AMERISAFE (AMSF)

Updated October 30th, 2026, by Nikolaos Sismanis

Key Metrics

Current Price:	$23.09	**5 Year Annual Expected Total Return:**	11.6%	**Market Cap:**	$428 M
Fair Value Price:	$31	**5 Year Growth Estimate:**	0.0%	**Ex-Dividend Date:**	12/04/2026
% Fair Value:	74%	**5 Year Valuation Multiple Estimate:**	6.2%	**Dividend Payment Date:**	12/11/2026
Dividend Yield:	7.1%	**5 Year Price Target**	$31	**Years Of Dividend Growth:**	14
Dividend Risk Score:	F	**Sector:**	Financials	**Rating:**	Hold

Overview & Current Events

Founded in 1986 and headquartered in DeRidder, Louisiana, Amerisafe is a leading provider of workers' compensation insurance primarily serving high-risk industries across the United States. The company specializes in insuring businesses in sectors such as construction, trucking, logging, and manufacturing, where workplace injuries are more prevalent. With a strong emphasis on safety and risk management, Amerisafe has built a reputation for its proactive approach to claims handling and customer service. The company registered $283 million in net premiums earned last year.

On February 24th, 2026, AMERISAFE raised its base dividend by 5.1% to a quarterly rate of $0.41. Note that the company paid a special dividend of $1.00 with respect to 2025. Future special dividends remain possible. Still, we apply just the base rate in our estimates.

On October 28th, 2026, AMERISAFE posted Q3 results for the period ended September 30th. Gross premiums written declined 4.5% to $76.7 million, while net premiums earned grew 3.0% to $73.3 million. Payroll audits and related premium adjustments reduced written premiums by $1.6 million, versus a $2.5 million contribution last year.

The current accident year loss ratio increased to 72.0% from 71.0%. Favorable prior-year reserve development declined to $6.9 million from $8.9 million, while higher assessments, compensation, and commissions lifted expenses. The net combined ratio increased to 96.5% from 90.6%, reducing underwriting profit by 62.6% to $2.5 million.

Net investment income rose 0.6% to $6.6 million, but unrealized equity losses replaced last year's gains. Net income fell 47.9% to $7.2 million, with diluted EPS of $0.39 versus $0.72. Operating EPS fell to $0.40 from $0.55. We expect FY2026 EPS of $2.08.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$4.05	$2.40	$3.71	$4.80	$4.47	$3.39	$2.80	$3.23	$2.89	$2.47	***$2.08***	***$2.08***
DPS	$3.97	$4.30	$4.38	$4.50	$4.58	$5.16	$5.24	$4.86	$4.48	$2.56	***$1.64***	***$1.81***
Shares[1]	19.2	19.2	19.3	19.3	19.4	19.4	19.3	19.2	19.2	19.1	***18.6***	***20.0***

Amerisafe's EPS has seen notable fluctuations over the years due to two primary factors inherent to its business model. Firstly, as an insurer specializing in workers' compensation for high-risk industries, the company's EPS can vary due to the unpredictable nature of claims. Additionally, Amerisafe's EPS is influenced by income from investments, which can fluctuate based on market conditions. Despite these factors, Amerisafe has consistently increased its base quarterly dividend for 14 consecutive years.

Note that the figures in our table include special dividends, which the company paid each year from 2013 through 2025. The decline in FY2024's figure, for instance, was due to a smaller special dividend, not an actual dividend cut. Moving forward, we have assumed the company has the potential for EPS of about $2.08 per annum. We don't forecast any growth moving forward, as EPS could fluctuate either way based on the reasons stated earlier. Also, we have utilized the base dividend rate in our estimates, along with a growth rate of 2% over the medium term. It's impossible to predict

[1] Share count is in millions.

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future special dividends. Also, note that Amerisafe has paid out more than it has earned in various years, resulting in deterioration in its book value. This further supports our cautious outlook on EPS growth going forward.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	13.6	25.0	16.2	13.1	14.2	17.5	18.6	16.0	17.2	18.2	***11.1***	***15.0***
Avg. Yld.	7.2%	7.2%	7.3%	7.2%	7.2%	8.7%	10.1%	9.4%	9.0%	5.7%	***7.1%***	***5.8%***

Amerisafe's P/E ratio has historically mirrored EPS fluctuations. However, it is fair to say that it has typically hovered at around 17x. Currently, the stock is trading at a more modest 11.1 times our estimated earnings. A discount is justified as Amerisafe has faced challenges in achieving growth over the years. Further, there have been instances of value erosion, notably through dividend payouts that exceeded sustainable levels. Still, we believe today's multiple undervalues the stock. Over the past decade, the stock has maintained a significant dividend yield, largely due to special dividends. The base dividend rate equates to a yield of 7.1% at the stock's current levels.

