



2024

FARM BUREAU INSURANCE ANNUAL REPORT



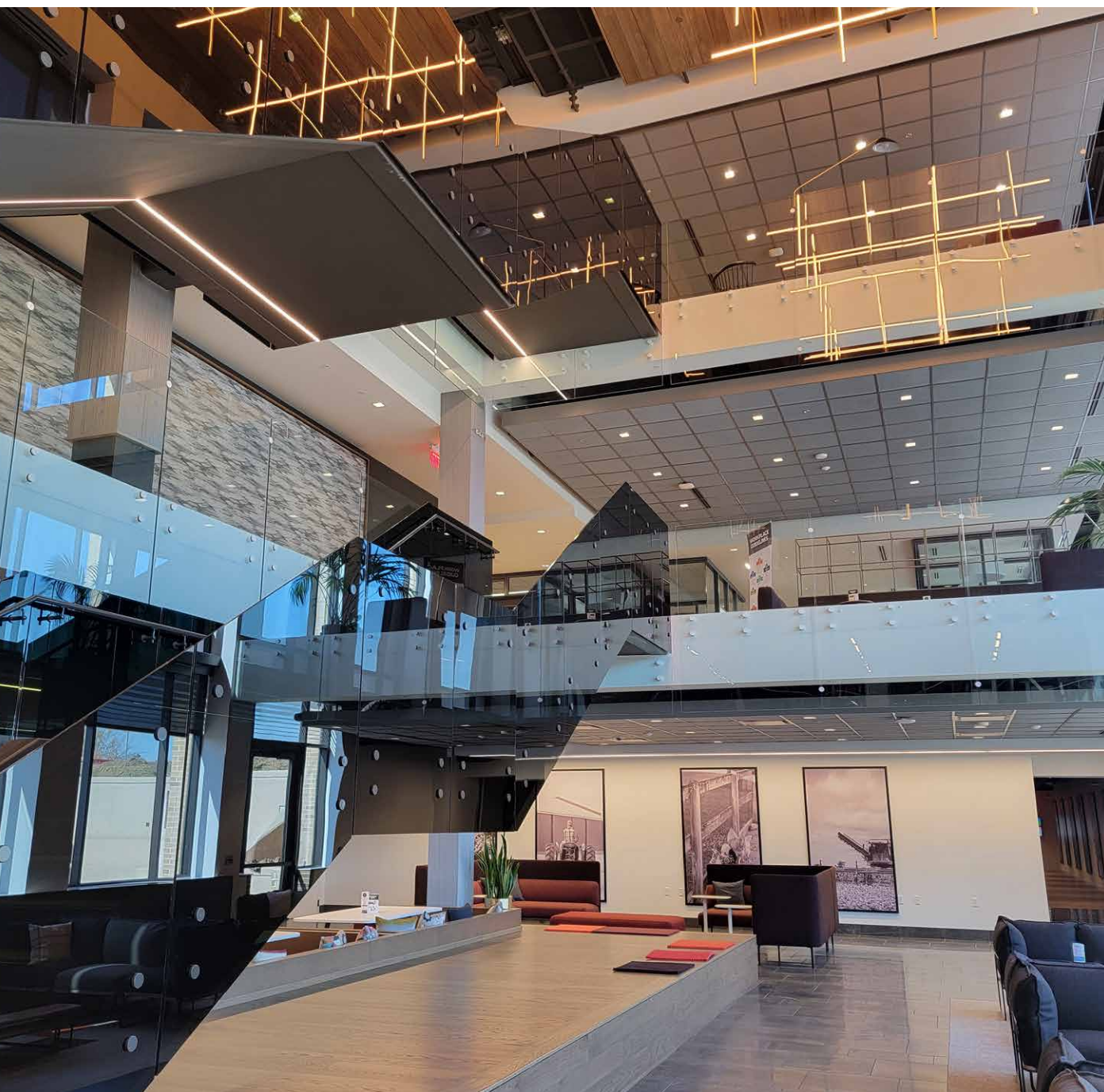


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MESSAGE FROM THE CEO



In 2024, Farm Bureau persevered in one of most difficult insurance markets we've seen in decades. Many insurance companies have restricted writing business, prohibited certain types and sizes of farms, and almost every insurance company has been challenged by rating agencies due to poor financial results from storms, inflation, lawsuit abuse, and labor shortages.

