

————— 2017 —————

FARMERS MUTUAL HAIL REINSURANCE

Securing Success For Over A Century



Farmers Mutual Hail
Insurance Company of Iowa



Ron Kuethe
Senior Vice President

For generations, Farmers Mutual Hail has always been known for its integrity, commitment to customer service, and concentrated focus in its niche markets. From our involvement in the formation of the National Association of Mutual Insurance Companies (NAMIC), to our first reinsurance contract in 1915, we have enjoyed a long tradition of providing reinsurance protection to regional and farm mutual insurance companies.

In today's world, a family-operated mutual company focused on core values of quality, integrity, and service may seem outdated. In fact, much like the clientele we serve, FMH has heard over and over again that it is too small to succeed, yet here it is, serving proof every day that those core values still lead to success and that bigger is not necessarily better.

This year, FMH is celebrating its 125th anniversary. In those many years, FMH has seen much larger, so-called experts jump in to the business of reinsuring regional and farm mutual insurance companies only to jump out a short time later when times became more difficult. FMH has been a constant, stable, and secure reinsurance provider throughout those years, in every economic climate.

As we go forward, FMH will continue to strive to be the premier provider of reinsurance solutions to our clients. Thank you for your partnership.

Sincerely,

Ronald J. Kuethe
Executive Vice President, Reinsurance Division Manager



WHAT SETS FMH APART



STRENGTH

FMH has been securing the financial success of our client companies for over 100 years, creating a strong tradition that has earned us an 'Excellent' rating from A.M. Best.



STABILITY

FMH is one of the longest-tenured reinsurance companies in the United States. Throughout our 125 years, generations of insurance companies have trusted FMH to stand by them, especially when disaster hits.



SERVICE

Through the years, FMH has been known for our strong family values, integrity, and commitment to service. Quite simply, customer service is our number one priority.



SUPPORT

FMH stands ready to offer additional support to client companies. From underwriting and claims support to educational seminars, we will do our best to help your company be the best it can be.

FMH FINANCIAL HIGHLIGHTS

	2017	2016	2015
A.M. Best Rating	A-(IX)	A-(IX)	A(IX)
Performance Summary			
Gross Premiums Written (1)	\$ 851,223,071	755,289,496	742,601,189
Net Premiums Written (2)	452,842,994	334,200,984	360,384,872
Net Premiums Earned	458,168,561	328,665,230	355,081,576
Pre-Tax Net Investment Income	10,992,776	2,872,477	3,717,464
Net Income	32,643,215	48,206,753	9,429,014

Balance Sheet Data

Total Admitted Assets	752,064,465	702,773,010	744,548,650
Cash and Invested Assets	443,125,478	448,702,250	418,992,757
Loss Reserves	169,843,113	122,404,780	226,449,273
Statutory Surplus	450,893,015	423,829,146	366,562,528

(1) Fluctuation in GWP mainly due to crop commodity pricing.

(2) Fluctuation of NWP mainly due to the impact of the Government's MPCl reinsurance program.



W.A. Rutledge,
FMH Founder

1893

Founded in Iowa as a mutual association writing crop hail insurance

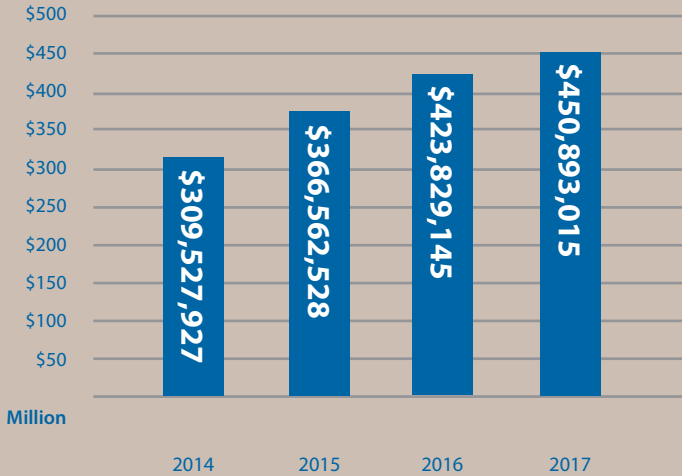
1895

FMH becomes founding member of NAMIC

1915

Writes first reinsurance contract

STATUTORY SURPLUS



EXCELLENCE

We have a strong reputation that has earned us an 'Excellent' rating from A.M. Best.



