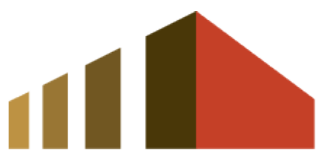


ROCKFORDMUTUAL
INSURANCE COMPANY
HOME • AUTO • FARM • BUSINESS

2025

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, Indiana and Michigan. Products are offered exclusively through Independent Insurance Agents who reside in and are involved with their communities.

Officers



ROB JACOBSON
President & CEO



TIFFANY HERRON
Chief Financial Officer



SHANE HEEREN
Vice President of
Marketing/Sales



ANN FUCHS
Vice President of
Claims



DAN YESBECK
Vice President of
Information Technology

Directors

1 | **DONALD YEWELL**
Chairman

2 | **MARY OSBORN**
Vice Chairperson

3 | **DANIEL FROST**
Secretary/Treasurer

4 | **MICHAEL DUNN**

5 | **ABHISHEK VARMA**

6 | **JOHN KLOCKAU**

7 | **MICHELLE ROGERS**

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PRESIDENTIAL ADDRESS: 2025 IN REVIEW

The year 2025 was defined by strategic transition, change management and the ongoing challenge of impactful weather events for Rockford Mutual Insurance Company (RMIC). Through it all, our mission remained constant: a commitment to continuous improvement fueled by the collaboration of partnered independent agents along with our dedicated associates.

STRATEGIC PORTFOLIO REALIGNMENT

Rockford Mutual continues to see an overall improvement in our core book of business, with direct incurred loss results improving month over month. Much of the improvement can be attributed to several decisive underwriting actions, including:

- **Market Exits:** Our strategic departure from the Commercial habitational space and the removal of the dwelling fire book of business.

- **Agency Optimization:** The offboarding of specific agency books of business that no longer aligned with our risk appetite.
- **Reunderwriting Campaigns:** Effective reunderwriting campaigns for our Farm, Personal Auto and Homeowners lines of business to ensure long-term sustainability.

Despite these improvements, the Midwest's volatile climate remained a challenge. RMIC navigated four catastrophic (CAT) events in the early part of 2025, which seems to be a continuing theme for the Midwest.

FINANCIAL POSITIONING AND RATING

It is important to acknowledge AM Best's downgrade to our rating from A- to B++. This change was primarily tied to our three-year loss results stemming from the high frequency of severe convective storms we experienced between 2023 – 2025.

In response, we have positioned Rockford Mutual well for the future with the myriad of underwriting actions we have taken through strategic underwriting portfolio adjustments, including:

- Cosmetic endorsement additions.
- Updated wind/hail deductibles and Actual Cash Value (ACV) roof coverage.
- General increases to overall deductible structures.

All of these changes have been necessary and supportive of improved loss results moving forward.

At year-end 2025, it was identified that we needed to improve our reserves relative to Incurred But Not Reported (IBNR) losses, and we took those necessary actions. While the transference of surplus dollars to IBNR is not typical, it was not only necessary but the right action to take to provide

strength and stability to RMIC's financial position.

Ultimately, this concluded the year with a 110.0% Combined Ratio. Excluding these specific strengthening actions, the results would have been much more similar to 2024's Combined Ratio of 103.8%.

As we reflect on 2025, we are grateful to our loyal independent agency partners and the dedicated associates 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. We will continue to face every challenge with integrity and resilience, building a stronger future for our company and all those we serve.

Regards,



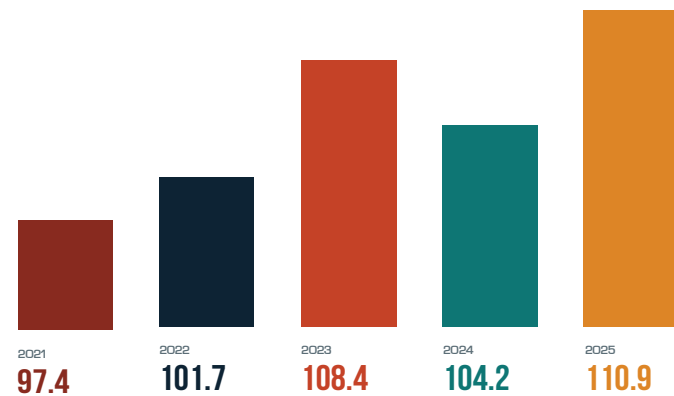
ROBERT JACOBSON
PRESIDENT & CEO

FINANCIAL STRENGTH (\$000's)

