

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

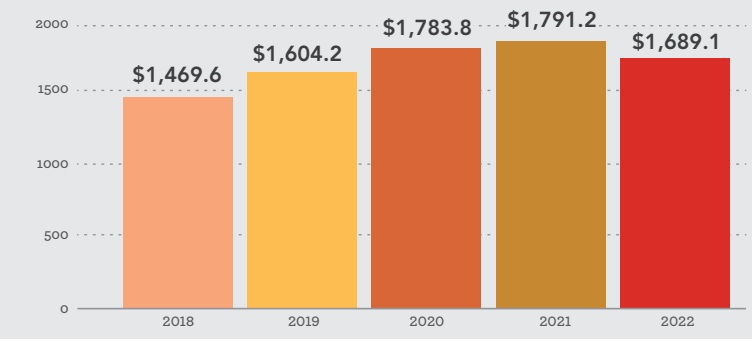
For more than 80 years, we have been delivering on our promises when the unexpected happens to our client/members. During a year of high inflation, continued supply chain challenges and repeated severe weather events, our commitment to our client/members never faltered. This is, in part, due to the outstanding 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

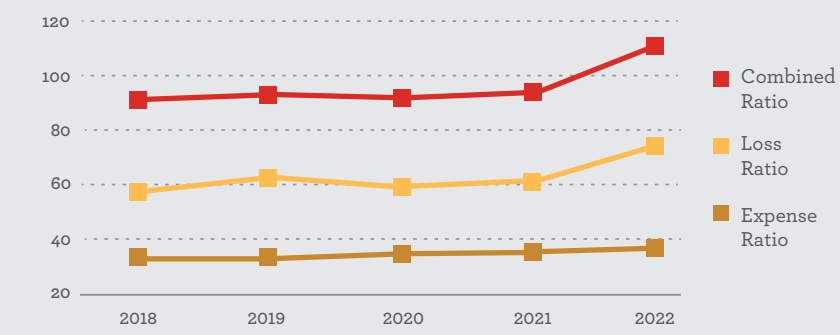
- We’re the #1 ag insurer in our eight-state footprint. Our farm/ranch and crop related premium came in at \$995.8 million.
- We were named in the first-ever, “America’s Best Insurance Companies” ranking by Forbes. The survey considered customers’ overall recommendation, their general satisfaction, and 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.

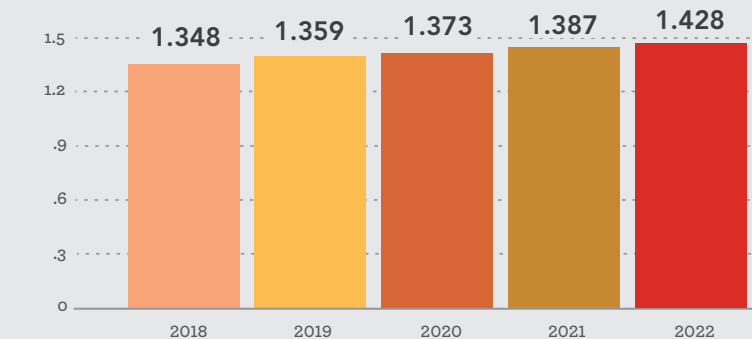
► Policyholder Surplus (in Millions)



► Key Operating Ratios

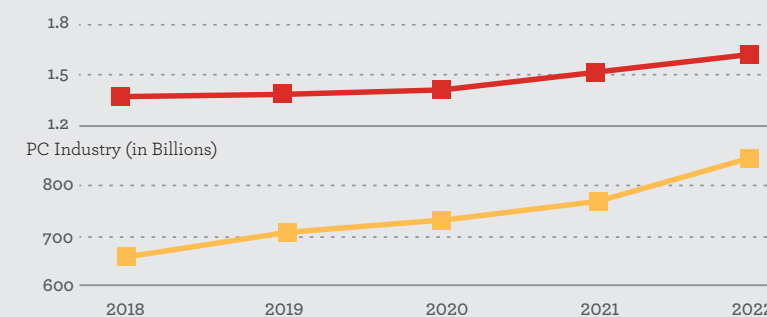


► Units in Force (in Millions)



► Direct Written Premium - Fire And Casualty

Farm Bureau Property & Casualty Insurance Company (in Billions)



► Claim Counts (in Thousands)

