Consumer Healthcare	Lipari	National Retail	Retail Industry	
Products Association	Mary Kay	Federation	Leaders Association	

MRA Financial Summary

Michigan Retailers Association Subsidiary and Related Entities

Consolidated and Combined Statements of Financial Information

JUNE 30	2019	2018
ASSETS		
Current assets	\$6,490,468	\$6,881,039
Property & equipment less depreciation	\$2,262,959	\$2,389,047
Other assets	\$27,044,646	\$24,922,436
TOTAL ASSETS	\$35,798,073	\$34,192,522
LIABILITIES & NET ASSETS		
Total liabilities	\$14,969,914	\$14,552,689
RIC surplus	\$10,797,463	\$10,506,003
RIC common stock	\$100	\$100
Net assets - unrestricted	\$10,030,596	\$9,133,730
TOTAL LIABILITIES & NET ASSETS	\$35,798,073	\$34,192,522

These financial highlights are derived from the audited financial statements of Michigan Retailers Association, its subsidiary and all related entities. The audits were performed by Andrews Hooper Pavlik PLC. To obtain a copy of the audited financial statements, please contact: William J. Hallan, Michigan Retailers Association, 603 South Washington Avenue, Lansing, MI 48933.