Farm Bureau continues to be a premier insurance company with sound financial strength, coupled with an agency force and a dedicated home office team that still believes high touch service is as important as high tech. Both Farm Bureau Mutual and General Insurance Company of Michigan were reaffirmed at an A- (Excellent) rating with a stable outlook by the

A.M. Best Company. Farm Bureau Life Insurance and Cincinnati Equitable Life were reaffirmed at an A (Excellent) rating with a stable outlook. Despite a 60% increase in AM Best downgrades this past year, our Companies withstood the hard market with no changes in their ratings.

NATIONAL ACCOLADES

We also earned several national and statewide accolades:

- Our Life Company was named to Ward's Top 50, a national list of the top 50 performing insurance companies in the U.S.
- Our Property/Casualty Insurance Company was recognized again with a "superior rating" for our Claims customer experience.
- Seven of the last eight years, the *Detroit Free Press* has named Farm Bureau Insurance one of the top workplaces in the state of Michigan.

MILESTONES

Our Farm Bureau Mutual company, formed in 1949, reached \$1 billion in admitted assets! An amazing milestone for our flagship P/C company. The Property/Casualty Companies rebounded in 2024 with capital & surplus of \$788 million, a \$63 million increase, after decreasing \$61 million in 2023 to pay a record number of storm losses. The Farm Bureau Life Company once again grew and now has \$26 billion of life insurance in force.

ADAPTING

Strategically, we continue to focus the organization's systems and data strategies to migrate off legacy platforms. Conversion of remaining P/C lines to Guidewire is in our sights. Likewise, we are in the final stages of researching our Life policy administration system of the future.

In 2024, we introduced two exciting new life products — Premier Whole Life and a Multi-Year Guaranteed Annuity

Product (MYGA). I am excited about the new annuity product. It will pay interest rates not seen in the last 15 years! In terms of the Property/Casualty Companies, 2024 was a year of transition. While it was a much better weather year than 2023, we did experience severe storms, like the F3 tornado in May that impacted the Kalamazoo area as well as two storms that hit the Muskegon & Ludington communities in August. We continued to be there on our insureds' worst day. Inflation, although leveling off, has driven the cost of some claims up 40% over the past five years.

PREDICT AND PREVENT

Our Industry continued to move from 'repair and replace' to 'predict and prevent.' Farm Bureau will use resources to protect property before it is lost or damaged. So, one of Farm Bureau's big initiatives in 2024 was the introduction of Ting, a plug-in sensor that delivers real-time alerts to homeowners identifying electrical hazards to avoid catastrophic fire damage.

FARM/AGRICULTURE

I'm proud to say over the last five years, because of our continued commitment and focus on servicing Michigan farmers, we've grown

we introduced replacement cost for farm machinery and coverage for insured owned drones.

In 2024, we continued expanding our commercial footprint. Premium growth in commercial was \$25.2 million or 16.4% over 2023. Today, we insure \$22 million in crop insurance, with a goal of \$25 million by 2025.

MEMBERSHIP GROWTH CONTINUES

Thanks to the combined efforts of County Farm Bureaus as well as our agency field force, we experienced the fifth consecutive year of membership growth across regular and associate memberships! Our agents are working hard and achieving growth. People see the value of being a member! There's no question that the family of companies is working closer together than ever before, from home office to county Farm Bureaus, to agent offices. Together, we'll go further, faster.

We're looking forward to a successful 2025!



Donald Simon, CEO
Farm Bureau Insurance of Michigan

Farm Bureau continues to be a premier insurance company with sound financial strength... that still believes high touch service is as important as high tech.



Our reaction to all of this has been to offer policyholders choice to control premium changes. We've expanded deductible choices, coverage options on roofs, and added risk management services to temper premium increases that are slowly catching up to inflation.

our market share from 52% to 59% of the farm premium in our state. Our Farm team is discussing ways to make for a safer harvest in 2025! As you may know, with the abnormally dry harvest conditions, we saw more combine fires than ever before in 2024. Additionally,

YEAR IN REVIEW

FINANCIAL UPDATE

The balance sheets of the Life and Property/Casualty Insurance Companies continue to be well capitalized. The Life Insurance Company capital & surplus is \$586 million, up \$42 million from 2023 and positioned solidly to back the \$26 billion of life insurance in force.

