

Deepening Our Roots

Annual Report 2021



FARM BUREAU MUTUAL HOLDING COMPANY

Any farmer or rancher (or gardener) will tell you roots are the lifeline of a plant. They provide the anchor to keep it in place and drive all growth. At Farm Bureau Mutual Holding company, our roots are in agriculture.

We were pleased to enhance our service to ag client/members with a sophisticated new ag rating tier rolled out to two states in 2021 and three more in early 2022. This rating tier is providing additional opportunities for agents to write high-quality new accounts.

Additionally, our team of Ag Underwriters continues to enhance the client/member experience through SuperCheck® appointments held on-site at farms and ranches across our footprint. A new SuperCheck Assist tool launched in 2021 has simplified the account review process helping agents ensure client/members have the coverage they need when the unexpected happens.

In total, our agricultural roots grew by more than 1,000 accounts (1.2%) and \$23.5 million (6.7%) in farm/ag direct written premium in 2021. This strong growth, accompanied by record-setting account retention (95.8%), is helping drive our companies toward our ag market share goals across our eight-state footprint.

Achieving Profitable Growth

We achieved the following financial results:

- Fire and casualty direct written premium reached a record \$1.52 billion.
- Total units in force increased 1.1% with farmowners experiencing the largest growth.
- Thanks to a favorable summer storm experience prior to the December 2021 derecho, net loss ratio was 61.9%.
- We delivered a combined ratio of 95.8%.
- We added \$7.3 million to surplus bringing our premium-to-surplus ratio to 0.83.
- Net income for the year was \$141 million.

On May 25, 2021, Farm Bureau Property & Casualty Insurance Company completed its acquisition of all outstanding shares of FBL Financial Group Class A and Class B common stock not already owned by itself or the Iowa Farm Bureau Federation. This transaction created a deeper connection between our property-casualty insurance and life insurance businesses and enables us to continue fulfilling our mission to protect livelihoods and futures.

Responding to Major Storm Events

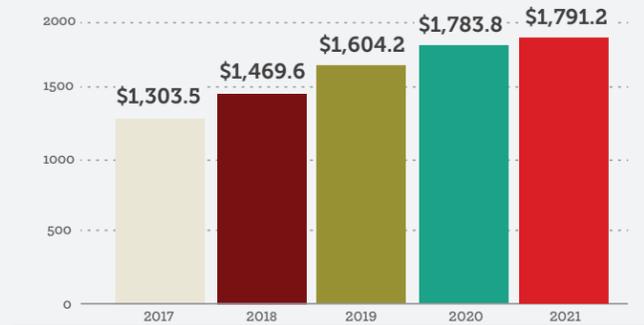
For the second year in a row, our Midwest agents found themselves responding to large-scale high wind event. On December 15, 2021, a derecho traveled across parts of Iowa, Kansas, Minnesota, and Nebraska resulting in more than 46,000 claims and an estimated \$180 million in losses. The company's total storm claim count of 113,258 is the third highest in more than 80 years. Despite these challenges client/member claims satisfaction remains high with our storm claims net promoter score increasing by 11 points to 66 in 2021.

Solid Industry Performance

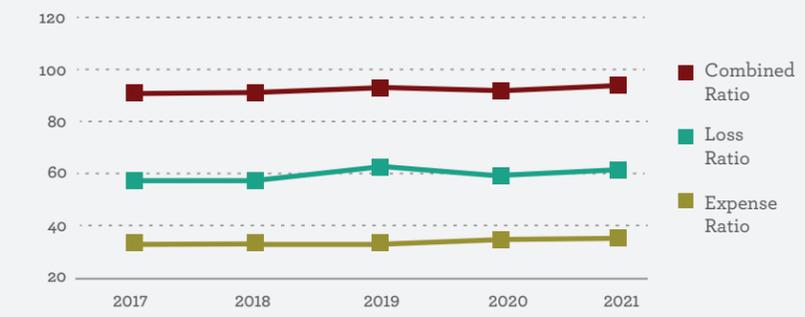
- We're the #1 ag insurer in our eight-state footprint. Our farm/ranch and crop related premium came in at \$866 million.
- We achieved a Fire & Casualty underwriting gain for a record ninth consecutive year, outpacing the industry.
- A.M. Best* affirmed our "A" (Excellent) rating. A distinction we've earned for 75 years, putting us among an elite group of insurers recognized by A.M. Best Review for maintaining an A.M. Best Financial Rating of A or higher for more than 75 years.
- Driveology®, our usage based insurance program, grew by 32 percent year-over-year.

