

Financial Strength (\$000's)

Balance Sheet

	2020
Bonds	61,886
Stocks	743
Cash & short-term invest.	12,897
Home office building	2,089
Life insurance investment	3,058
Total Invested Assets	80,673
Premium balances	12,672
Reins. losses recoverable	1,157
Income taxes receivable	1,399
All other assets	454
Total Assets	96,355
Loss & LAE reserves	19,667
Unearned premiums	31,054
Reins. balances payable	512
All other liabilities	4,748
Total Liabilities	55,981
Policyholders' Surplus	40,374
Total Liabilities & Surplus	96,355

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

	2020
Gross written premium	71,175
Net written premium	64,523
Risk ratio - net written to surplus	1.6
Combined ratio - 5 year average	99.8
BCAR score (+25 Strongest)	46

Premium by Line

Personal Automobile	29,110
Commercial Multi-Peril	12,026
Homeowners Multi-Peril	11,676
Other Liability	4,988
Commercial Automobile	4,395
Farmowners Multi-Peril	4,017
Workers' Compensation	2,137
Other Lines	2,531

Total Direct	70,880
Assumed Reinsurance Pools	295
	71,175

Premium by State

Illinois	55,670
Wisconsin	12,885
Indiana	2,325
	70,880



2020 REPORT

AM Best Rating
A- (Excellent)

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

5/21/15	A-	8/15/18	A-
7/11/16	A-	9/10/19	A-
7/28/17	A-	10/02/20	A-

Regulatory

An independent audit of the Company's affairs through December 31, 2020, was conducted by CliftonLarsonAllen. An evaluation of reserves for unpaid losses and loss adjustment expenses was made as of December 31, 2020, by Willis Towers Watson. An examination of the Company's financial condition was made as of December 31, 2019, by the Insurance Department of Illinois.

Mission

Rockford Mutual Insurance is helping families, individuals and businesses today and during their time of need by providing exceptional service, innovation, security, ease of doing business and paying 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 sixteen year period 2004 through 2020 policyholders' surplus increased by \$23 million. Also, for the five year period 2016 through 2020 Rockford Mutual achieved a 99.8 net combined ratio. A.M. Best recognized these achievements by upgrading the Company rating to an A- in 2008 and maintaining that rating through 2020. 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 ever-changing market needs, specializing in property and casualty accounts, both personal and commercial.