The Property/Casualty Companies rebounded in 2024 with capital & surplus of \$788 million, a \$63 million increase, after decreasing \$61 million in 2023 to pay a record number of storm losses.

MILESTONE:

Farm Bureau Mutual reached \$1 billion in admitted assets.

A-

A- (Excellent)

A.M. Best rating

for Farm Bureau Mutual Insurance Company of Michigan and Farm Bureau General Insurance Company of Michigan.

A

A (Excellent)

A.M. Best rating

for Farm Bureau Life Insurance Company of Michigan, Leaders Life Insurance Company, and Cincinnati Equitable Life Insurance Company



"Superior rating" for Personal Lines Claims customer experience

NATIONAL AND STATE ACCOLADES

Both Farm Bureau Mutual and General Insurance Company of Michigan were reaffirmed at an A- (Excellent) rating with a stable outlook by the A.M. Best Company. The three Life Insurance Companies; Farm Bureau Life Insurance, Leaders Life, and Cincinnati Equitable

Life were reaffirmed at an A (Excellent) rating with a stable outlook. Despite a 60% increase in AM Best downgrades this past year, your Companies withstood the hard market with no changes in their ratings.

Your Property/Casualty Insurance Company was recognized again with a "superior rating" for our Claims customer experience.

Seven of the last eight years, the *Detroit Free Press* has named Farm Bureau Insurance one of the top workplaces in the state of Michigan.





GREAT LAKES
AGRIBUSINESS INSURANCE COMPANY

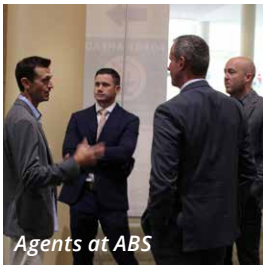
GREAT LAKES AGRIBUSINESS LAUNCH

In partnership with Maine Mutual Group (MMG), Farm Bureau launched a new company Great Lakes Agribusiness Insurance Company (GLAIC), allowing Farm Bureau of Michigan to sell their

premiere Farmowner product in the state of Pennsylvania. This was a massive undertaking with 10+ iterative releases. The first policy was written in September 2024.



Farm Bureau Volunteer Days at the Greater Lansing Food Bank



Agents at ABS

YEAR IN REVIEW

CLAIMS

Claims had an excellent 2024. The weather became our best friend as compared to 2023. We had a normalized weather year incurring \$47 million as compared to \$167 million the previous year. Along with weather cooperating we saw a decrease in used car values in 2024.

AUTO/PROPERTY

Most insureds who had an auto total loss were very satisfied with the settlement amount due to the supply shortage and increase in new car values. We had a 6.5% decrease in our average total loss

value in 2024. Inflation on property losses was approximately 4%, which was more manageable than previous years.

Farm Bureau remains intensely focused on all aspects of the customer experience. We were nationally recognized for earning a "superior rating" for the fourth year in a row. Our Net Promoter Score (measures how strongly an insured would recommend us after an interaction) was more than two times greater than the industry average.



COMMERCIAL

As the agriculture industry continues to grow, with more diversified operations, the intersection of Farm/Commercial insurance is closer than ever before. Premium growth in commercial was \$25.2 million or 16.4% over 2023.

LIFE

The Farm Bureau Life Company grew once again and now has \$26 billion of life insurance in force. Our Life Company was named to Ward's Top 50, a national list of the top 50 performing insurance companies in the U.S. This is the 29th time in 34 years, we've been part of this prestigious group.

FARM & CROP

Over the last five years, our market share for farm premium has grown from 52% to 59% of the farm premium in our state. 2024 was a banner year for growth for farm. The hardening of the market offered opportunities for the field

and the Farm and Agribusiness Department to work together as a team to place coverage with the appropriate price, which included our an increase in the farmowners line of over \$12 million in new business.

