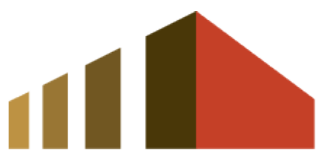


ROCKFORD MUTUAL
INSURANCE COMPANY
HOME • AUTO • FARM • BUSINESS

2024

ANNUAL REPORT



Since 1896

ROCKFORD MUTUAL
INSURANCE COMPANY



We Are

ROCKFORD MUTUAL

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 in and are involved with their communities.

Officers



ROB JACOBSON
President & CEO



MARK MCWETHY
Chief Financial Officer



SHANE HEEREN
Vice President of
Marketing/Sales



PATRICK KENNEDY
Vice President of
Claims & Internal Counsel



DAN YESBECK
Vice President of
Information Technology



Directors

PICTURED BACK TO FRONT, LEFT TO RIGHT

DONALD YEWELL
Vice Chairman

DWIGHT SHORE
Chairman

JOHN KLOCKAU

ABHISHEK VARMA

MICHAEL DUNN

MICHELLE ROGERS

MARY OSBORN

DANIEL FROST
Secretary/Treasurer

JOHN BEYER

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PRESIDENTIAL ADDRESS

Stability and Growth in 2024, Optimism for 2025

In the face of another year of extraordinary weather-driven catastrophic events, Rockford Mutual Insurance persevered and maintained its financial strength and stability. Last year, the Midwest was hit, once again, with multiple severe storms, exacerbated by elevated repair costs and lingering 40-year-high inflation.

In reflection, 2024 has been a much more solid and profitable year for Rockford Mutual. While we encountered eight significant weather events throughout the year, none reached the severity of those experienced in 2023. Furthermore, we did not need to rely on our reinsurance for recoveries from any of these storms. Although social inflation and related pricing increases for labor and materials persist, we have found 2024 to be a more stable year than the preceding two. Late in the year, we reopened our Personal Lines market in Illinois, thanks to our improved results. While we will continue to reevaluate and refine segments of our Personal Automobile, Homeowners, and Farmowners lines, we are seeing consistent month-over-month improvements across all states and lines of business.

We take great pride in retaining our A.M. Best rating of A- (Excellent). This achievement underscores our market stability, sound financial standing, and commitment to disciplined underwriting principles supported by effective rate and risk management strategies. For 2025, we successfully secured full capacity across all working layers of our reinsurance program. This success is largely attributed to our strategic decision to eliminate the habitational book of business, along with other key underwriting and rate adjustments.

Looking ahead, we are enthusiastic about a prosperous 2025 for Rockford Mutual and the independent agents who partner with us. We are particularly excited to expand our footprint into Michigan's Commercial Lines market by mid-year 2025.

The year 2024 has been one of transformation and improvement, as we continue to address underperforming sectors within our book of business. Despite challenges faced by Rockford Mutual, independent agents, and the industry, we are encouraged by the progress we are seeing. Our Combined Ratio of 104.1% is a significant improvement from the 108.3% recorded at the close of 2023. We are optimistic about 2025 and are confident that success will come through diligent collaboration with you, our independent agents, to identify the right risks, secure the right rates, and serve the best insureds.

As we look to 2025, we are grateful to our dedicated employees and loyal, independent agency partners who are ultimately responsible for our progress and success. And to you, our valued policyholders, thank you for your confidence and trust in Rockford Mutual.