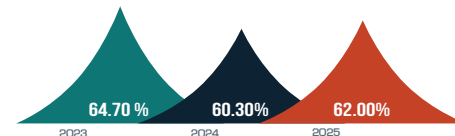
Underwriting	2025	2024
Gross Written Premium	82,911	93,673
Net Written Premium	71,660	82,042
BALANCE SHEET		
Investments & Assets		
Bonds	64,191	67,853
Equities	5,018	3,533
Cash & Short-term Investments	5,032	8,677
Home Office Building	1,787	1,936
Life Insurance Investment	3,904	3,756
Total Invested Assets	79,932	85,755
Premium Balances	15,408	18,057
Reinsurance Losses Recoverable	781	425
Income Taxes Receivable	3,880	3,646
All Other Assets	2,143	999
Total Assets	102,144	108,882
Liabilities		
Loss & LAE Reserves	29,340	27,560
Unearned Premiums	35,323	39,808
Reinsurance Balances Payable	-	1,236
All Other Liabilities	6,036	5,540
Total Liabilities	70,699	74,144
Policyholders' Surplus		
Total Policyholders' Surplus	31,445	34,738
Total Liabilities & Surplus	102,144	108,882

KEY FINANCIAL INDICATORS

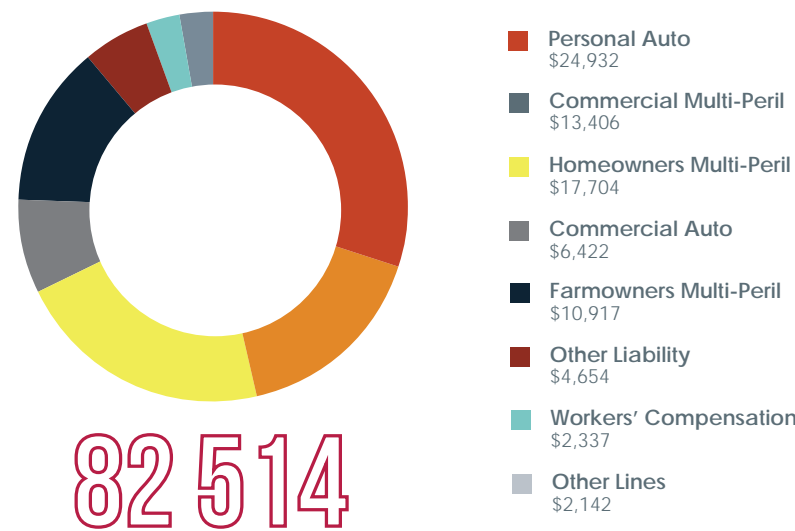
ANNUAL COMBINED RATIOS



ANNUAL LOSS RATIOS



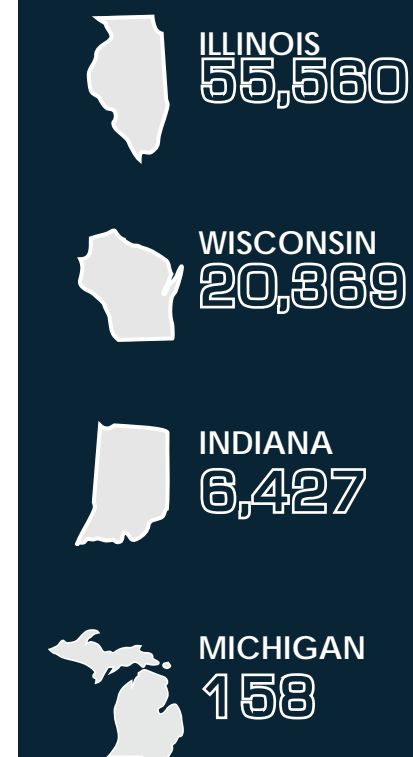
PREMIUMS BY LINE OF BUSINESS (000's)



STATUTORY DATA



PREMIUMS BY STATE (000's)



CLAIMS HIGHLIGHTS

PUTTING PEOPLE FIRST, FROM FIRST NOTICE OF LOSS TO FINAL SETTLEMENT



98%

RAPID RESPONSE RATE
98% of claims contacted within 24-hours of reporting to RMIC



70%

CAT RESOLUTIONS
70% of CAT, weather-related losses are closed or pending holdback within 60 days