This year, we introduced replacement cost for farm machinery, and coverage for insured owned drones. Crop Insurance policy count increased for the 7th consecutive year; we are protecting more than 1,500 farmers across the state. Today, we insure \$22 million in crop insurance, with a goal of \$25 million by 2025. Looking ahead, the Farm Bureau Insurance team is discussing ways to make for a safer harvest in 2025!

	DEC-24	DEC-23	CHANGE	%
FARMOWNERS	6,933,906.98	3,236,526.35	3,697,380.63	114.2%
COUNTRY ESTATE	5,101,117.75	3,791,946.65	1,309,171.10	34.5%
NEW DIRECT WRITTEN PREMIUM	12,035,024.73	7,028,473.00	5,006,551.73	71.2%

MEMBERSHIP



County Farm Bureaus and our agency field force, combined efforts led to a 5th consecutive year of membership growth across regular and associate memberships! Our agents continue to work hard and achieve growth. People see the value of being a member! There's no question that the family of companies is working closer together. From home office to County Farm Bureaus, to agent offices. Together, we'll go further, faster.



YEAR IN REVIEW

2024 AGENT CHARITABLE FUND (ACF)

Feeding Michigan families is part of the fabric at Farm Bureau, and it's our privilege to support this longstanding legacy of service.

In 2018, the ACF committed to donate five refrigerated trailers to Michigan's regional food banks to support their distribution efforts. In 2024, ACF's delivered the fourth trailer, this time, to the Food Bank of Eastern Michigan. The 53-foot refrigerated trailer was filled with 19,000 lbs. of apples (donated in-kind by the MFB Family of Companies, the Michigan Agricultural Cooperative Marketing Association (MACMA) and Riveridge Produce).

In 2024, the ACF also:

- Disbursed over \$170,000 to support 106 nonprofits and school districts in Michigan – the most recipients every awarded in a calendar year!
- Provided over 11,000 servings of protein through November's newly-created venison donation partnership
- Since inception in 2018, ACF has donated over \$1.3 million in grants, donation matches and charitable contributions to support Michigan neighbors in need.



Over \$170,000 to support 106 different nonprofits and school districts across the state



