

Financial Strength (\$000's)

Balance Sheet

	<u>2019</u>
Bonds	55,440
Stocks	796
Cash & short-term invest.	11,300
Home office building	2,181
Life insurance investment	2,980
Total Invested Assets	<u>72,697</u>
Premium balances	10,834
Reins. losses recoverable	284
Income taxes receivable	1,783
All other assets	1,011
Total Assets	<u><u>86,609</u></u>
Loss & LAE reserves	19,222
Unearned premiums	27,966
Reins. balances payable	157
All other liabilities	3,370
Total Liabilities	<u>50,715</u>
Policyholders' Surplus	<u>35,894</u>
Total Liabilities & Surplus	<u><u>86,609</u></u>

BCAR

A.M. Best's Capital Adequacy Ratio (BCAR) represents the quantitative relationship between an insurance company's balance sheet strength and its operating risks. As the foundation of financial security, balance sheet strength is critical in determining Rockford Mutual's ability to meet its current and ongoing obligations.

Rockford Mutual's BCAR score results in a BCAR assessment that is categorized as **Strongest**.



Key Financial Indicators (\$000's)

Statutory Data

	<u>2019</u>
Gross written premium	66,570
Net written premium	61,370
Risk ratio - net written to surplus	1.7
Combined ratio - 5 year average	100.4
BCAR score (+25 Strongest)	48

Premium by Line

Personal Automobile	29,918
Commercial Multi-Peril	9,639
Homeowners Multi-Peril	10,921
Other Liability	4,751
Commercial Automobile	3,631
Farmowners Multi-Peril	3,108
Workers' Compensation	2,044
Other Lines	2,196
Total Direct	<u>66,208</u>
Assumed Reinsurance Pools	362
	<u><u>66,570</u></u>

Premium by State

Illinois	52,839
Wisconsin	11,512
Indiana	1,857
	<u><u>66,208</u></u>



2019 REPORT

AM Best Rating
A- (Excellent)
Since 2008

527 Colman Center Drive
Rockford, IL 61108
(815) 229.1500

www.rockfordmutual.com

Extracted from A.M. Best's Review
and company reports

Overview

Rockford Mutual Insurance Company was incorporated in 1971 under the laws of Illinois to become the successor to Rockford Farmers District Mutual Tornado Insurance Company, which was organized in 1896.

Rockford Mutual provides coverage for auto, homeowners, farmowners, and business insurance in Illinois, Wisconsin and Indiana. Products are offered exclusively through Independent Insurance Agents who reside and are involved in their communities.

Officers:

President and Chief Executive Officer
Kent B. Shantz, CIC

Chief Information Officer
William W. Hanby, AINS, FLMI

Chief Financial Officer
Mark A. McWethy, CPA, CPCU

Vice-President - Marketing
Shane A. Heeren, CIC

Vice-President - Claims & Internal Counsel
Patrick D. Kennedy

Directors:

Dwight V. Shore - Chairman

Donald E. Yewell - Vice Chairman

Daniel L. Frost - Secretary/Treasurer

Mary K. Osborn

John A. Beyer

Michael P. Dunn

John R. Klockau

A.M. Best Rating

Based on A.M. Best's opinion of the Company's financial strength, they assigned a rating of **A- (Excellent)** with a stable outlook for the future. Rockford Mutual's financial size category is Class VI.

Current Rating Rationale:

The rating reflects the company's strongest level of risk-adjusted capitalization, historically positive operating performance, local market expertise in its key operating states of Illinois, Wisconsin and Indiana as well as its experienced management team. The company's capital position is derived from historically strong operating results and modest underwriting leverage in addition to low investment risk. Rockford Mutual's rating and outlook have been affirmed. A.M. Best views the rating outlook as stable (9/10/19).

Rating History

5/30/14	A-	7/28/17	A-
5/21/15	A-	8/15/18	A-
7/11/16	A-	9/10/19	A-

Regulatory

An independent audit of the Company's affairs through December 31, 2019, was conducted by CliftonLarsonAllen. An evaluation of reserves for unpaid losses and loss adjustment expenses was made as of December 31, 2019, by Willis Towers Watson. An examination of the Company's financial condition was made as of December 31, 2014, by the Insurance Department of Illinois.

Mission

Rockford Mutual Insurance Company is helping families, individuals and businesses today and during their time of need. Our mission is to provide exceptional service, innovation, security, ease of doing business and pay claims promptly and fairly. This is accomplished by hiring the best associates, cultivating their talents, living our core values while leveraging technology.

Achievements

For the fifteen year period 2004 through 2019 policyholders' surplus increased by \$18.5 million. Also, for the five year period 2014 through 2019 Rockford Mutual achieved a 100.4 net combined ratio. A.M. Best recognized these achievements by upgrading the Company rating to an A- in 2008 and maintaining that rating through 2019. Management is very confident the significant changes implemented to improve operations will also produce future positive results.

Rockford Insurance Agency

Rockford Insurance Agency is a subsidiary of Rockford Mutual whose purpose is to provide a value-added service to our agency partners. Rockford Insurance Agency has access to various carriers and brokerage arrangements to assist Rockford Mutual agents with their everchanging market needs, specializing in property and casualty accounts, both personal and commercial.