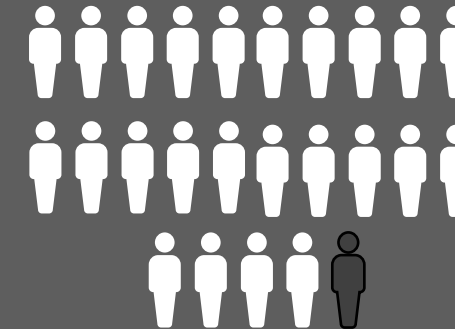


97%

HIGH CUSTOMER SATISFACTION
97% of surveyed claimants and insureds report excellent service from RMIC and partnered agents

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

“After my wreck my insurance representatives went above any beyond. They handled everything quickly, responded to my calls fast, and made the whole process easy to understand. Truly outstanding service with care. Thank you!!!”

-Joan G., Rockford Mutual Policyholder

UNDERWRITING SUMMARY

STRATEGIC PORTFOLIO RESTRENGTHENING

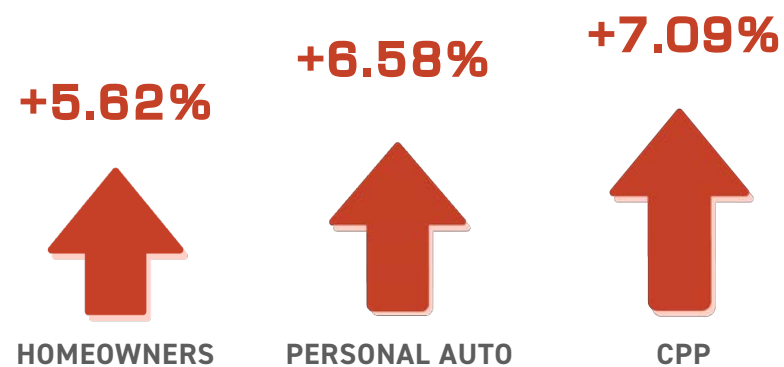
Our primary underwriting objective remains achieving a balanced 50/50 split between Commercial/Farm and Personal Lines. This diversification will stabilize loss ratios and capitalize on the higher retention typical of commercial business.

- **2025 Total DWP Mix:** We are nearing our target with 45% of Direct Written Premium (DWP) in Commercial/Farm and 55% in Personal Lines.
- **New Business Momentum:** New business production is aggressively leading this shift. Of the \$8.4 million in total New Business Written Premium, 61% (\$5.05M) was generated within the Commercial and Farm sectors.

LINE OF BUSINESS	NEW POLICIES	WRITTEN PREMIUM	% OF NEW BUSINESS
Commercial	959	\$3,409,144	41%
Farm	525	\$1,639,660	20%
Personal Lines	2,693	\$3,348,857	39%
TOTAL:	4,177	\$8,397,661	100%

RETENTION IMPROVEMENT & PROFITABILITY

Q1 TO Q4 2025



Strategic pivots throughout 2025 complimented our overall retention strategies, delivering measurable improvements in customer loyalty quarter over quarter

DEPARTMENTAL INITIATIVES & INNOVATIONS




COMMERCIAL LINES

MICHIGAN EXPANSION
Entered new state to promote risk diversity and growth potential

+10
New agencies appointed


\$176,500
in written premium in 2025 alone

COMMERCIAL LINES



DYNAMIC PRICING MODEL
Reduced renewal increase percentage from 15% to 8% to boost retention

PERSONAL LINES




BETTERVIEW AERIAL INTELLIGENCE
100% of roofs being monitored at renewal for age and condition

PERSONAL LINES



\$1M BINDING AUTHORITY
Expanded HO Capacity PC 1-8a



FARM LINES

DATA-DRIVEN PRECISION
Reunderwriting and aligning farm risk selection with core underwriting standards, focusing on:

- » Agencies with loss ratio concerns
- » Accounts that are below target pricing
- » Accounts with outdated photos/property information



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”.

GIVING BACK

100

VOLUNTEER HOURS

\$5,000

LOCAL UNITED WAY CONTRIBUTIONS

company contribution included

\$2,800

CHARITABLE CONTRIBUTIONS

OUR PEOPLE BY THE NUMBERS

91

ASSOCIATES

51

DESIGNATIONS

10

NEW HIRES

10

PROMOTIONS

2

RETIRES

ONE OF THE BEST PLACES TO WORK IN ILLINOIS

Rockford Mutual was named as one of the 2025 Best Places to Work in Illinois. 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 the fifth 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