Safety, Quality, Competitive Advantage, & Recession Resiliency

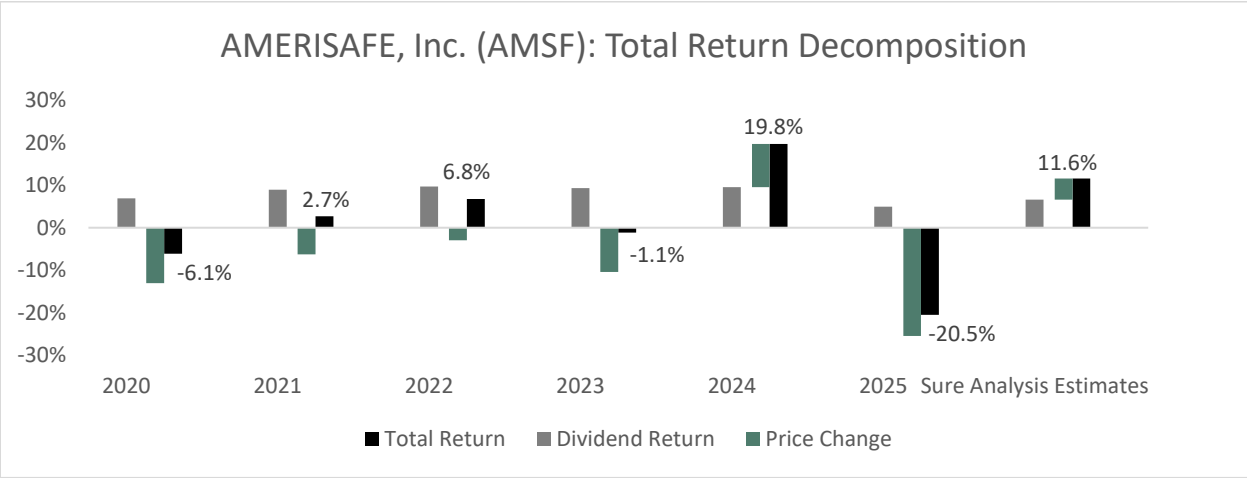
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	98%	179%	118%	94%	102%	152%	187%	150%	155%	104%	***79%***	***87%***

Amerisafe has frequently maintained a payout ratio in excess of 100%, paying out more funds than it earned in certain years, even including investment income. Consequently, investors should be cautious about assuming that its historical special dividend levels can be maintained in the future. Regardless, the company's strongest competitive advantage lies in its specialized focus on workers' compensation insurance for high-hazard industries, allowing it to offer tailored risk management solutions unmatched by broader insurers. However, its greatest investment risk lies in its dependency on the economic health of these industries, which can fluctuate significantly with economic cycles. While Amerisafe gains from essential insurance services, it could be impacted during economic downturns. It's certainly not recession-proof.

Final Thoughts & Recommendation

Amerisafe has paid out hefty dividends in recent years, though its stock price has underperformed, lagging behind both the overall market and its industry peers. Moving forward, we forecast annualized returns of 11.6% to be powered by the starting dividend yield and the possibility of a valuation tailwind. That said, special dividends are not included in our assumptions and would boost returns if declared. We retain our hold rating given the company's elevated dividend risk, despite attractive projected returns and its base dividend growth history.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	397	375	378	370	340	316	295	307	309	317
SG&A Exp.	25	26	26	27	28	26	27	27	32	-
D&A Exp.	1	1	1	1	1	1	1	1	1	1
Net Profit	78	46	72	93	87	66	56	62	55	47
Net Margin	19.6%	12.3%	19.0%	25.0%	25.5%	20.8%	18.9%	20.2%	17.8%	14.8%
Free Cash Flow	113	130	97	78	62	37	26	29	23	8.9

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	1,519	1,518	1,516	1,493	1,471	1,403	1,269	1,229	1,158	1,131
Cash & Equivalents	59	56	40	44	62	71	61	39	44	62
Accounts Receivable	267	264	274	254	263	256	247	263	260	269
Total Liabilities	1,063	1,093	1,106	1,063	1,032	1,003	952	937	900	879
Accounts Payable	-	-	-	-	-	-	-	-	-	-
Long-Term Debt	-	-	-	-	-	-	-	-	-	-
Shareholder's Equity	456	425	410	430	439	399	317	292	257	252
LTD/E Ratio	-	-	-	-	-	-	-	-	-	-

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	5.2%	3.0%	4.7%	6.2%	5.8%	4.6%	4.2%	5.0%	4.6%	4.1%
Return on Equity	17.1%	10.5%	17.2%	22.1%	19.9%	15.7%	15.5%	20.4%	20.2%	18.5%
ROIC	17.1%	10.5%	17.2%	22.1%	19.9%	15.7%	15.5%	20.4%	20.2%	18.5%
Shares Out.	19.2	19.2	19.3	19.3	19.4	19.4	19.3	19.2	19.2	19.1
Revenue/Share	20.66	19.50	19.58	19.16	17.53	16.28	15.25	15.96	16.13	16.63
FCF/Share	5.86	6.77	5.04	4.03	3.23	1.89	1.35	1.52	1.22	0.47

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.

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