2024 represented most recipients ever awarded in a calendar year



11,000+ servings of protein through venison donation partnership



Over \$1.3 million donated since 2018



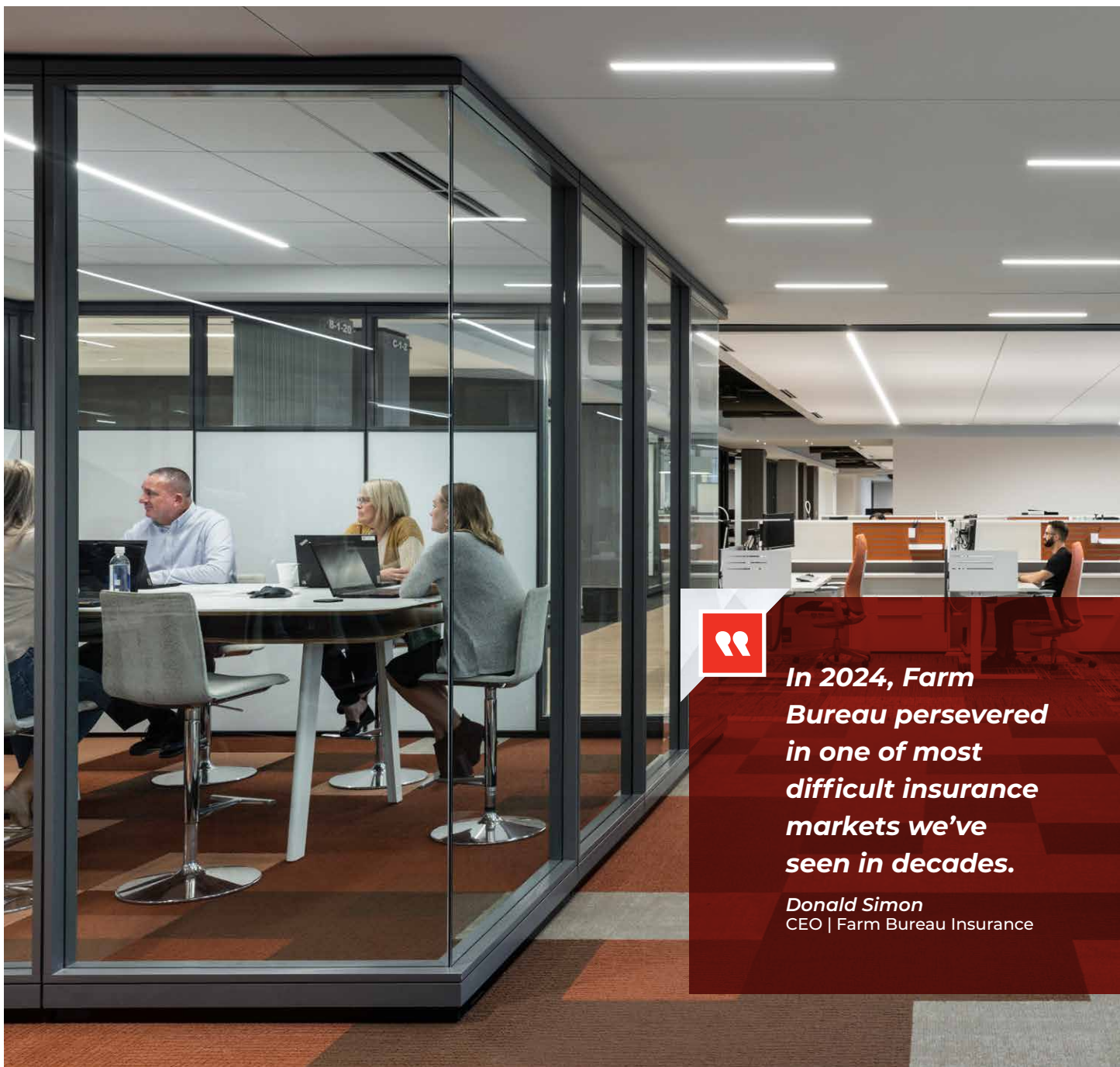
53 foot refrigerated trailer donated



Filled with 19,000 lbs of apples

(Apples donated in-kind by the MFB Family of Companies, the Michigan Agricultural Cooperative Marketing Association (MACMA) and Riveridge Produce)





***In 2024, Farm
Bureau persevered
in one of most
difficult insurance
markets we've
seen in decades.***

Donald Simon
CEO | Farm Bureau Insurance

FINANCIALS



FARM BUREAU LIFE

COMPARATIVE BALANCE SHEET

	2023	2024
Admitted Assets		
Total Admitted Assets	\$2,695,874,444	\$2,693,484,626
Liabilities		
Total Liabilities	\$2,151,409,293	\$2,107,473,028
Policyholder Surplus	\$544,465,151	\$586,011,598
Total Liabilities & Surplus	\$2,695,874,444	\$2,693,484,626

TWO YEAR INCOME STATEMENT

	2023	2024
Net Premium	\$121,331,980	\$126,962,964
Net Investment Income	\$109,085,963	\$111,405,490
Policyholder Benefits, Production Costs, Expenses, Taxes	\$197,180,970	\$199,868,239
Net Income	\$24,959,326	\$30,484,454
Surplus Adjustments	\$(2,147,645)	\$ 11,061,992
Ending Surplus	\$544,465,151	\$586,011,598

FARM BUREAU PROPERTY/CASUALTY

COMPARATIVE BALANCE SHEET

	2023	2024
Admitted Assets		
Total Admitted Assets	\$1,839,086,195	\$1,979,954,266
Liabilities		
Total Liabilities	\$1,113,728,111	\$1,191,477,467
Policyholder Surplus	\$725,358,084	\$788,476,799
Total Liabilities & Surplus	\$1,839,086,195	\$1,979,954,266

TWO YEAR INCOME STATEMENT

	2023	2024
Net Written Premium	\$933,558,455	\$1,108,263,918
Underwriting Gain	\$(169,024,087)	\$(16,977,411)
Net Investment Gain	\$57,987,665	\$88,429,630
Other Income & Taxes	\$5,903,826	\$5,566,043
Net Income	\$(105,132,596)	\$81,299,511
Surplus Adjustments	\$44,525,201	\$(18,180,796)
Ending Surplus	\$725,358,084	\$788,476,799
Combined Ratio	117.2%	99.4%



PRODUCT UPDATES & IMPROVEMENTS

Farm Bureau worked together in 2024 to rebound from inflation, severe weather, and market challenges of the last 12 months. Our value proposition, talented staff, agent leadership, and our social mission create a unique company with a unique value proposition. In 2024, we were dedicated to provide our customers with options—additional options and coverages to improve their experience and position ourselves for future success.



