



Farmers Mutual Hail
Insurance Company of Iowa



2019

FARMERS MUTUAL HAIL **REINSURANCE**

Securing Success For Over A Century



Ron Kuethe

Executive Vice President,
Chief Risk Officer

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In today's world, a family-operated mutual company focused on core values of quality, integrity and service may seem outdated.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.

Over the years, the number of reinsurers in the world has continued to dwindle, yet through every economic climate, FMH has been a constant, stable and secure reinsurance provider.

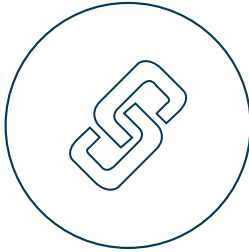
As we go forward, FMH will continue to strive to be the premier provider of reinsurance solutions to our clients. Thank you for your partnership.

Sincerely,

Ronald J. Kuethe
Executive Vice President, Chief Risk Officer



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. For over 127 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

	2019	2018	2017
A.M. Best Rating	A-(IX)	A-(IX)	A-(IX)
Performance Summary			
Gross Premiums Written (1)	905,498,062	843,980,540	851,223,071
Net Premiums Written (2)	603,171,757	492,212,970	452,842,994
Net Premiums Earned	602,658,620	488,560,677	458,168,561
Pre-Tax Net Investment Income	6,741,747	7,485,518	10,992,776
Net Income	(11,772,042)	(1,442,492)	32,643,215

Balance Sheet Data

Total Admitted Assets	805,780,096	781,163,404	752,064,465
Cash and Invested Assets	590,241,731	456,488,992	443,125,478
Loss Reserves	197,150,447	218,414,507	169,843,113
Statutory Surplus	448,104,966	436,792,355	450,893,015

Key Operating Percentages

Losses / LAE Incurred	88.4%	84.0%	63.6%
Underwriting Expenses Incurred	16.0%	18.0%	19.8%
Combined Ratio	104.4%	102.0%	83.4%
Net Underwriting Gain	-4.3%	-1.9%	16.6%

(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

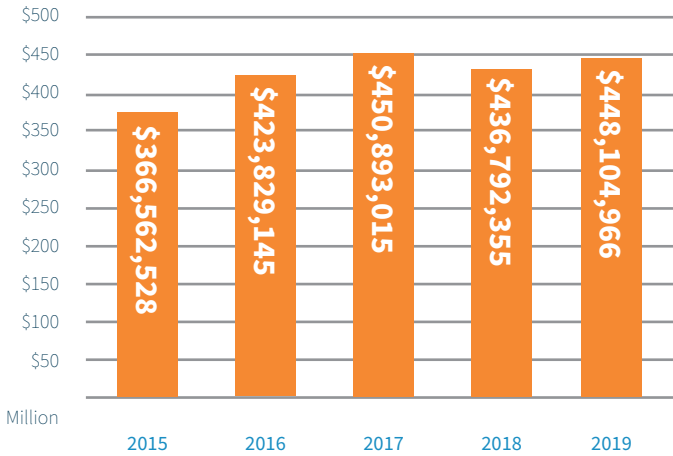
1895

FMH becomes founding member of NAMIC

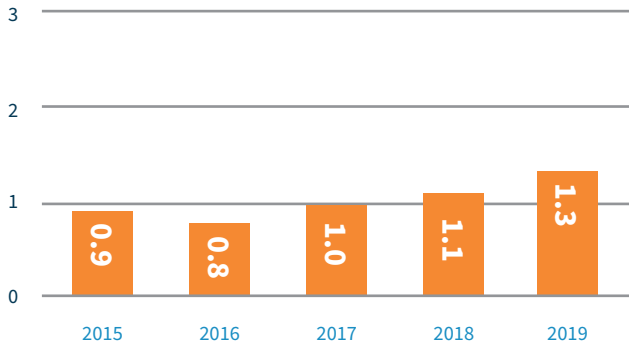
1915

Writes first reinsurance contract

STATUTORY SURPLUS



SOLVENCY RATIO NET PREMIUMS WRITTEN TO 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 1:3.



STRENGTH

Our balance sheet reflects superior strength.

2011

Forms the FMH P&C Division

2015

Acquires John Deere Insurance Company

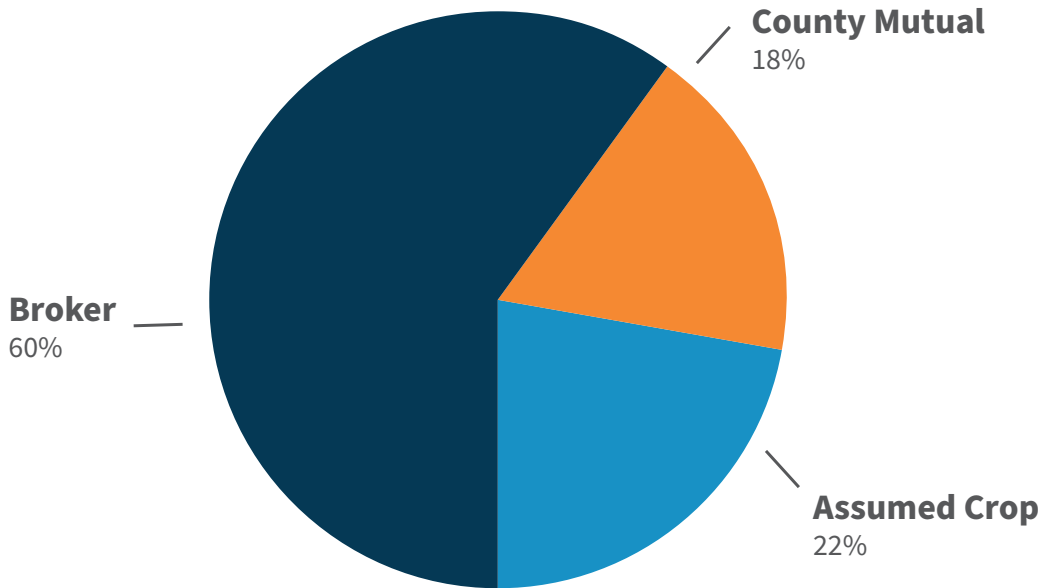
2018

FMH celebrates 125 year anniversary



Ron Rutledge,
FMH President
& CEO

2019 REINSURANCE GROSS EARNED PREMIUM **\$38.8 MILLION**



REINSURANCE ASSUMED DEPARTMENT ASSUMED BROKER MARKET LINE GUIDE

Proportional

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

Excess of Loss

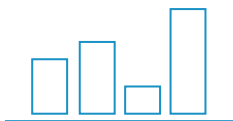
Property Risk Excess of Loss	\$1 million per risk or program
Casualty Excess of Loss	Written selectively
Catastrophe Excess of Loss	\$2 million per treaty or program
Aggregate Excess of Loss	\$2 million per treaty or program

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

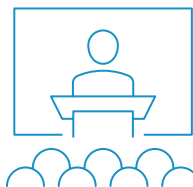


FMH will stand by you in every economic climate. Our reinsurance services can help you prepare for industry challenges like form filing, catastrophe exposure modeling, and even potential mergers. We are familiar with our clients issues and we know what it takes to ensure your business' long-term success.

SERVICES



Rate Studies



Educational Seminars
with Continuing
Education Credits



Claims Assistance



Merger Assistance



Board Meetings



Underwriting Assistance

FMH REINSURANCE TEAM



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