Regards,



ROBERT J. JACOBSON
CEO

ROBERT JACOBSON
PRESIDENT & CEO

FINANCIAL STRENGTH (\$000's)

Underwriting	2024	2023
Gross Written Premium	93,673	93,323
Net Written Premium	82,042	76,041
BALANCE SHEET		
Investments & Assets		
Bonds	67,853	66,168
Equities	3,533	2,309
Cash & Short-term Investments	8,677	7,747
Home Office Building	1,936	1,985
Life Insurance Investment	3,756	3,286
Total Invested Assets	85,785	81,495
Premium Balances	18,057	20,139
Reinsurance Losses Recoverable	425	1,307
Income Taxes Receivable	3,646	3,696
All Other Assets	109	658
Total Assets	108,882	107,295
Liabilities		
Loss & LAE Reserves	27,560	23,851
Unearned Premiums	39,808	41,458
Reinsurance Balances Payable	1,236	1,546
All Other Liabilities	5,540	4,719
Total Liabilities	74,144	71,574
Policyholders' Surplus		
Total Policyholders' Surplus	34,738	35,721
Total Liabilities & Surplus	108,882	107,295

A.M. BEST RATING

Based on A.M. Best's opinion of the company's financial strength, they assigned a rating of **A- (Excellent)**. Rockford Mutual's financial size category is 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 leveraged in addition to low investment risk.

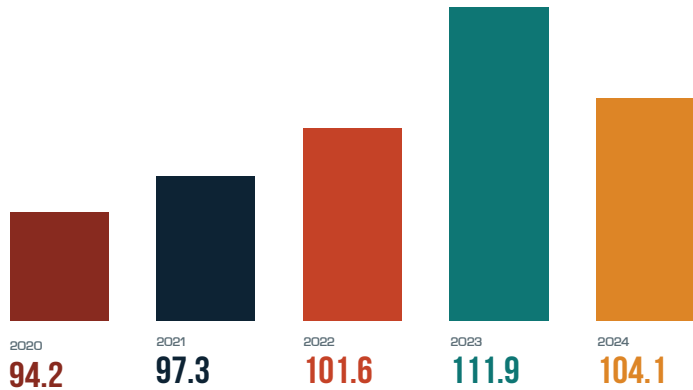
RATING HISTORY

8/15/18	A-
9/10/19	A-
10/02/20	A-
9/29/21	A-
10/12/22	A-
10/31/23	A-
11/27/24	A-

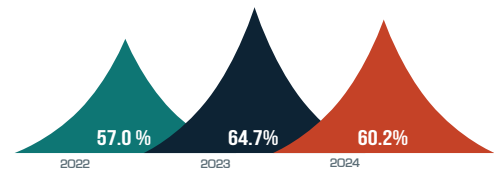


KEY FINANCIAL INDICATORS

ANNUAL COMBINED RATIOS



ANNUAL LOSS RATIOS



PREMIUMS BY LINE OF BUSINESS (000's)



93,220

- Personal Auto \$31,797
- Commercial Multi-Peril \$14,998
- Homeowners Multi-Peril \$18,659
- Commercial Auto \$6,714
- Farmowners Multi-Peril \$10,417
- Other Liability \$5,091
- Workers' Compensation \$3,077
- Other Lines \$2,467

PREMIUMS BY STATE (000's)



ILLINOIS
62,594



WISCONSIN
24,152



INDIANA
6,474

STATUTORY DATA

Risk Ratio: Net written to surplus **2.3**

Combined Ratio: 5 year average **100.7**

UNDERWRITING HIGHLIGHTS

We were dedicated to **enhancing underwriting processes** in 2024 to improve risk assessment, profitability, loss reduction, and compliance. By leveraging advanced analytics and predictive modeling, our organization seeks to achieve more accurate risk profiling, increased profitability and lower claim frequency.

PERSONAL LINES

Betterview and Flyreel ensure homeowners risks are written more accurately.

Both Betterview and Flyreel leverage advanced technology to streamline and enhance the underwriting process for properties. Together, these innovations improve accuracy, efficiency, and customer satisfaction.

Betterview is a property intelligence software that provides aerial imagery of roofs, playing a significant role in the underwriting process for roof condition and outside hazards.



12,540
inspections ordered



545
inspections ordered

Flyreel is a self-guided property inspection tool helping to identify areas in need of maintenance, identify potential discounts based on safety features of the home, and more.