STABILITY

FMH maintains a conservative solvency ratio of 1:1.

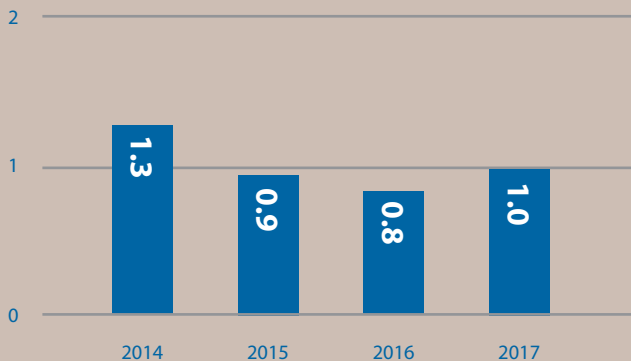


STRENGTH

BCAR: 364.1
Our BCAR score reflects superior balance sheet strength.

SOLVENCY RATIO

NET PREMIUMS WRITTEN TO SURPLUS



2011

Forms the FMH P&C Division

2015

Acquires John Deere Insurance Company

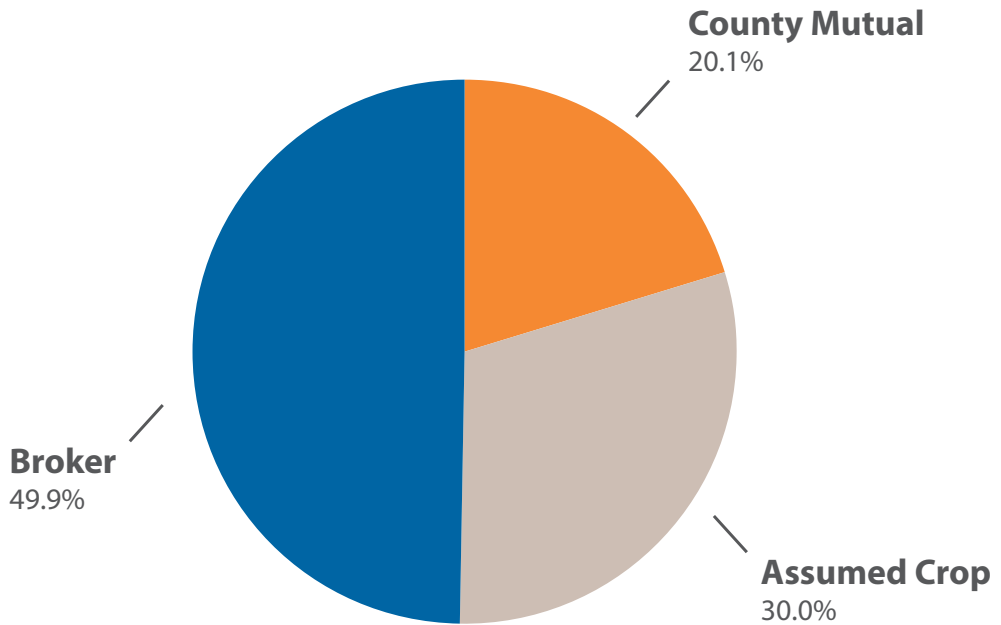
2018

FMH celebrates 125 year anniversary



Ron Rutledge,
FMH President
& CEO

2017 REINSURANCE GROSS EARNED PREMIUM \$39.7 MILLION



REINSURANCE ASSUMED DEPARTMENT ASSUMED BROKER MARKET LINE GUIDE

Proportional

Surplus	\$1 million per risk
Quota Share	\$1 million per risk

Excess of Loss

Property Risk Excess of Loss	\$1 million per risk or program
Casualty Excess of Loss	Written selectively
Catastrophe Excess of Loss	\$2 million per treaty or program
Aggregate Excess of Loss	\$2 million per treaty or program

Casualty writings limited to mainly Section II Homeowners, Farmowners and light Commercial exposures.



FMH will stand by you in every economic climate. Our reinsurance services can help you prepare for industry challenges like form filing, catastrophe exposure modeling, and even potential mergers. We are familiar with our clients issues and we know what it takes to ensure your business' long-term success.

SERVICES



Rate Studies



Educational Seminars
with Continuing
Education Credits



Claims Assistance



Merger Assistance



Board Meetings



Underwriting Assistance

FMH REINSURANCE TEAM



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