

Service, Innovation, Growth

Annual Report 2022



FARM BUREAU MUTUAL HOLDING COMPANY

In a time when automation and computerization dominate our world, consumers consistently say they prefer working with a person – an agent – who understands them when it comes to their insurance and financial planning. We are proud to be that people-focused provider.

We have nearly 800 agents and 1,900 employees working together to protect the livelihoods and futures of client/members across the eight states where we do business. Collectively, we grew our accounts in force by 6,412 for a total of 367,851 client/member relationships in 2022.

Each of these relationships represents a promise to help make things right when the unexpected happens. And 2022 was certainly unexpected. While we did not experience a large-scale claim event like the derechos of 2020 and 2021, numerous storm events throughout the year kept our teams very busy. We responded to 122,550 storm claims, a company record, totaling nearly 50% of our claims for the year.

Arriving just in time for storm season was our digital first notice of loss tool, which helped accelerate the claims entry process. Agents were able to get a claim number immediately and quickly gain assurances that we would help our client/members get back on their feet soon. Almost forty percent of the storm claims reported by our agents were entered using this process.

Despite the year’s challenges, our commitment to service never wavered, and we continued to grow. We deepened our agricultural roots by growing ag direct written premium an impressive 11.1% and increasing our ag account retention to 96.2%, a number almost unheard of in the industry.

We also launched our sophisticated new ag rating tier in three additional states. This created a new opportunity for agents to write high-quality new accounts and generated \$4 million in new ag direct written premium.

Driving Financial Results

We achieved exceptional topline growth across the organization:

- Fire and casualty direct written premium grew 8.7%, reaching a record of \$1.66 billion.
- Total units in force increased 2.9% with private passenger auto exceeding goal by 1.9%.
- Client/member retention reached an all-time high of 91.4%.
- Our premium-to-surplus ratio remained better than our long-term goal at 0.97.

Steady in the Face of Challenge

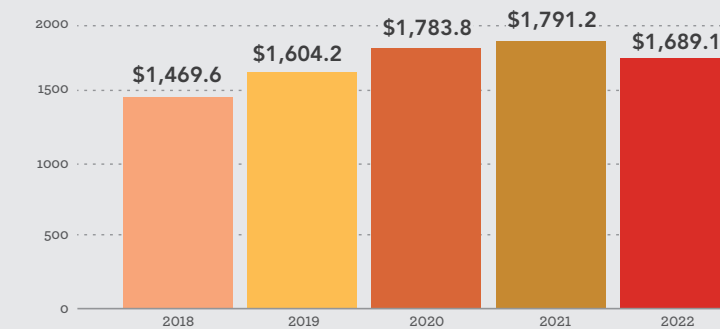
For more than 80 years, we have been delivering on our promises when the unexpected happens to our client/members. During a year of high inflation, continued supply chain challenges and repeated severe weather events, our commitment to our client/members never faltered. This is, in part, due to the outstanding financial strength of our organization. 2022 marked the first time in ten years Farm Bureau Mutual Holding Company posted an underwriting loss (-\$199 million). Our loss ratio was 76.7%. While we anticipate similar challenges will persist in 2023, we continue to be financially strong, stable and growing.

Outpacing the Industry

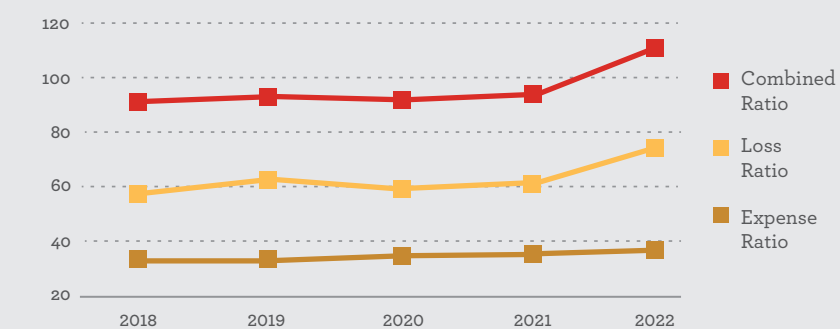
- We’re the #1 ag insurer in our eight-state footprint. Our farm/ranch and crop related premium came in at \$995.8 million.
- We were named in the first-ever, “America’s Best Insurance Companies” ranking by Forbes. The survey considered customers’ overall recommendation, their general satisfaction, and five subdimensions. Our companies were ranked #12 in Renters, #17 in Auto and #21 in Homeowners.
- 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 19% in 2022. This technology continues to drive positive results with client/members and we look forward to enhancing our technology in 2023.

