

## 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
<b>Total Invested Assets</b>	<b>68,176</b>
Premium balances	8,363
Reins. losses recoverable	532
Income taxes receivable	3,031
All other assets	540
<b>Total Assets</b>	<b>80,642</b>
Loss & LAE reserves	20,315
Unearned premiums	23,022
Reins. balances payable	121
All other liabilities	2,683
<b>Total Liabilities</b>	<b>46,141</b>
<b>Policyholders' Surplus</b>	<b>34,501</b>
<b>Total Liabilities &amp; Surplus</b>	<b>80,642</b>

### 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

	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 automobile	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

<b>Total Direct</b>	<b>57,052</b>
Assumed Reinsurance	138
	<b>57,190</b>

### Premium by State

Illinois	46,272
Wisconsin	9,954
Indiana	826
	<b>57,052</b>



# 2017 REPORT

AM Best Rating  
**A- (Excellent)**

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

[www.rockfordmutual.com](http://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

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	A-

## 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.