*A.M. Best is a leading provider of insurer ratings. An "A" (Excellent) rating is the third highest of A.M. Best's 16 individual ratings.

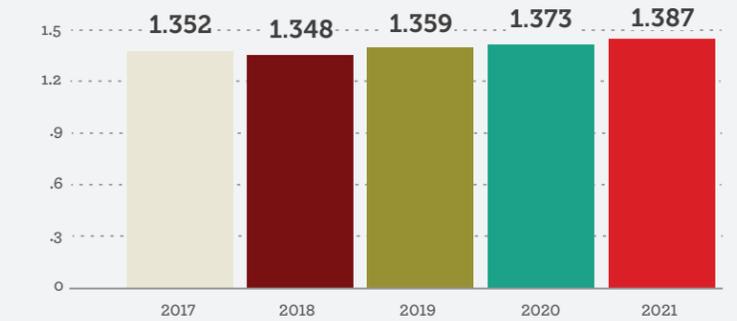
Policyholder Surplus (in Millions)



Key Operating Ratios

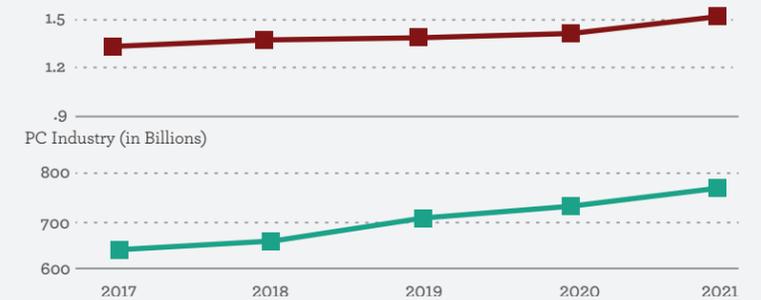


Units in Force (in Millions)

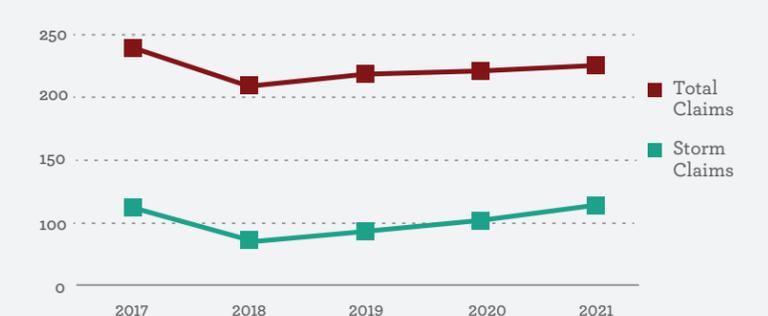


Direct Written Premium - Fire And Casualty

Farm Bureau Property & Casualty Insurance Company (in Billions)



Claim Counts (in Thousands)



Class A Directors and Nominees



Richard W. Felts
Kansas

Richard Felts is chairman of the board of directors for Farm Bureau Mutual Holding Company. He also serves on the board of directors for FBL Financial Group, Inc., and Farm Bureau Life Insurance Company. He was elected to the Kansas Farm Bureau Board of Directors in 2001 and is presently serving as President. Felts was elected to the American Farm Bureau Federation Board of Directors in 2016. Felts is also actively involved in the Eastern Kansas Royalty Owner's Association. Felts is a Kansas State University graduate with a degree in Animal Sciences and Industry. He farms in partnership with family members near Liberty, Kansas; they maintain a diversified crop operation of corn, soybeans and wheat.