Employees Collaborating



2024 Deer Donation Event



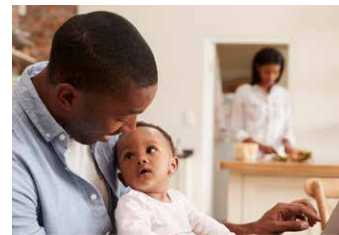
Agents in their Communities



LIFE



The Farm Bureau Life Insurance Company introduced two exciting new products; Premier Whole Life and MYGA (multi-year guaranteed annuity). Our new Annuity product will pay interest rates not seen for the last 15 years!



PREMIER WHOLE LIFE



MYGA



TING

In 2024, Farm Bureau Insurance partnered with Ting smart sensors to offer qualified policyholders a free Ting device. Customers will benefit from the devices' three years of fire prevention service at no cost so long as they remain qualified Farm Bureau Insurance

policyholders. Ting is a plug-in sensor that monitors a home for electrical hazards and delivers real-time alerts to homeowners continued... Since October 2024, the Ting devices Farm Bureau Insurance provided have alerted to 26 potential fire risks.



**26 potential fire risks
alerted since Oct. 2024**

*by Farm Bureau Insurance
provided Ting devices*

PRODUCT UPDATES & IMPROVEMENTS

CROP: MILKSHAKE & THI



Farm Bureau Insurance partnered with AIR Parametric, Inc. to offer Michigan dairy producers access to “Milkshake” — a heat stress insurance product. The innovative solution

will now be available to Michigan dairy producers to minimize the significant financial impact. Originally designed to protect farmers from prolonged seven-day heat stress events, enhancements for 2025 include

options for shorter, more frequent three-day and five-day events, based on elevated “temperature-humidity index” or THI levels.



DRONE & MACHINERY

This year, we also introduced replacement cost for farm machinery, and coverage for insured owned drones.



CLAIMS: IMPROVED PAYMENT TIMES

Farm Bureau revised claims processes to improve the customer experience. We implemented identifying total auto total losses more efficiently, which reduced the payment time to our insureds by 21%. We will further reduce time of payment

to all insureds with our new digital claim process coming in the second quarter of 2025. We are looking forward to what 2025 has to offer, rain or shine.

COMMERCIAL: CHANGING PROCESSES, IMPROVED EFFICIENCY



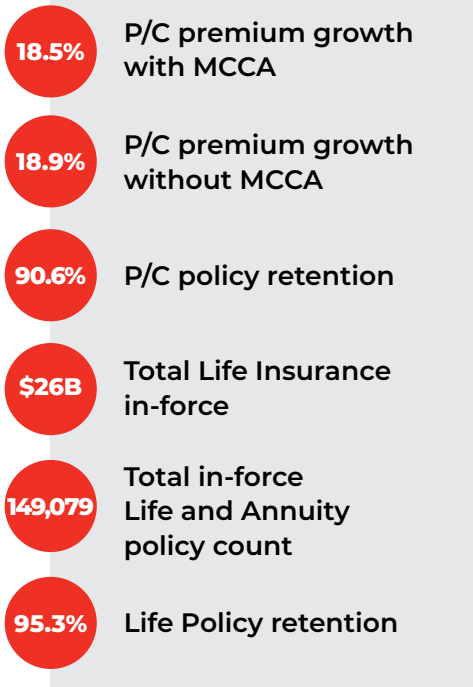
With our new Guidewire commercial package policy (CPP) product, we are able to offer updated coverages to new markets to fit their needs. We also continue converting commercial lines of business to new platforms to improve our processes and the customer experience. Habitational business is being

converted to businessowner policies (BOP) and CPP. During 2025, we will begin to convert Legacy CPP, remaining Guardian business, and our Dwelling Package line to CPP and Farm. In 2025, We are looking forward to project kickoffs for both Business Auto (BAP) and Workers Compensation (WC) lines to Guidewire.