COMMERCIAL LINES

Conducting in-depth reviews on commercial properties

Our Commercial Lines Team's use of Betterview has aided in-depth renewal reviews, helping to ensure adequate wind/hail deductibles and providing accurate property information.

The department also successfully transitioned the audit process in-house to enhance service to both agents and insureds. Combined with the strategic shift to exit the habitational lines market and target small main street businesses, these efforts collectively reinforce our commitment to delivering exceptional service and protection to our policyholders.

\$1,724,000

NEW BUSINESS WRITTEN

52.5%

LOSS RATIO

FARM LINES

Conducting in-depth reviews on farm properties

Our Farm Lines Team has also leveraged property intelligence software to verify the presence of farm outbuildings and assess the overall condition of properties and any adjacent land. At renewal, policies were thoroughly examined for eligibility and risk factors.



**GREW WRITTEN
PREMIUM BY 32%**



CLAIMS HIGHLIGHTS

The Claims Department continues to deliver on our policy promise to respond to our customers in times of need.

After a volatile weather year and record losses in 2023, and eight numbered CATs in 2024, we continued to provide the exceptional service that our customers expect!

We contacted **98% of all new claims within 24 hours** and maintained a **satisfaction rating of 97%** into 2024. The Claim Department continues to innovate to provide our customers the best in class experience they deserve.



It couldn't have gone more smoothly! I received a prompt call after the accident, and the representative explained the whole process clearly! Thank you!

- Rockford Mutual Policyholder

POLICYHOLDER REFERRALS

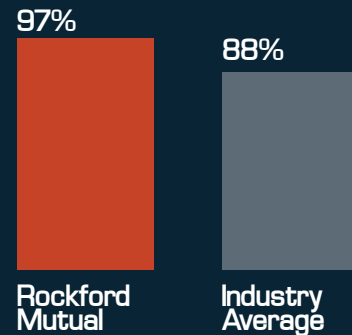
An average of 24/25 policyholders would recommend Rockford Mutual to a friend or family member. Our insurance is more than a policy, it's a promise.



**derived from surveys of claimants and insureds*

CLAIMS SATISFACTION PERCENT

Rockford Mutual's top priority is to settle claims fast and fair. We're not your average insurance company, we're genuine people helping others persevere.



**derived from surveys of claimants and insureds*

HUMAN RESOURCES HIGHLIGHTS

People Are Our Purpose

We place great value in our associates, and strive to make them feel safe, appreciated, respected, challenged and motivated. We understand that when our associates are at their best, so are we.

At Rockford Mutual, you will find a culture that is inviting, friendly and genuine. Shaped by our people, our culture continues to be one of inclusivity, support and accountability. Coupled together, the training and environment allow us to provide “Customer Service that Rocks”.



One of The Best Places to Work in Illinois

Rockford Mutual was named as one of the 2024 Best Places to Work in Illinois, as well as a special honor of being named **1st - Best Place to Work for Women!**

This statewide survey and awards program is designed to identify, recognize, and honor the best places of employment in Illinois, benefiting the state’s economy, workforce and businesses.

Statewide, companies entered the two-part process to determine the Best Places to Work in Illinois. Approximately 25% of the total valuation is based on workplace policies, practices and demographics; while 75% of the total valuation is based off of an employee survey to measure the employee experience.

One of The Best Places to Work in Insurance

Rockford Mutual has been named in the annual Best Places to Work in Insurance program for a fourth year in a row. The program recognizes employers nationwide for their outstanding performance in establishing workplaces where associates thrive, enjoy their work and help their company grow.



OUR 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 pay claims promptly and fairly. This is accomplished by hiring the best associates, cultivating their talents, living our core values while leveraging technology.

OUR VALUES

Service
Integrity
Prudence
Relationships
Teamwork
Relentless Pursuit of Excellence

Address :

N : Rockford Mutual Insurance Company
A : 527 Colman Center Drive
Rockford IL, 61108