Mark A. McHargue
Nebraska

Mark McHargue is vice chairman of the board of directors of Farm Bureau Mutual Holding Company. He also serves on the board of directors of FBL Financial Group, Inc., and Farm Bureau Life Insurance Company. He has served Nebraska Farm Bureau in various leadership capacities since 1998 and is presently serving as President. McHargue was elected to the American Farm Bureau Federation board of directors in 2021. He is a fourth-generation farmer and owns a farrow-to-finish hog operation and raises irrigated popcorn. McHargue attended Grace University in Omaha. He is active in his community, serving on a variety of boards.



Will Frazee
Iowa

Will Frazee serves on the board of directors of Farm Bureau Mutual Holding Company, as well as on the boards of directors of FBL Financial Group, Inc., and Farm Bureau Life Insurance Company. Frazee is a District Director for the Iowa Farm Bureau Federation, having served on that board since 2014. Frazee and his family have a cattle-feeding operation and grow corn and soybeans on their farm in southwest Iowa.



Ron B. Gibson
Utah

Ron Gibson serves on the board of directors for Farm Bureau Mutual Holding Company. Gibson is President of the Utah Farm Bureau Federation and began his Farm Bureau service as part of the Young Farmer & Rancher Committee. He has held numerous positions with community organizations. He is currently on the board of directors of his local marketing co-op and has served on the local FSA Committee and National Dairy Council Reproduction Board. Gibson owns and operates a 1,500-cow dairy and grows 1,500 acres of corn silage, barley and alfalfa on his farm in West Weber, Utah.



Jeffery A. Grossenbacher
Kansas

Jeffery Grossenbacher serves on the board of directors for Farm Bureau Mutual Holding Company. He was elected to the Kansas Farm Bureau Board in 1995 and currently serves as Vice President. Grossenbacher is a leader in his church and community and currently serves on a variety of boards. He is the sixth generation to farm his family's diversified corn, soybean and cattle operation near Bern, Kansas. Grossenbacher earned a bachelor's degree in Agriculture Mechanization Business and Industry from Kansas State University.



Joe D. Heinrich
Iowa

Joe Heinrich serves on the boards of directors for Farm Bureau Mutual Holding Company, FBL Financial Group, Inc. and Farm Bureau Life Insurance Company. He is Vice President of the Iowa Farm Bureau Federation and has served on its board of directors since 2004. Heinrich farms corn, soybeans, oats and hay and has a beef cow-calf herd and a dairy operation in Maquoketa, Iowa.



Brent Johnson
Iowa

Brent Johnson serves on the board of directors of Farm Bureau Mutual Holding Company. He also serves on, and is chairman of, the board of directors of FBL Financial Group, Inc., and Farm Bureau Life Insurance Company. Johnson was initially elected to the Iowa Farm Bureau Federation in 2016 and is currently serving as President of that organization. He was elected to the American Farm Bureau Federation Board of Directors in 2022.

He is the 2020 recipient of the Iowa Department of Agriculture and Land Stewardship Environmental Leader Award, the 2014 Renew Rural Iowa Award winner, the 2009 Outstanding Young Farmers National Award winner and the 2007 IFBF Young Farmer Achievement Award winner.

Johnson earned a Bachelor of Science degree in Agronomy from Iowa State University and has specialized in precision agriculture, previously working as an agronomist and certified crop advisor. Johnson farms with his family growing corn and soybeans on their northwest Iowa farm.

Class A Directors and Nominees



Craig Ogden
New Mexico

Craig Ogden is on the board of directors for Farm Bureau Mutual Holding Company. He was elected president of New Mexico Farm & Livestock Bureau in 2016 after serving as both First and Second Vice President for a number of years. Ogden earned a bachelor's degree in Science and Agricultural Business/Economics and a Master of Agriculture degree from New Mexico State University. He is active in his community, serving on a variety of boards and organizations. Ogden and his son Joseph own a farm in Loving, New Mexico, where they produce cotton, alfalfa and small grains.