RECRUITING & PARTNERSHIPS

2024 PRODUCTION UPDATE



Regional map broken up by partnership*



FIELD MANAGEMENT: PRODUCTION & RECRUITMENT

In 2010, Farm Bureau Insurance changed from 21 distinct agencies with a single agency manager to a managing partner structure. This managing partner structure combines the strengths of 2-5 partners to recruit, hire, train, and mentor agents. The managing partners report to statewide sales directors. We have seen a steady increase in recruiting and new agent productivity since this structural change in 2010.

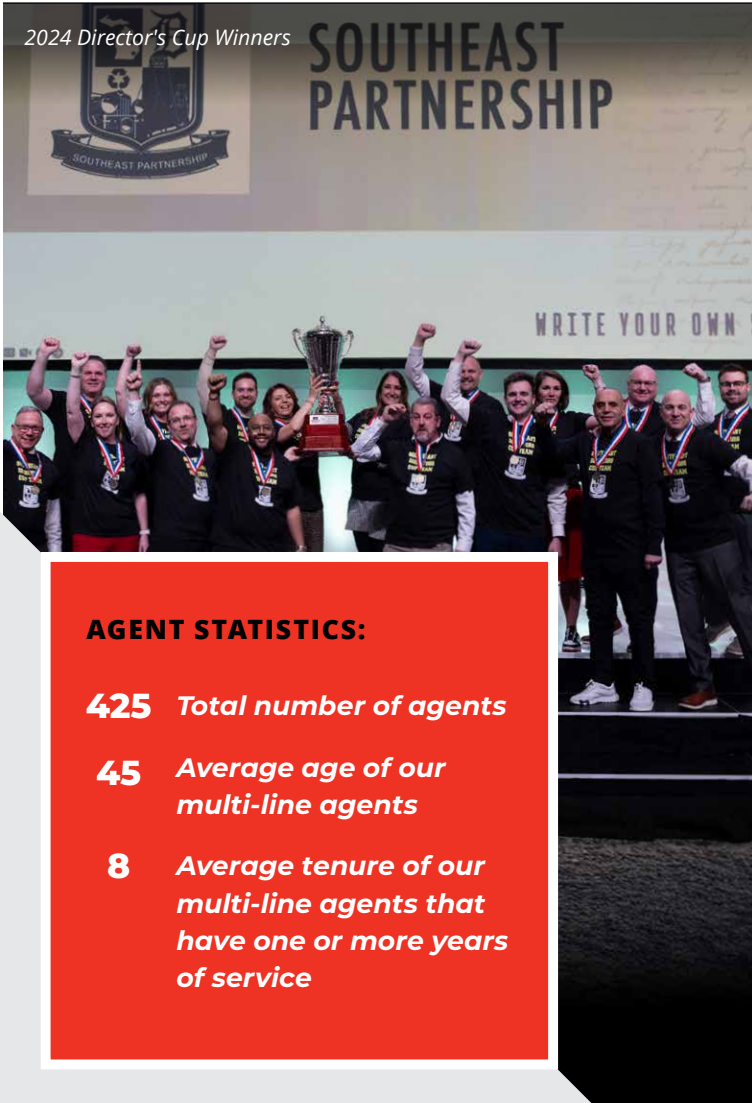
2024 PRODUCTION UPDATE

As reported in previous years, this structure has, and continues to serve our organization well. Each managing partner brings a certain set of unique skills to create custom roles within the management team, to meet the overall objectives of that region.

Currently the organization has 425 agents geographically located within four regions. These agents are managed by 16 managing partners. The managing partners report to two statewide sales directors, who report to the vice president of marketing.

The Property Casualty Companies premium growth in 2024 without MCCA was 18.9%, while policy persistency has improved to 90.6% in 2024. Farm Bureau Life Insurance Company of Michigan had total premium growth including assumed of .7% in 2024. Total inforce Life and Annuity policies grew to 149,079 with total Life Insurance in-force exceeding \$26 billion during the year. Life premium persistency is 93.9%.

