Financial Strength (\$000's)

Balance Sheet	2017
Bonds	53,742
Stocks	4,596
Cash & short-term invest.	4,795
Home office building	2,478
Life insurance investment	2,565
Total Invested Assets	68,176
Premium balances	8,363
Reins. losses recoverable	532
Income taxes receivable	3,031
All other assets	540
Total Assets	80,642
Loss & LAE reserves	20,315
Unearned premiums	23,022
Reins, balances payable	121
All other liabilities	2,683
Total Liabilities	46,141
Policyholders' Surplus	34,501
Total Liabilities & Surplus	80,642

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)

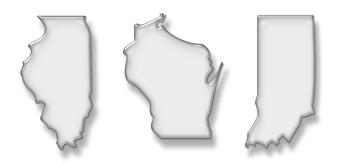
2017

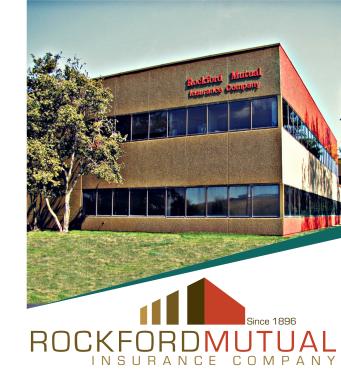
Gross written premium	57,190
Net written premium	52,737
Risk ratio - net written to surplus	1.5
Combined ratio - 5 year average	99.6
Premium by Line	
Personal automóbile	25,519
Commercial multi-peril	9,323
Homeowners multi-peril	8,110
Other liability	4,448
Commercial automobile	2,950
Farmowners multi-peril	2,418
Workers' compensation	1,920
Other lines	2,364
Total Direct	57,052
Assumed Reinsurance	138
	57,190

Premium by State

Statutory Data

Illinois Wisconsin	46,272 9,954
Indiana	826
	57,052





2017 REPORT

AM Best Rating
A- (Excellent)

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

www.rockfordmutual.com

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

Chief Information Officer
William W. Hanby

Chief Financial Officer

Mark A. McWethy

Vice-President - Marketing Shane A. Heeren

Vice-President - Claims
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 good risk adjusted capitalization, historically strong operating performance, and local market expertise in its key operating states of Illinois and Wisconsin and experienced management team. The company's capital position is derived from historically strong operating results and modest underwriting leverage as well as low investment risk. Rockford Mutual's rating and outlook have been affirmed. A.M. Best views the rating outlook as stable (7/28/17).

Rating History

6/11/12	A-	5/21/15	A-
6/05/13	A-	7/11/16	A-
5/30/14	A-	7/28/17	Α-

Regulatory

An independent audit of the Company's affairs through December 31, 2017, is conducted by CliftonLarsonAllen. An evaluation of reserves for unpaid losses and loss adjustment expenses is made as of December 31, 2017, 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 by helping to put their lives back together. 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 ten year period 2008 - 2017 policyholders' surplus increased by \$7.1 million. Also, for the five year period 2013 - 2017 Rockford Mutual achieved a 99.6 net combined ratio. A.M. Best recognized these achievements by upgrading the Company rating to an A- in 2008 and maintaining that rating throughout 2017. 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.