Stefanie Smallhouse
Arizona

Stefanie Smallhouse serves on the board of directors of Farm Bureau Mutual Holding Company. She is currently President of the Arizona Farm Bureau, having previously served as Chair of the Redington National Resource Conservation District Board of Supervisors, and President of the Pima County Farm Bureau. She also serves on the American Farm Bureau Federation Board of Directors. She received her Bachelor of Science degree from New Mexico State University and previously worked as a wildlife biologist for the Bureau of Land Management. Stefanie and her husband operate a fifth-generation diversified livestock and value-added agricultural enterprise in the San Pedro River Valley.



Dan Glessing
Minnesota

Dan Glessing serves on the board of directors of Farm Bureau Mutual Holding Company. He is currently the President of the Minnesota Farm Bureau Federation, after having served as Vice President of the organization for seven years. He also serves on the American Farm Bureau Federation board of directors. Glessing is active in 4-H, FFA, and several dairy organizations, including the American Dairy Association, and the Dairy Herd Improvement Association. Glessing and his family operate a dairy and row crop farm near Waverly, Minnesota.



Scott E. VanderWal
South Dakota

Scott VanderWal is on the boards of directors for Farm Bureau Mutual Holding Company, FBL Financial Group, Inc. and Farm Bureau Life Insurance Company. He is President of the South Dakota Farm Bureau and has been a member of its board since 2004. VanderWal is also Vice President of the American Farm Bureau Federation. He has previously served on the Farm Bureau Young Farmers & Ranchers committee at the state and national levels. He is a graduate of South Dakota State University and a third-generation farmer from Volga, South Dakota.



Steve McCloud
Kansas

Steve McCloud is a current nominee for the board of directors of Farm Bureau Mutual Holding Company. He is a member of the Kansas Farm Bureau Federation Board of Directors. McCloud is a certified property appraiser, owning and operating his own appraisal company. McCloud is a graduate of Wichita State University and operates a sixth generation crop and livestock farm in Harvey County, Kansas.



Sherry Vinton
Nebraska

Sherry Vinton serves on the board of directors of Farm Bureau Mutual Holding Company, following her appointment to the board in February 2021. She also serves as Vice President of the Nebraska Farm Bureau Federation and has served as a board member on the Nebraska Environmental Trust, Nebraska Grazing Lands Coalition, and the National Cattleman's Beef Board. Sherry and her husband operate a fifth-generation cattle ranch near Whitman, in the Nebraska Sandhills.

Class B Directors



W. Kim Austen

Kim Austen serves on the board of directors of Farm Bureau Mutual Holding Company, following his appointment as the company's first Class B director in 2016. He is a veteran of the insurance industry, having spent his career with Allied Group/Nationwide. Following his retirement as President and Chief Operating Officer at Nationwide in 2015, Austen has remained focused on the industry and the Greater Des Moines community. He has served on the board of directors of the United Way of Central Iowa, the American Red Cross of Greater Iowa and the National Association of Mutual Insurance Companies (NAMIC). Austen is a graduate of the University of Nebraska, receiving a degree in mathematics and economics, and holds the Chartered Property Casualty Underwriting distinction.



Don Kemp

Don Kemp serves on the board of directors of Farm Bureau Mutual Holding Company, following his appointment as the company's second Class B Director in 2017. He is a financial services industry professional, having served as an audit partner for KPMG for 30 years. Kemp presently serves on the board of directors of Merchants Bonding Company (Mutual) and Principal Bank, being Audit Committee Chair for both companies. Don is a Certified Public Accountant, receiving his accounting degree from Iowa State University. He is also a member of the American Institute of Certified Public Accountants and a member of the Iowa Society of Certified Public Accountants.