* ■ Central/Bay Thumb Partnership | ■ North Partnership | ■ Southeast Partnership | ■ West Partnership



AGENT STATISTICS:

425 *Total number of agents*

45 *Average age of our multi-line agents*

8 *Average tenure of our multi-line agents that have one or more years of service*

FARM BUREAU INSURANCE AT A GLANCE

- 16** Managing Partners
- 1** Advanced Planning Managing General Agent
- 2** Statewide Sales Directors
- 1** Farm and Agribusiness Sales Director
- 4** Commercial Marketing Partners
- 17** Sales Specialists
 - 2 Advanced Planning Specialists
 - 5 Commercial Specialists
 - 7 Crop Specialists
 - 1 Farm Sales Specialist
 - 2 Farm/Agribusiness Marketing Partners
- 1** Commercial Service Center
 - 1 Manager
 - 7 Staff

COMPANIES & AFFILIATES



FARM BUREAU INSURANCE OF MICHIGAN



Michigan Farm Bureau is the parent organization of Farm Bureau Insurance. Farm Bureau Insurance was founded in 1949 by Michigan farmers who wanted an insurance company that worked as hard as they did, gave honest service, and cared about Michigan's future.

Today, as part of the Michigan Farm Bureau Family of Companies, Farm Bureau Insurance of Michigan is comprised of and affiliated with Farm Bureau General Insurance Company of Michigan; Farm Bureau Mutual Insurance Company of Michigan; Farm Bureau Life Insurance Company of Michigan; FB Partners Group (CSAC); MFB, Inc.; Gravity Works Design LLC; Leaders Life Insurance Company; Cincinnati Equitable Life Insurance.



FB PARTNERS GROUP (CSAC)

FB Partners Group is a brokerage operation located within Farm Bureau Insurance to help Farm Bureau agents place ancillary business alongside Farm Bureau. Farm Bureau Partners Group is a resource so agents can place business with other markets when a risk does not fit Farm Bureau's appetite and guidelines.



**CINCINNATI EQUITABLE
LIFE INSURANCE COMPANY**

CINCINNATI EQUITABLE LIFE INSURANCE

In 2019, the Farm Bureau Family of Companies purchased Cincinnati Equitable Life Insurance Company, and its sister company, Cincinnati Equitable Insurance Company. Cincinnati Equitable Insurance was founded in 1826 and remains the oldest property-casualty insurance company west of the Alleghany Mountains. Cincinnati Equitable Life, founded in 1963, provides pre-need and final expense life insurance solutions.



LeadersLife
INSURANCE COMPANY

LEADERS LIFE INSURANCE COMPANY

Leaders Life Insurance Company is located in Tulsa, Oklahoma. The organization primarily serves employment groups through worksite enrollments specializing in life and supplemental insurance products and was purchased by the Farm Bureau Family of Companies in 2016.



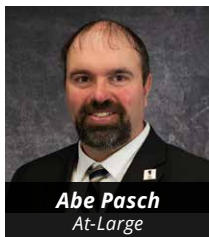
GRAVITYWORKS

GRAVITY WORKS DESIGN LLC

Gravity Works became part of the Farm Bureau Family of Companies in early 2021 and gives Farm Bureau full access to a dedicated team of web professionals. Founded 13 years ago and based in Lansing, this web design and development company builds custom websites, mobile apps, and other software.

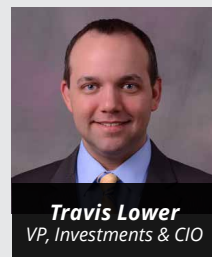
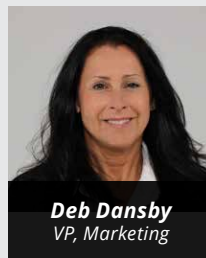
BOARD MEMBERS & CORPORATE STAFF

BOARD MEMBERS





CORPORATE STAFF





**PROTECTING THE PEOPLE
OF MICHIGAN FROM THE
RISKS OF EVERYDAY LIFE.**



**FARM BUREAU
INSURANCE®**



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