

Financial Strength (\$000's)

Balance Sheet

	<u>2023</u>
Bonds	66,168
Stocks	2,309
Cash & short-term invest.	7,747
Home office building	1,985
Life insurance investment	3,286
Total Invested Assets	81,495
Premium balances	20,139
Reins. losses recoverable	1,309
Income taxes receivable	3,821
All other assets	532
Total Assets	<u>107,294</u>
Loss & LAE reserves	23,851
Unearned premiums	42,634
Reins. balances payable	1,939
All other liabilities	3,150
Total Liabilities	71,574
Policyholders' Surplus	35,720
Total Liabilities & Surplus	<u>107,294</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>2023</u>
Gross written premium	93,322
Net written premium	81,044
Risk ratio - net written to surplus	2.2
Combined ratio - 5 year average	100.3
BCAR score (+25 Strongest)	30

Premium by Line

Personal Automobile	31,769
Commercial Multi-Peril	20,252
Homeowners Multi-Peril	16,000
Other Liability	4,601
Commercial Automobile	6,157
Farmowners Multi-Peril	7,809
Workers' Compensation	2,995
Other Lines	3,307
Total Direct	92,890
Assumed Reinsurance Pools	432
	<u>93,322</u>

Premium by State

Illinois	65,521
Wisconsin	22,244
Indiana	5,125
	<u>92,890</u>



2023 REPORT

AM Best Rating
A- (Excellent)

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
Robert J. Jacobson

Chief Financial Officer
Mark A. McWethy

Vice-President - Marketing
Shane A. Heeren

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

Vice-President - Information Technology
Daniel P. Yesbeck

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

Michelle M. Rogers

Abhishek Varma

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 (10/31/23).

Rating History

8/15/18	A-	9/29/21	A-
9/10/19	A-	10/12/22	A-
10/2/20	A-	10/31/23	A-

Regulatory

An independent audit of the Company's affairs through December 31, 2023, was conducted by CliftonLarsonAllen. An evaluation of reserves for unpaid losses and loss adjustment expenses was made as of December 31, 2023, 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.

Customer Satisfaction

Despite the challenges presented in 2023, we are proud to have put our policyholders first. We've maintained quality customer service and continue to receive very high satisfaction ratings from policyholders and claimants. Thank you for the trust and support you have given us.

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.