**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.

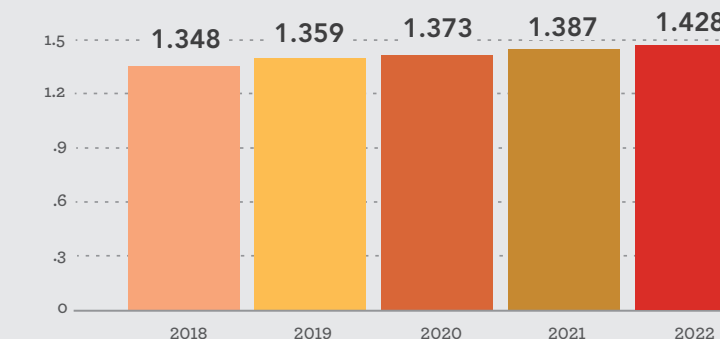
► Policyholder Surplus (in Millions)



► Key Operating Ratios

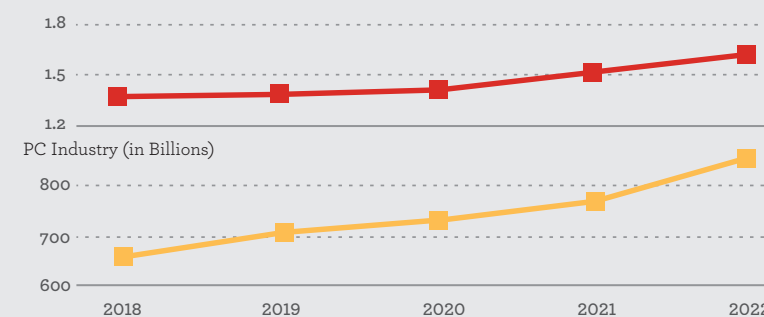


► Units in Force (in Millions)

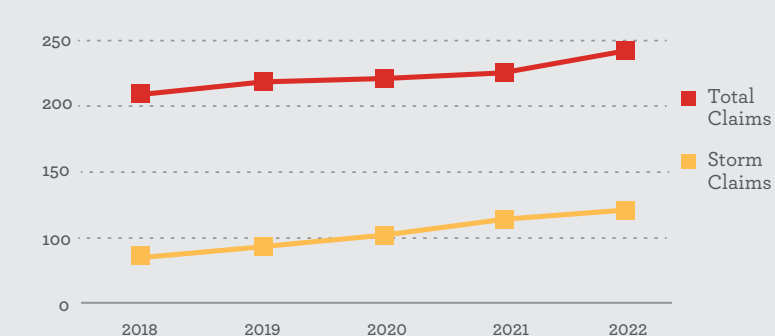


► Direct Written Premium - Fire And Casualty

Farm Bureau Property & Casualty Insurance Company (in Billions)



► Claim Counts (in Thousands)



Class A Directors and Nominees



Mark A. McHargue
Nebraska

Mark McHargue is 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 also serves on the American Farm Bureau Federation board of directors. 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.



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.



Stefanie Smallhouse
Arizona

Stefanie Smallhouse is vice chairman of 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. Smallhouse 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.



Brian Feldpausch
Iowa

Brian Feldpausch 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. He is currently the Vice President of the Iowa Farm Bureau Federation, after previously serving as a district director. He earned his bachelor's degree in agriculture education from Iowa State University and spent 12 years as an ag educator. Feldpausch and his wife grow corn, soybeans and alfalfa and raise hogs and cattle on their farm near Beaman, Iowa.



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.



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.



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 is currently the President of the Iowa Farm Bureau Federation, after previously serving as a district director. He also serves on the American Farm Bureau Federation board of directors. 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 Nominess



Steve McCloud
Kansas

Steve McCloud serves on the board of directors of Farm Bureau Mutual Holding Company. He is a member of the Kansas Farm Bureau 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.



Larry Reagan
New Mexico

Larry Reagan is on the board of directors of Farm Bureau Mutual Holding Company. He was elected President of New Mexico Farm and Livestock Bureau in 2022, and previously served as First and Second Vice President and as County President of De Baca County Farm and Livestock Bureau. He and his wife have a cow-calf operation north of Fort Sumner, New Mexico.



Joe Newland
Kansas

Joe Newland 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. He was elected as President of Kansas Farm Bureau in 2022, after previously serving as a district director from 2011-2019. Newland also serves on the American Farm Bureau Federation board of directors. He previously served in the Kansas House of Representatives from 2019-2022. Newland and his wife farm 4,000 acres of wheat, corn, soybeans and hay in Wilson County, and manage a 450 head cow-calf herd.



Scott E. VanderWal
South Dakota

Scott VanderWal is on the boards of directors for Farm Bureau Mutual Holding Company, Farm Bureau Life Insurance Company and FBL Financial Group, Inc. 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 and 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.



Katie Olsen
Nebraska

Katie Olson serves on the board of directors of Farm Bureau Mutual Holding Company. She also serves as First Vice President of the Nebraska Farm Bureau Federation. She has served on the Nebraska Farm Bureau Young Farmers & Ranchers Committee, various local church and 4-H boards, and is a 4-H volunteer. Olson and her husband raise irrigated corn and soybeans and have a cow/calf operation near Atkinson in Holt County.

Class B Directors



W. Kim Austen

Kim Austen has served on the board of directors of Farm Bureau Mutual Holding Company since 2016, following his appointment as the company's first Class B Director. 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 designation.



Don Kemp

Don Kemp has served on the board of directors of Farm Bureau Mutual Holding Company since 2017, following his appointment as the company's second Class B Director. He is a financial services industry professional, having served as an audit partner for KPMG for thirty years. Kemp presently serves on the Board of Directors of Merchants Bonding Company (Mutual) and Principal Bank, being Audit Committee Chair for both companies. He 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.